



The Hong Kong Chartered Governance Institute

Continuing Professional Development Policy

Better Governance. Better Future.
卓越治理 更佳未來

Revised Policy. Effective from 1 July 2017

Continuing Professional Development

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1. INTRODUCTION

- 1.1 This policy (**Policy**) is issued by the Council of The Hong Kong Chartered Governance Institute (Institute/HKCGI) pursuant to the authority delegated to it under the Institute's Articles of Association (**AA**). This Policy supersedes and combines all of the Institute's continuous professional development (CPD) and enhanced CPD (ECPD) policies. This Policy extends to all Institute members and graduates (**Relevant Persons**) as from 1 July 2017.
- 1.2 The Institute's CPD requirements are to ensure that Relevant Persons are imparted with the latest industry developments, technical knowledge and professional skills relating to corporate governance necessary to perform their roles as governance professionals. The Institute requires Relevant Persons to accumulate a minimum of at least 15 CPD hours¹ per CPD year (**CPD Year**) from time-to-time designated by the Institute.
- 1.3 As all Relevant Persons would have had a grounding on company secretarial practice during their qualification process, the Institute has tailor-made certain of its CPD training, and accepts certain training by other accredited providers² (**Accredited Providers**) as ECPD training relating to enhancement in company secretarial practice for Relevant Persons conducive to good governance.
- 1.4 Accordingly, unless otherwise specified, the Institute requires all Relevant Persons to accumulate a minimum of 15 CPD hours per CPD Year with a basic to an advanced component of ECPD hours as follows:
- (a) Basic level (**Basic Level**): of the minimum required 15 CPD hours per CPD Year, at least 3 ECPD hours should be from Institute's ECPD courses; and
 - (b) Advanced level (**Advanced Level**): of the minimum required 15 CPD hours per CPD Year, all of them should be ECPD hours, with at least 10 ECPD hours being from Institute's ECPD courses, and the rest being from Institute's and/or other Accredited Providers' ECPD courses. Further details of the Institute's Practitioner's Endorsement (PE) are in section 2 below.
- 1.5 In this Policy reference to CPD hours shall be deemed to include ECPD hours as the context requires or permits. The Institute's Council has final interpretation of this Policy, and would draw reference from Appendix 1 and Appendix 2 hereto.

¹ Unless otherwise specified, the term CPD hour(s) shall have the same meaning as CPD point(s) and vice versa. By this, it is meant that 1 CPD hour equals to 1 CPD point.

² Companies Registry; Hong Kong Exchanges and Clearing Limited; Hong Kong Institute of Certified Public Accountants; Hong Kong Monetary Authority; Independent Commission Against Corruption; Security Bureau; Official Receiver's Office; The Law Society of Hong Kong; The Securities and Futures Commission of Hong Kong; Office of the Privacy Commissioner for Personal Data and/or other organisations considered appropriate by Institute's Professional Development Committee (**PDC**)

2. PRACTITIONER'S ENDORSEMENT

- 2.1 Where the Relevant Person is (a) a Member; (b) achieves the Advanced Level of 15 hours ECPD training; and (c) has at least 3 years' of experience in company secretarial practice, the Institute encourages the Member to apply in writing to the Institute for the Institute's Practitioner's Endorsement (PE). The PE designation carries with it peer-to-peer recognition as to the Member's learning as to company secretarial practice.
- 2.2 A Member is deemed to have the relevant experience in company secretarial practice where the Member works for: (a) company listed on the Hong Kong Stock Exchange; (b) company listed in other jurisdictions having a presence in Hong Kong; (c) company secretarial department of legal and accounting firms, private companies and non-governmental organisations; and/or (d) trust and company services providers. It is also open to the Member to support the PE application on (e) other relevant company secretarial practice experience.
- 2.3 Upon receipt of (a) the Member's application in writing in the Institute's specified form, with (b) supporting information relating to the Member's three years' relevant company secretarial experience (including, without limitation, reference letters from employers and/or immediate supervisors) along with (c) CPD records for the Advanced Level of 15 ECPD hours training during the CPD Year prior to the application, the Institute shall at no cost to the Member grant the PE designation in recognition of the Member's learning in company secretarial practice.

3. DISCIPLINE

- 3.1 A material breach of this Policy by a Relevant Person would be regarded as a breach of professional conduct. Any breach that comes to the attention of the Institute would initially be referred to the Institute's Investigation Group (IG) for investigation, and if found to amount *prima facie* to a material breach of this Policy by the IG, then referred to the Institute's Disciplinary Tribunal (DT) for final determination as to the existence of any material breach and imposition of sanctions ranging from a fine, censure to other forms of penalties imposed at the DT's discretion, where a material breach is established. In a serious case of material breach of this Policy, DT has power to remove the Relevant Person from the Institute's membership/graduateship register³.

4. EXEMPTIONS

- 4.1 The Institute's Council has determined, for the time being, to exempt the following persons (**Exempted Persons**) from strict compliance with this Policy:
- (a) **Retired Members:** In respect of a Member, who prior to the commencement of a CPD Year would have either attained (i) the age of 55 with 25 years' of membership experience; or (ii) the age of 60 irrespective of duration of

³ Please also refer to Clause 6.4 for administrative fee.

membership; and in either case, the Member has ceased to be in gainful employment evidenced by not being required to make mandatory contributions to the Mandatory Provident Fund Scheme; then such Member may make an application in writing for relief from compliance with this Policy prior to the commencement of the CPD Year to the Institute with supporting evidence of the relevant ground, whereupon the Institute shall grant full compliance exemption from compliance with this Policy for the relevant CPD Year.

- (b) **Temporary Relief:** Where a Relevant Person during the CPD year: (i) suffers from long term illness; or is (ii) pregnant; or is (iii) unemployed for over six months; then in any such case, the Relevant Person may at any time during a CPD Year make an application in writing for temporary relief from compliance with this Policy to the Institute with supporting evidence of the relevant ground, whereupon the Institute shall grant full exemption from compliance with this Policy on such terms and conditions as it deems appropriate.
- (c) **Non-Residents:** Where a Relevant Person is not a Hong Kong resident during a CPD Year (that is, spend less than 183 days in Hong Kong during a CPD Year), the Relevant Person would not be required to have the 3 hours of ECPD training, but instead, only required to complete any combination of CPD/ECPD hours to the requisite 15 CPD hours requirements in recognition that there may be difficulties for a Relevant Person to attend ECPD courses outside of Hong Kong's jurisdiction. The relevant ground shall be explained prior to the application for renewal of membership or graduateship for the subsequent CPD Year with supporting evidence to the Institute.
- (d) **Honorary Member:** An Honorary Member as defined under the AA is not required to comply with this Policy.

5. CARRYING FORWARD OF EXCESS CPD HOURS

- 5.1 Where a Relevant Person satisfies the Institute's minimum requirement to accumulate 15 CPD hours, then up to 5 excess CPD hours (inclusive of any ECPD component over and above the Basic Level or Advanced Level, as appropriate) may be carried forward to the subsequent CPD Year and reckoned as having been accumulated during the subsequent CPD Year.

6. RECORD KEEPING AND MONITORING

- 6.1 A Relevant Person shall maintain proper CPD attendance records (**CPD Records**) during each CPD Year in accordance with the Institute's specified form, with all supporting evidence thereof, including course attendance certificates. The Relevant Person shall retain the CPD Records for at least 5 years from the end CPD Year to which they relate.
- 6.2 A Relevant Person would be required to file a declaration in the Institute's specified form as to CPD compliance during the previous CPD Year to support annual

membership or graduateship renewal within one month of the end of the previous CPD Year.

6.3 Additionally, a Relevant Person who has been selected and informed by the Institute prior to the requisite filing of the declaration under Clause 6.2 shall supply the underlying CPD compliance records with the filing of the declaration to support the Institute's random checking process for CPD compliance.

6.4 Where a Relevant Person:

- (a) **Fails To File Declaration.** Fails to file the declaration under Clause 6.2 within one month of the end of the previous CPD Year; and/or
- (b) **Fails Random Check.** Fails to supply to the Institute's satisfaction the requisite information required under any random check referred to under Clause 6.3 with the declaration; and/or
- (c) **Other Grounds.** Fails, based on other grounds identified by the Institute as otherwise not having complied with this Policy;

the Relevant Person shall incur an administrative fee of HK\$3,000 payable upon the Institute's demand, should the failure subsist as at the end of 90 days from the end of the previous CPD Year, without prejudice to the right of the Institute to refer the matter to the IG in accordance with Clause 3 of this Policy for commencement of discipline.

7. MISCELLANEOUS

7.1 The day-to-day administration of this Policy has been delegated by Council to the Institute's Professional Development Committee (PDC), including any waiver and discretion as to timing and charging of penalties, supported by the Institute's Secretariat. All communications relating to this Policy in the first instance shall be addressed to the Institute's Secretariat.

7.2 The normal processing time for applications in writing under this Policy, assuming a proper application is made in the Institute's required form along with the necessary supporting information, is approximately 30 days.

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APPENDIX 1 – CPD HOURS AND ACCUMULATIONS

CPD hours and accumulations

- 1.1 CPD hours are intended to enhance a Relevant Person's professional competence and technical knowledge in the core values of the Institute, namely corporate governance. CPD is based on the time a Relevant Person participates in attending formal training (lectures, seminars and/or workshops) and other activities. For every half an hour of continuous CPD training or activities, 0.5 CPD hours shall be recognised therefrom.
- 1.2 The Relevant Person may attend formal training (lectures, seminars and/or workshops) in the following areas to accumulate CPD hours during a CPD Year, provided that the Institute reserves the right to require the Relevant Person to demonstrate the relevance of any non-HKCGI run CPD courses to learning in good governance and/or the reason for taking repetitive CPD courses in specific areas:
 - (a) Accounting and finance
 - (b) Anti-money laundering and counter terrorist financing matters
 - (c) Corporate administration
 - (d) Corporate governance
 - (e) Corporate secretaryship
 - (f) Cyber security and other IT related areas
 - (g) Human resources management
 - (h) Legal studies and practice
 - (i) Management
 - (j) Risk management and Internal control
 - (k) Strategic and operations management
 - (l) Soft skills (including language, presentation, media handling, negotiation, interviewing, communication and problem solving skills, leadership, stress management and other job-related ones)
 - (m) Taxation
 - (n) Others including Trusts, corporate social responsibility & environmental and social governance
- 1.3 The Relevant Person may also claim up to 5 CPD hours in respect of the following other activities under each category of c-f relevant to corporate governance outside of the Relevant Person's job scope. The Institute reserves the right to call for detailed explanation of such relevance to learning in corporate governance and/or hours spent:
 - (a) Participation in education programmes, seminars, workshops, lectures, conferences, in-house training, distance learning courses, computer-based courses, e-seminars, etc.
 - (b) Participation as a seminar speaker or workshop leader on company secretarial or related subjects
 - (c) Participation in activities as a mentor/coach for the Institute or other professional associations or institutions

- (d) Being an external examiner/assessor for the Institute or other professional associations or institutions for the promotion of education or professionalism among the key areas of learning
- (e) Participation in committees of the Institute other than technical committees or committees of other professional associations or institutions for the promotion of education or professionalism among the key areas of learning
- (f) Writing technical articles, papers or books and research for application in a professional role

- 1.4 There are certain activities which would not be considered by the Institute to be fulfillment of the Relevant Person's CPD obligations, namely: (a) general reading; and (b) normal work activities whether under full-time, part-time or self-employment.
- 1.5 A ten minutes grace period for late arrivals at CPD courses is permitted (except for courses of less than 60 minutes in duration). Thereafter, 0.5 CPD point is deducted for late arrival or early departure beyond the ten minutes' grace period for up to 30 minutes from the commencement of the course or before the end of the course. One CPD point is deducted for late arrival or early departure of more than 30 minutes and up to 60 minutes from the commencement or before the end of the course. No CPD point will be awarded to any course participant who arrives 60 minutes late or leaves more than 60 minutes before the end of the course. Where courses last for more than one day and have been accredited as a whole, the attendance policy will apply on a day-to-day basis. When attending courses, Members should notify the provider that they will claim CPD hours and should make sure that their attendance at the entire course is noted (e.g. by scanning membership cards where there is a computerized scanning system, or by signing in and signing out of the course where such a system is not implemented).
- 1.6 Participants must sign the attendance sheet of the Institute run CPD courses: (a) upon arriving at the course and upon departure from the course; (b) upon leaving at lunch break and upon re-entering the course after lunch-break; and (c) upon leaving the course at any other time for any other reason and re-entering the course after having done so. The exact time at which each participant performs the above listed actions will be recorded.

APPENDIX 2 – ECPD HOURS AND ACCUMULATIONS

ECPD hours and accumulations

- 1.1 ECPD hours are intended to enhance a Relevant Person's professional competence and technical knowledge in the core values of the Institute, namely corporate governance and company secretarial practice. Specifically, the objective of ECPD courses are (a) to upgrade and enhance technical and practical know-how of Relevant Persons working in the company secretarial field; (b) to increase awareness of a Relevant Persons' need to continually develop their skills; and (c) to demonstrate to the business community the Institute's leading position in company secretarial field.
- 1.2 ECPD is based on the time a Relevant Person participates in attending formal training (lectures, seminars and/or workshops) and other activities. For every half an hour of continuous ECPD training or activities, 0.5 ECPD hours shall be recognised therefrom provided that in respect of preparation, chairing and/or leading an ECPD seminar and/or workshop, extra ECPD hours of the event may be claimed in recognition of the preparation work required for the seminar and/or workshop. A copy of the work product, if any, should be provided to the Institute for the Institute's distribution to Relevant Persons and/or in developing future courses.
- 1.3 For the avoidance of doubt, all Relevant Persons resident in Hong Kong during a CPD Year shall attend the Basic Level of at least 3 ECPD hours of Institute's formal training. Otherwise any combination of ECPD hours could be earned from (a) formal training on approved topics (**Approved Topics**) by the Institute and/or other Accredited Providers; (b) presenting or chairing formal accredited trainings on Approved Topics by the Institute and/or other Accredited Providers; (c) writing articles on Approved Topics published in any of the approved publications as specified in the approved list (**Approved List**) of publications; (d) making contributions to technical submissions, research and other publications of the Institute; and/or participation in the Institute's Technical Consultation Panel and Professional Services Panel for a combined total of up to 5 ECPD hours per CPD Year.
- 1.4 The Approved Topics, relevant to the work and skill sets of practitioners working in the company secretarial field, are listed below (in alphabetical order), which dependent upon the contents thereof could be accredited by the Institute either for CPD or ECPD hours:
 - (a) Anti-money laundering and counter terrorist financing matters
 - (b) Aspects of doing business in mainland China (including establishing representative offices and entities on the mainland, corporate administration of China entities and representative offices, arbitration law of the PRC and others)
 - (c) Communication skills
 - (d) Companies Ordinance
 - (e) Companies Acts in other jurisdictions where most of the listed and private overseas companies are registered
 - (f) Corporate governance (in particular board practices; directors' duties and shareholders' rights)

- (g) Equity/ debt capital and financing
- (h) Employment/ Human resources - practical and legal issues
- (i) HKEX Listing Rules - including amendments and issues relating thereto
- (j) Hong Kong Codes on Takeovers and Mergers
- (k) Hong Kong Financial Reporting Standards or the International Accounting Standards
- (l) Hong Kong and PRC taxation update
- (m) Incorporation, administration, sale, disposal and dissolution of a company
- (n) Intellectual Property – law and practice
- (o) Mandatory Provident Fund
- (p) Risk management and internal control issues
- (q) Securities and Futures Ordinance
- (r) Trusts
- (s) Other topics which are relevant to company secretarial practice

1.5 The following are the Accredited Providers of ECPD courses:

- (a) Companies Registry
- (b) Hong Kong Exchanges and Clearing Limited
- (c) Hong Kong Institute of Certified Public Accountants
- (d) Hong Kong Monetary Authority
- (e) Independent Commission Against Corruption
- (f) Official Receiver's Office
- (g) Security Bureau
- (h) The Law Society of Hong Kong
- (i) The Securities and Futures Commission of Hong Kong
- (j) Office of the Privacy Commissioner for Personal Data
- (k) Other organisations considered appropriate by PDC

1.6 ECPD hours could be awarded by writing articles on Approved Topics published in any of the following Approved List of journals. One ECPD point will be credited for every 1,000 words published, or such fewer number of words published as may be approved by PDC:

- (a) CSj
- (b) Corporate Governance International
- (c) Publications of other global divisions of CGI
- (d) Publications of The Law Society of Hong Kong
- (e) Publications of the Hong Kong Institute of Certified Public Accountants

1.7 There are certain activities that would not be considered by the Institute to be fulfillment of the Relevant Persons' ECPD obligations, including: (a) general reading; and (b) normal work activities whether under full-time, part-time or self-employment

1.8 A ten minutes grace period for late arrivals at ECPD courses is permitted (except for courses of less than 60 minutes in duration). Thereafter, 0.5 ECPD point is deducted for late arrival or early departure beyond the ten minutes' grace period of up to 30 minutes from the commencement of the course or before the end of the

course. One ECPD point is deducted for late arrival or early departure of more than 30 minutes and up to 60 minutes from the commencement or before the end of the course. No ECPD point will be awarded to any course participant who arrives 60 minutes late or leaves more than 60 minutes before the end of the course. Where courses last for more than one day and have been accredited as a whole, the attendance policy will apply on a day-to-day basis. When attending courses, Members should notify the Accredited Provider that they will claim ECPD hours and should make sure that their attendance at the entire course is noted (e.g. by scanning membership cards where there is a computerized scanning system, or by signing in and signing out of the course where such a system is not implemented).

- 1.9 Participants must sign the attendance sheet of the Institute run ECPD courses: (a) upon arriving at the course and upon departure from the course; (b) upon leaving at lunch break and upon re-entering the course after lunch-break; and (c) upon leaving the course at any other time for any other reason and re-entering the course after having done so. The exact time at which each participant performs the above listed actions will be recorded.