

Continuing Professional Development (CPD) Requirements

The CPD requirements will be mandatory for all professionally-active actuaries from 1 July 2006 with earlier adoption encouraged. In this context “actuaries” means Fellows of the Faculty or Institute of Actuaries, Associates and those working in the United Kingdom under mutual-recognition agreements. From October 2007, the requirements of the CPD Scheme extend to all Fully Regulated members of the UK Actuarial Profession regardless of their geographic location. If you have elected to specify another International Actuarial Association (IAA) regulated body as your primary regulator, and are therefore a Partially Regulated member of the UK Profession, you should comply with the requirements of your stated primary regulator.

These requirements sit on top of those which apply around the time of qualification, namely, attendance at a professionalism course and passing a UK practice module if working in the UK.

All actuaries who are in work (regardless of the nature of their work) will be required to demonstrate that they undertake appropriate CPD. The PCS requires all actuaries to be competent in the work they do, unless supervised by someone who is competent (paragraph 3.2). If you carry out any work which requires knowledge and experience for its proper completion, you are required by the PCS to take the necessary steps to ensure that you are competent. CPD forms part of the steps you take to remain competent.

Objectives of the CPD Requirements

1. To ensure that all actuaries develop and maintain the professional skills they need.
2. To ensure that others can confidently trust that they have done so.

Principles of the CPD Requirements

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.
2. Each actuary is required to fulfil the requirements for his or her category.
3. From time to time, the Profession will suggest, and may require, learning on designated topics.
4. Actuaries need to discuss, share and debate ideas with others including those outside their normal work colleagues and clients.
5. Actuaries need to consider their own developmental needs and plan future learning appropriately.
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.

CPD Categories

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

1. Those with UK statutory practising certificates

2. Those working in one of the areas covered by the specialist application syllabuses but who do not hold a UK statutory practising certificate

[Note: 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.]

3. Those working outside categories 1 and 2
4. Those who are not in work (either because they are retired or on a career break).

[Note: 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 declines to be paid.]

Detailed Requirements

The requirements vary according to an individual actuary's CPD category. Actuaries in category 1 must fulfil the requirements in the twelve-month period ending on the date of application for a practising certificate or the renewal of a certificate; an actuary who holds more than one practising certificate must have fulfilled the requirements in the twelve-month periods ending on the dates of application for each certificate. Actuaries in categories 2, 3 and 4 must fulfil the requirements within each CPD year.

Category 1 - Statutory Practising Certificates

Actuaries who hold a Statutory Practising Certificate, in addition to the experience needed, should complete at least 15 hours a year of **verifiable activities**, 10 hours of which must be technically relevant to the subject area of the practising certificate.

There is a requirement for breadth of activity, so there should be at least four distinct entries overall with at least two distinct entries in the Technical Skills section. There are also minimum requirements for activities relating to professionalism skills (see below).

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

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

From 1 July 2007 it will be a mandatory requirement that all Practising Certificate Holders record their CPD on-line.

Category 2 – Specified Practice Area but not Holding a Statutory Practising Certificate

Actuaries in this category are practising (during the relevant CPD year) in one or more of the areas of practice covered by the Actuarial Profession's examination syllabus.

Actuaries in this category are required to 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.

There is a requirement for breadth of activity and so there should be at least four distinct entries overall with at least two distinct entries in the Technical Skills section. There are also minimum requirements for activities relating to professionalism skills (see below).

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

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.

From 1 July 2007 it will be a mandatory requirement that all actuaries in category 2 record their CPD on-line.

Category 3 – Working Outside Specified Practice Areas

Actuaries who work outside the specified practice areas 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 should 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** and **personally-assessed** activities to fulfil the requirements.

From 1 July 2007 it will be a mandatory requirement that all actuaries in category 3 record their CPD on-line.

Category 4 – Not Working

Actuaries in category 4 do not need to complete CPD but they do need to complete their on-line category declaration.

Categories 2 and 3: Alternative Arrangements for Members Practising Outside the United Kingdom

From October 2007 if you are a non-UK resident member and you have elected to specify another International Actuarial Association (IAA) regulated body as your primary regulator, and are therefore a Partially Regulated member of the UK Profession, you should comply with the requirements of your stated primary regulator.

The Profession may recognise the CPD requirements of actuarial bodies outside the United Kingdom as being equivalent to these requirements. 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.

Verifiable activities are those where either the activity itself, or its outcome, is observed by others. Examples include attending sessional meetings or other public, formal events; studying a course for an examination which is subsequently passed; preparing and delivering learning to colleagues; preparing material which is published in the public domain.

If the activity is not verifiable you will need to explain the outcome on the CPD record form. Such activities are classed as **personally-assessed activities**.

The CPD Year

For the purposes of these requirements each year (the CPD year) shall run from each 1 July until each 30 June.

Recording CPD

All actuaries with CPD requirements need to record their CPD activities, and keep supporting documentary evidence for three years. The Profession will provide a form on its website for each member to make a declaration of CPD category and to maintain a record of his or her CPD. Members must record their CPD activity on this form (the Profession's own events will be entered automatically). From July 2007 completion of the on-line form is mandatory.

All actuaries who are required to do CPD should complete their records every year. Actuaries in Category 1 should complete their records when they apply for the renewal of their practising certificate. Actuaries in Category 2 who wish to apply for a practising certificate and thereby transfer to Category 1 should do so when they apply for a practising certificate. Actuaries who hold two or more practising certificates should do so each time they apply for a new or renewed practising certificate. Actuaries in categories 2 or 3 should complete their records at any time but should do so at least once in each CPD year.

The record covers the following sections: technical skills, professional skills and other development. The relevance of most formal events to actuaries' CPD is usually very clear; if you wish to complete the requirements through other activities you will need to show in more detail what you have done and describe how it meets the principles and objectives of the scheme.

Averaging

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

Professional Skills

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 the technical specialism. Such CPD activity includes professional ethics and may include non-actuarial technical skills. It is expected that professional ethics will feature, but not necessarily every year. Actuaries in these two categories must also attend, at least once every ten years, a Professionalism Event accredited by the Profession. Actuaries in category 2 who live and practise permanently outside the United Kingdom and Republic of Ireland do not need to attend a decennial Professionalism event; any such actuary who moves to the United Kingdom or Republic of Ireland to live and practise permanently shall attend a Professionalism event before the end of the first full CPD year following his or her return.

Actuaries in category 3 must determine for themselves the extent to which skills other than technical actuarial 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 professional ethics from time to time in wider skills CPD would be expected. Actuaries who do not include professional ethics or who do not attend a ten-yearly Professionalism Event must justify their decisions.

Monitoring and Compliance with Professional Conduct Standards

The Profession relies on the integrity of each actuary in complying with the requirements of the Professional Conduct Standards. In paragraph 3.2 these require members to maintain and obtain relevant knowledge and experience for their work.

All actuaries submitting applications for statutory practising certificates will need to submit their CPD records as part of the application. The website will allow members to print a summary of their previous twelve months' activity to facilitate this.

Annual renewal of membership will include a declaration of adherence to the CPD requirements.

All records will be reviewed automatically to ensure that the minimum amounts of CPD have been completed. For category 1 actuaries this review will verify that the record has been completed at some time during the most recent complete CPD year; the check that the record meets the requirements will be made during the process of renewing or granting the practising certificate. For category 2 and 3 actuaries this review will verify that the record has been completed at some time during the most recent complete CPD year and that the record showed the minimum requirements had been met during the twelve months until completion.

A sample of records will be subject to more detailed review, the actuaries concerned being asked to submit documentary evidence of their CPD.

Records may also be scrutinised as part of the disciplinary process. In particular, failure to comply with the mandatory CPD requirements may lead to disciplinary action.

Any queries on the recording or monitoring of CPD should be referred to the Membership & Certificates Team in Edinburgh.

Interpretation and Guidance

The Profession will publish a CPD Handbook that includes guidance on the interpretation of these requirements and transitional arrangements for the introduction of the scheme. The CPD Handbook may be regarded as authoritative in interpreting the requirements.