

GN101(ROI): CONTINUING PROFESSIONAL DEVELOPMENT

Classification

Practice Standard

MEMBERS ARE REMINDED THAT THEY MUST ALWAYS COMPLY WITH THE PROFESSIONAL CONDUCT STANDARDS, AND THAT GUIDANCE NOTES IMPOSE ADDITIONAL REQUIREMENTS UNDER SPECIFIC CIRCUMSTANCES.

Legislation or Authority

Council of the Society of Actuaries in Ireland

Application

Fellow and Associate members of the Society of Actuaries in Ireland

Version Effective from

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Definitions

For the purposes of this Guidance Note:

‘CPD year’	means the year from each 1 July until each 30 June
‘documentary evidence’	means evidence of participation in a specified CPD activity, and may include receipts for courses, handouts or registration packs, attendance certificates or other written confirmation of attendance from the event organiser, or a copy of the relevant travel expenses form. One form of <i>documentary evidence</i> will usually be sufficient for each activity.
‘personally-assessed activities’	means any activities that are not <i>verifiable activities</i>
‘Society’	means the Society of Actuaries in Ireland
‘professionalism skills’	means skills related to professional ethics, and the standards that the public and those who employ actuaries expect of a member of a leading profession. They include an understanding of how the profession implements such standards and an appreciation of what this means in practice.
‘technical skills’	means knowledge and techniques directly relevant to the industry and commercial environment in which an individual is working, including learning about new methodology, training to use existing methodology better, and learning about developments in the business environment and new regulatory requirements. Most events run by the <i>Society</i> provide ‘technical’ CPD.

‘verifiable activities’

means those where either the activity itself, or its outcome, is observed by others. Without prejudice to the generality of the previous sentence, this includes attending *Society* meetings or other public, formal events, studying a course for an examination which is subsequently passed, preparing and delivering learning to colleagues, and preparing material which is published in the public domain.

1. Introduction

1.1 The purpose of the CPD requirements set out in this guidance note is:

1.1.1 to ensure that all actuaries develop and maintain the professional skills they need; and

1.1.2 to ensure that others can confidently trust that they have done so.

1.2 The principles underlying the CPD requirements are as follows:

1.2.1 It is important to be seen to be developing as professionals. Consequently, all working actuaries must complete appropriate CPD each year and keep records that allow them to demonstrate that they have done so.

1.2.2 Each actuary is required to fulfil the requirements for his or her category, as set out in section 2.

1.2.3 From time to time, the *Society* will suggest, and may require, learning on designated topics.

1.2.4 Actuaries need to discuss, share and debate ideas with others including those outside their normal work colleagues and clients.

1.2.5 Actuaries need to consider their own developmental needs and plan future learning appropriately.

1.2.6 There is a full range of activities that can contribute to an actuary’s development. It may be necessary and desirable for actuaries to undertake CPD activities from outside the actuarial profession, including those provided by employers.

2. CPD categories

2.1 There are four categories of actuary for the purpose of identifying CPD requirements. Each actuary must identify the category to which he or she belongs. The four CPD categories are:

Category 1 Actuaries who hold a practising certificate issued by the *Society*

Category 2 Actuaries who are working, whether on a paid or voluntary basis, in one or more of the areas of practice covered by the syllabuses of the actuarial examinations recognised by the Society but who do not hold a practising certificate.

Category.3 Actuaries working outside categories 1 and 2, whether on a paid or voluntary basis.

Category.4 Actuaries who are not in work (either because they are retired or on a career break).

- 2.2 It should be noted that Category 4 does not include actuaries who work only in a part-time or voluntary capacity or whose work is wholly non-actuarial. Actuaries who continue to work fall within one of the first three categories: the requirement for competence is not waived merely because the actuary works in a non-actuarial area, works less than full-time or works in a voluntary unpaid capacity.
- 2.3 Most actuaries who work in financial services companies, but do not hold practising certificates should normally be in category 2, unless they are in positions that do not use actuarial skills at all.
- 2.4 An actuary who serves as a pension-scheme trustee or as a non-executive director of an insurance company does not automatically fall within category 2 by virtue of those roles alone. As one of a group which receives actuarial reports or advice, rather than providing such advice, the actuary may determine that the category 3 rules are sufficient to enable him or her to meet the competence requirements expected by fellow trustees or directors.
- 2.5 If after considering the above, an actuary is still unsure as to which category he or she is in, then he or she is probably in the lowest-numbered category that is a possibility.
- 2.6 An actuary who is in doubt as to which category he or she is in may seek guidance from the *Society*.

3. CPD requirements

3.1 Introduction

- 3.1.1 The requirements vary according to an individual actuary's CPD category, as set out in the following paragraphs. Actuaries in categories 1 – 3 must fulfil the requirements within each *CPD year*.

3.2 Category 1 - Practising certificates

- 3.2.1 Actuaries in category 1 must complete at least 15 hours a year of *verifiable activities*, of which 10 hours, or, if lower, the number of hours specified in the rules of the relevant practising certificate scheme, must be relevant to the role for which the practising certificate is required. Additionally, at least three hours of *verifiable activities* must be specifically relevant to the role as it relates to a Republic of Ireland-regulated entity.
- 3.2.2 There is a requirement for breadth of activity, so there must be at least four distinct entries overall on the member's CPD record form when complete, with at least two distinct entries in the *technical skills* section. There are also minimum requirements for activities relating to *professionalism skills*, as set out in section 4.
- 3.2.3 From time to time, the *Society* will suggest, and may require, learning on designated topics.

3.2.4 To ensure exposure to a wide range of views, at least 5 hours of *verifiable activities* must come from activities that are not attended only or mainly by members of the same firm.

3.3 Category 2 - Specified practice area but not holding a practising certificate

3.3.1 Actuaries in category 2 must complete at least 15 hours a year of either *verifiable activities* or *personally-assessed activities*, 10 hours of which must be relevant to their practice area(s).

3.3.2 There is a requirement for breadth of activity and so there must be at least four distinct entries overall on the member's CPD record form when complete, with at least two distinct entries in the *technical skills* section. There are also minimum requirements for activities relating to *professionalism skills*, as set out in section 4.

3.3.3 From time to time, the Profession will suggest, and may require, learning on designated topics.

3.3.4 To ensure exposure to a wide range of views, there is also a general requirement that some CPD should come from activities that are not attended only or mainly by members of the same firm.

3.4 Category 3 - Actuaries working outside specified practice areas

3.1 Actuaries in category 3 must complete sufficient CPD to ensure that they remain competent in their area of work. There is no minimum number of hours for this category: actuaries in category 3 must determine for themselves what CPD is needed to remain competent and must be prepared to justify what they have done. Actuaries who are in this category can choose a combination of *verifiable activities* and *personally-assessed activities* to fulfil the requirements.

3.5 Category 4 - Actuaries who are not working

3.5.1 Actuaries in category 4 do not need to complete CPD.

3.6 Alternative arrangements for actuaries practising outside Ireland

3.6.1 The *Society* may recognise the CPD requirements of actuarial bodies outside Ireland as being equivalent to the requirements of this guidance note. An actuary in category 2 or category 3 who practises in one of the countries concerned and whose practice is governed by those bodies may treat completing those requirements as fulfilling these requirements.

3.7 Changes in category

3.7.1 An actuary who wishes to apply for a practising certificate must fulfil the category 1 requirements in the year before he or she applies.

3.7.2 Otherwise, an actuary who moves to a lower numbered category as a result of a change in his or her work should normally consider whether or not he or she needs a significant extra CPD programme at the outset in order to do that work properly. If he or she does not fulfil the requirements of the new category at the outset, he or she should set out a plan for fulfilling them as quickly as possible. Such a plan will be regarded as acceptable in the monitoring process.

4 CPD outside actuarial specialism, including professionalism skills

4.1 Actuaries in categories 1 and 2 are required to include within their CPD activity at least two hours a year on skills relevant to their work, but outside their actuarial specialism. Such CPD activity includes *professionalism skills* and may include non-actuarial *technical skills*. It is expected that *professionalism skills* will feature, but not necessarily every year.

4.2 Actuaries in categories 1 and 2 must also attend, at least once every ten years, a Professionalism Event accredited by the *Society*. The deadline for first attending such an event depends on the year of attaining the qualification on the basis of which Fellow or Associate Membership of the Society is held, as set out in the table below. Earlier attendance is, however, strongly encouraged, in particular for actuaries in category 1.

Year of qualification	Deadline for attendance
1997, 1976 or earlier	30 June 2007
1998, 1977-1981 inclusive	30 June 2008
1999, 1982-1986 inclusive	30 June 2009
2000, 1987-1991 inclusive	30 June 2010
2001, 1992-1996 inclusive	30 June 2011

4.3 Actuaries in category 2 who live and practise permanently outside the Republic of Ireland and the United Kingdom do not need to meet the requirements of paragraph 4.2. However, any such actuary who moves to the Republic of Ireland or United Kingdom to live and practise permanently must attend a Professionalism Event before the end of the first full *CPD year* following his or her return, or as per the above table, if later, unless he or she has attended a professionalism event or course recognised by the Society within the previous 10 years.

4.4 Actuaries in category 3 must determine for themselves the extent to which skills other than actuarial *technical skills* form part of the CPD they need in order to remain competent in their area of work and must be prepared to justify what they have done. Attendance at an accredited Professionalism Event is not compulsory but is encouraged. The inclusion of *professionalism skills* from time to time in wider skills CPD is expected. Actuaries who do not include *professionalism skills* or who do not attend a ten-yearly Professionalism Event must justify their decisions.

5 Averaging

- 5.1 The requirements should normally be fulfilled each year, but in exceptional circumstances, which must be cleared with the *Society* in advance, averaging over a period of up to three years is possible, as long as reasonable justification is given.

6 Recording CPD

- 6.1 Actuaries in categories 1, 2 and 3 must record their CPD activities, and keep supporting *documentary evidence* relating to *verifiable activities*, other than attendance at events organised by the *Society*, for three years.
- 6.2 All actuaries who are required to do CPD must complete a CPD record form in respect of each *CPD year* not later than eight weeks after the end of the *CPD year*.
- 6.3 The CPD record form covers the following sections: *technical skills*, *professionalism skills* and other development. The relevance of most *verifiable activities* to actuaries' CPD is usually clear; if an actuary wishes to complete the requirements through *personally-assessed activities*, he or she must explain the activity in more detail and briefly describe, in the "learning outcome" column of the form, how it met the objective of developing or maintaining the actuary's professional skills. A sample CPD form is provided in Appendix 1.
- 6.4 It is not necessary to record all CPD undertaken, provided that the minimum requirement has been met. It is, however, best practice to record all *verifiable activities*. If more than the minimum is included on the member's CPD record form, it will be easier to verify that the minimum has been met and any items of marginal acceptability will matter less.

7 Monitoring and Compliance with Professional Conduct Standards

- 7.1 This guidance note is classified as "Practice Standard" and, in accordance with paragraph 4.1 of the Professional Conduct Standards, any material failure to comply with its requirements would be a ground for complaint under the disciplinary procedures.
- 7.2 All actuaries will be required to sign an annual declaration that they are adhering to the CPD requirements.
- 7.3 An actuary submitting an application for a practising certificate must submit his or her CPD record for the previous *CPD year* as part of the application. The Practising Certificates Committee may, at its discretion, allow an actuary to submit instead a CPD record for an annual period ending on a date between the preceding 30 June and the date of the practising certificate application.
- 7.4 Actuaries in categories 2 and 3 may be required to submit their CPD records for scrutiny.

7.5 A sample of CPD records will be subject to more detailed review, the actuaries concerned being asked to submit *documentary evidence* of their CPD, other than attendance at events organised by the Society.

8 Transitional arrangements

8.1 Actuaries must comply with the requirements set out in this guidance note over the year to June 2007. Until then, compliance with the requirements is voluntary, although actuaries are required to maintain competence for their work under the Professional Conduct Standards.