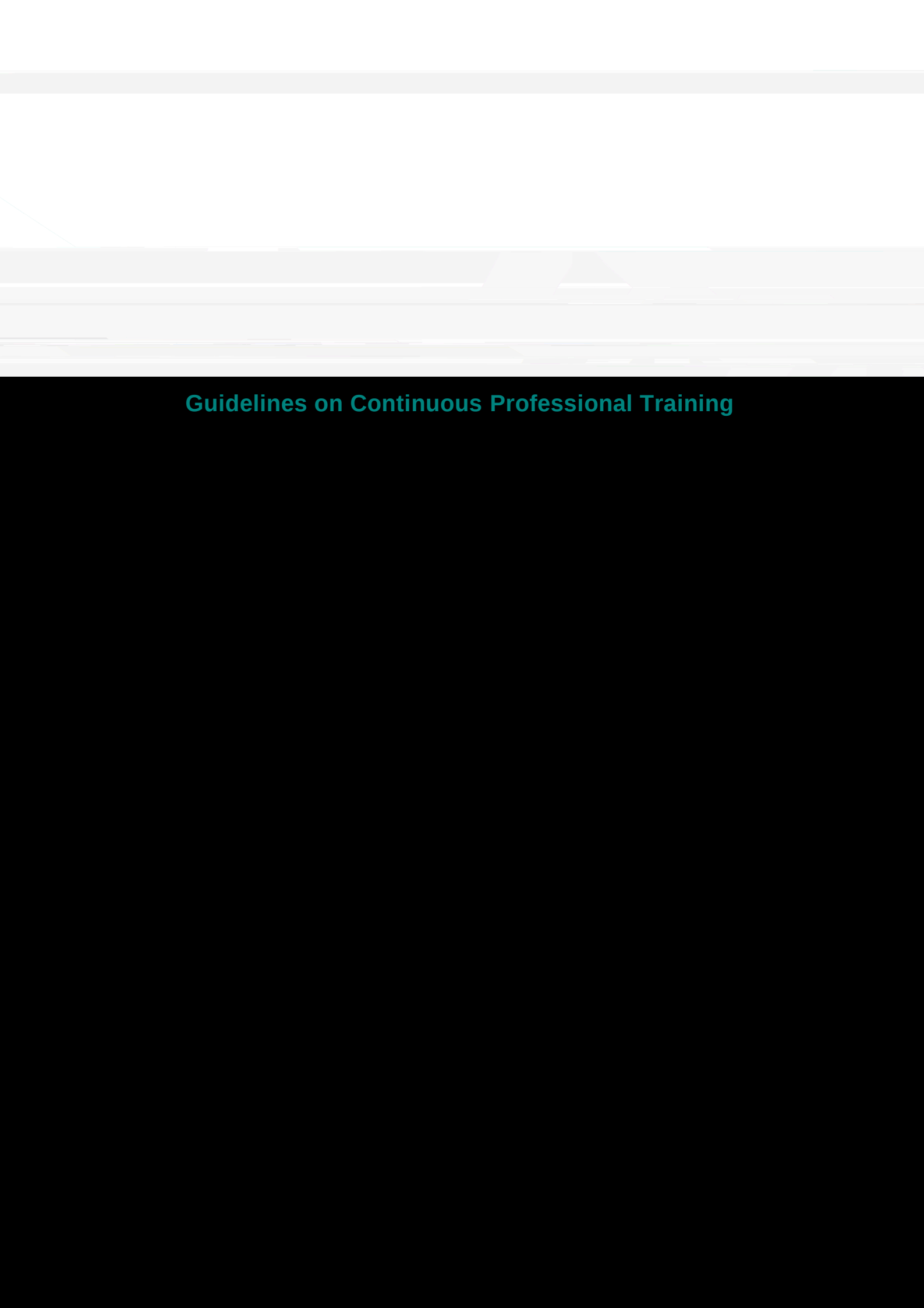




Guidelines on Continuous Professional Training

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1. Introduction

1.1 In a fast changing and highly competitive financial market, persons engaging in



2. Application and interpretation

2.1 The Guidelines are applicable to the following persons carrying on any regulated activities under Part V of the SFO:

- (a) a licensed corporation (LC);
- (b) a registered institution (RI);
- (c) a licensed representative (LR);
- (d) a licensed representative who is approved as a responsible officer (RO);
- (e) a relevant individual (ReI) whose name is entered in the register maintained by the Hong Kong Monetary Authority (HKMA) under section 20 of the Banking Ordinance; and
- (f) a person who has been given consent to act as an executive officer (EO) of an RI under section 71C of the Banking Ordinance.

2.2 For the purposes of the Guidelines, persons in paragraphs 2.1(a) and (b) above are named “corporations” while persons in paragraphs 2.1(c), (d), (e) and (f) above are known as “individuals”.



4. Requirements for corporations

- 4.1 Corporations are held primarily responsible for planning and implementing a continuous education programme best suited to the training needs of the individuals they engage which will enhance their industry knowledge, skills and professionalism. The apportioning of training costs will be a matter between the corporations and the individuals.
- 4.2 Corporations should at least annually evaluate their training programmes and make commensurate adjustments to cater for the training needs of the individuals they engage.
- 4.3 In developing the training programmes, consideration should be given to the corporation's size, organisational structure, risk management system and scope of business activities as well as the prevailing regulatory framework and market development.
- 4.4 The training programmes can be provided internally or the corporations can make use of appropriate external sources. In selecting training courses, corporations should satisfy themselves of the quality of the trainers and the standard of the training programmes. They should also ensure that the contents of such courses are appropriately structured and of benefit to the individuals in performing their functions. Subjects which are relevant to the individuals' functions and may help to enhance the performance of their functions would meet the CPT purpose.
- 4.5 Neither the SFC nor its Academic and Accreditation Advisory Committee (AAAC)² would endorse any training courses, whether provided internally or externally.
- 4.6 Corporations should keep the details of the training conducted, the attendance records and materials provided for individuals who have completed the training.
- 4.7 Sufficient records of the programmes and the CPT activities undertaken by the individuals should be kept for a minimum of three years and be made available for inspection or upon request by the SFC (for training undertaken by LRs and ROs of LCs) or the HKMA (for training undertaken by Rels and EOs of RIs).

² The AAAC is comprised of representatives from the SFC, the industry and academic institutions. It regularly reviews the CPT requirements to ensure that they meet general market needs and international standards and considers applications as recognised institutions for CPT purposes (see paragraph 8 below).



the legal and regulatory framework for the financial industry, codes of conduct and industry guidelines issued by regulatory authorities, as well as policies and guidelines set out by individual corporations internally or by other professional bodies.

- 5.5 For the avoidance of doubt, an individual who first joins the industry can count the mandatory two CPT hours on ethics towards the annual CPT requirement set out in paragraph 5.4. However, they cannot be counted towards the two additional CPT hours required of ROs and EOs set out in paragraph 5.2 nor be used to meet the CPT requirements for conditional exemption of recognised industry qualification and the local regulatory framework paper requirements.
- 5.6 Individuals are also required to retain appropriate records of all CPT activities completed in a calendar year. Documentary evidence sufficient to support their attendance or completion of the CPT activities such as certificates of attendance issued by the course providers and examination results should be kept by the individuals for a minimum of three years. The SFC may request LRs and ROs of LCs, and the HKMA may request Rels and EOs of RIs, to produce such documentary evidence as and when required.
- 5.7 The SFC or the HKMA (as the case may be) may impose a higher CPT hours requirement under certain circumstances, such as, a person seeking exemption from meeting the recognised industry qualifications or completing a recognised local regulatory framework paper. Please refer to the Guidelines on Competence for details of the exemption criteria and the additional CPT hours required.
- 5.8 Several practical issues regarding the accumulation of CPT hours are set out in the following paragraphs.
 - (a) The CPT hours required for an individual⁵, who is first licensed during the year, can be applied pro-rata with reference to the licensed period⁶. For example, if an individual was granted a licence as an LR on 1 July, the total number of CPT hours required of him or her for the calendar year would be five (ie, one half of the annual CPT requirement for LRs).
 - (b) The training courses attended prior to the date of licence but within the same calendar year can be counted as CPT hours. This would include study hours for



- (d) It is not necessary for an individual to apportion his or her CPT hours undertaken in accordance with his or her periods of employment with the previous and new employers.
- (e) The new employer will not be accountable for the non-compliance of the individual who has not undertaken enough CPT hours at his or her previous employer. Thereafter, it has to ensure that the individual meets the annual CPT hours requirements, ie, 10 CPT hours for LRs or RelS, or 12 CPT hours for ROs or EOs.
- (f) E



6. Relevant



7. Relevant topics

7.1 Individuals are required to remain fit and proper to perform their functions at a professional level. Relevant topics for individuals at the LR or Rel level include:

- (a) applicable compliance, legislative and regulatory standards¹¹;
- (b) business conduct and ethical standards¹²;
- (c) market developments, new financial products and risk management systems;
- (d) business communication skills and trade practices;
- (e) general law principles;
- (f) basic accounting theories;
- (g)

