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CONTINUAL PROFESSIONAL DEVELOPMENT (CPD) GUIDELINES

1. AIMS OF CPD

Education and Professional Standards (Code of Professional Conduct and Standards of Practice) are the pillars for recognition of actuaries as competent professionals in the areas in which they practice.

Education can be divided into two parts: the first one corresponds to the basic education as laid out in the core syllabus to become qualified; the second one corresponds to the subsequent further development to maintain and further develop skills and knowledge at an appropriate level.

After achieving full qualification, the actuary has gone through the Core Syllabus and is typically at the start of his/her career; but further maintenance and development of that qualification requires continuing learning because the skills and knowledge required by actuaries are likely to change over time, as well as being impacted by changes to a specific actuary's job/role. In the current rapidly changing environment it is the personal responsibility of actuaries to ensure that they remain competent in their area of work through CPD, which is a clear requirement of the Code of Professional Conduct.

Furthermore, the expansion of the profession into new areas of practice means that actuaries need to develop further their (technical) knowledge, personal and professional skills, and competencies in wider fields.

Additionally, CPD should ensure that the reputation and recognition of the profession is well supported and protected, as actuaries play important roles in the insurance sector, in pensions, in social security and in risk management. To fulfil these roles in the public interest it is key that actuaries should be seen as competent in the areas in which they practice. CPD is one important way to prevent professional conduct failures that could be a risk for the recognition of the profession.

In summary, the aims of CPD are:

- to contribute towards demonstrating that actuaries are "fit & proper" over time in the areas in which they practice to provide relevant and high quality actuarial services and advice.
- to support actuaries to take on new roles and to move to different areas of practice, including new ones arising from expansion of the profession.
- to ensure that actuaries' competences are up to date and relevant for their roles.

Therefore, CPD is also a key element to support actuaries' lifelong employability.

2. PRINCIPLES OF THE CPD

As a consequence of the aims identified in the previous section, the following principles are derived.

1. The CPD scheme should help demonstrate that actuaries stay fit & proper and, therefore, help them have lifelong employability: Fully Qualified Actuaries need to professionally develop themselves to stay fit & proper at all times, especially in their practice area.

2. CPD must be appropriately documented in order to be able to demonstrate to others the content and extent of CPD carried out. Evidence should be given to ensure that the system in place is credible, although the requirement should be efficient with regards to the costs and benefits of obtaining it. The documentation should also seek to aid actuaries who may need to demonstrate their CPD to another Member Association (MA) or to the supervisor of a different country.

3. The CPD needs to be assessed in an appropriate way. Two main aspects need to be considered: content and format. Individual actuaries are responsible for the content of their own CPD program or plan, however an MA should encourage its actuaries to actively discuss their CPD with peers (employer; manager; senior actuary; mentor; association staff member). MAs will need to be able to check evidence of CPD (documentation) when it is required, and also should make regular checks that the CPD requirements have been followed (at least on random basis) in order to ensure that the system in place is being adhered to. An Association's responsibility regarding members' CPD ends with that check.

4. The CPD requirement needs to be flexible in a range of features (i.e. coverage period, acknowledgement of self-learning or limitation for soft skills CPD activities) as well as proportional in terms of every national market, so the requirement does not introduce disproportionate disruption for the actuaries complying with the CPD requirement and also for the MA in implementing the CPD system.

3. MINIMUM REQUIREMENTS FOR A CPD SCHEME FOR FULL MEMBER ASSOCIATIONS OF THE AAE

A CPD scheme has the following components:

i. Applicability: it is mandatory for all members that are deemed to be Fully Qualified Actuaries (FQAs). However non compliance can be allowed for reasonable reasons (for example parental leave) where the members are not currently actively working

ii. Content: it requires members to analyse their need for competence development, consider a plan for CPD, and execute that plan.

iii. Documentation: it requires members to document at a minimum

   a. Analysis of key competences that the member perceives requiring further development

   b. The plan for CPD activities

   c. Record of specific CPD activities carried out

   d. Record of time spent on CPD activities

   e. Analysis of the extent to which key competences have been developed

iv. Assessment: it requires members to

   a. Self Assess the outcomes from the CPD activities in the context of the plan and preferably have their CPD activities and the outcomes reviewed by a third party; and

   b. Either complete a specified minimum number of hours of CPD activity (at least 60 hours over a three year period) or complete the number of hours needed to acquire the key competences that the member identified in the plan

v. Monitoring: it includes a process to be able to monitor members adherence to the CPD scheme

AAE
XXth Month, Year