

GUIDELINES ON COMPLIANCE WITH THE CONTINUING PROFESSIONAL EDUCATION REQUIREMENT

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**GUIDELINES ON COMPLIANCE WITH THE CONTINUING PROFESSIONAL EDUCATION
REQUIREMENT**

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Chapter 1

INTRODUCTION

- 1.01 The *Guidelines on Compliance with the Continuing Professional Education Requirement* (Guidelines) is issued by the Securities Commission Malaysia (SC) under section 377 of the *Capital Markets and Services Act 2007* (CMSA).
- 1.02 These Guidelines provide for CPE requirement that holders of Capital Markets Services Representative's Licence (CMSRL) and Employee of Registered Persons (ERPs) need to comply with. CPE is a mandatory programme for capital markets professionals to consistently update or refresh their technical knowledge, enhance behavioural competencies as well as to instil ethical standards as expected in the *SC's Licensing Handbook* and the *Guidelines on Investor Protection* (IP Guidelines) jointly issued by the SC and BNM.
- 1.03 These Guidelines are applicable to–
- a) Capital Markets Services Licence (CMSL) holders;
 - b) CMSRL holders;
 - c) Registered Persons; and
 - d) ERPs.
- 1.04 These Guidelines set out –
- a) the two categories of CMSRL holders and ERPs based on the years of experience in the capital markets industry to determine their eligibility of learning modes and activities;
 - b) points allocation for each learning activity;
 - c) the procedures involved in obtaining the points for each activity; and
 - d) the reporting requirement.
- 1.05 The CMSL holders and Registered Persons are responsible for determining the training needs of the CMSRL holders and ERPs respectively, monitoring their CPE compliance and providing the necessary attestation on the fitness and probity of the CMSRL holders and ERPs. CMSRL holders and ERPs are also equally responsible to determine their own training needs, professional development and fulfilment of the CPE requirement.
- 1.06 All CMSRL holders and ERPs must obtain 20 CPE points in a year on or before the anniversary date of their licence or cycle period as required in order to continue carrying out the relevant regulated activity.
- 1.07 These Guidelines shall supersede the *Guidelines for Awarding CPE Points*.

1.08 Acronyms and Definitions

Unless otherwise defined, all words used have the same meaning as defined by the CMSA. For the purpose of these Guidelines, the words below have the following meaning:

BNM	means Bank Negara Malaysia;
CMSA	means <i>Capital Markets and Services Act 2007</i> ;
CMSL	means Capital Markets Services Licence;
CMSRL	means Capital Markets Services Representative's Licence;
ComRep	means Common Reporting platform which is a web-based system for reports submission in the form of eXtensible Business Reporting Language (XBRL) instance documents;
CPE	means Continuing Professional Education;
CPE Secretariat	means Securities Industry Development Corporation, as the appointed Secretariat to administer the operational function of CPE related matters and assures quality of CPE-approved courses;
ELA	means Electronic Licensing Application;.
ERP	means an employee of a Registered Person;
Registered Person	means a Registered Person under Schedule 4, Part 1 of the CMSA in relation to section 76(1)(a) of the CMSA; and
SIDC	means the Securities Industry Development Corporation.

Chapter 2

MODE OF LEARNING AND POINTS ALLOCATION

2.01 CPE is aligned with the Industry Competency Framework for the professional development of CMSRL holders and ERPs. As each individual requires different learning intervention, the CPE framework also takes into account an individual's number of years of experience in the capital markets industry.

2.02 These Guidelines provide for two categories of CMSRL holders and ERPs:

- **Category 1:** Individuals with less than 10 years' experience in the capital markets industry; and
- **Category 2:** Individuals with experience of 10 years' or more in the capital markets industry.

2.03 In order to accumulate CPE points, the CMSRL holders and ERPs may choose to participate in any mode of learning under the categories of '**Active Learning**', '**Development of Others**' or '**Self-Directed Learning**' based on their eligibility.

2.04 The details of the activities under each learning category and CPE point allocation are summarised below:

Activities	Points Allocation	Maximum Points (Per anniversary or cycle period)
A. Active Learning Mode		
1. Attending CPE-approved course		
<u>Physical:</u> <ul style="list-style-type: none"> ▪ Minimum 3 hours but less than 6 hours ▪ 6 hours or more <u>Structured Online:</u> <ul style="list-style-type: none"> ▪ Less than 3 hours ▪ 3 hours or more 	5 points 10 points 5 points 10 points	Unlimited
2. Obtaining CPE-recognised qualification or academic certification		
<ul style="list-style-type: none"> ▪ Upon successful completion/passing of each course module per term/semester (<i>on-going basis</i>) ▪ Upon obtaining professional qualification or academic certification (<i>one-off</i>) 	10 points 20 points	Unlimited
B. Development of Others Learning Mode		
1. Speaking or lecturing on capital markets related topic or subject		
<ul style="list-style-type: none"> ▪ Less than 3 hours ▪ 3 hours or more 	5 points 10 points	Unlimited

Activities	Points Allocation	Maximum Points (Per anniversary or cycle period)
2. Publication of book, article or interview		
<u>Book</u> <ul style="list-style-type: none"> ▪ Published ▪ For subsequent updates 	10 points 5 points	Unlimited
<u>Article or Interview</u> <ul style="list-style-type: none"> ▪ For every publication 	5 points	
3. Serving in CPE-approved industry associations, bodies or committees		
<ul style="list-style-type: none"> ▪ Chairman/President/Vice Chairman/Vice President ▪ Secretary/Treasurer/Committee Member/Sub-Committee Member 	10 points 5 points	Maximum of 10 points
4. Acting as industry resource person		
<ul style="list-style-type: none"> ▪ Serving as the SC's expert witness/subject matter expert ▪ Participating in industry dialogue/working group/consultation/focus group/ taskforce (<i>per engagement</i>) ▪ Participating as member delegate in domestic or international industry roadshow (<i>per event</i>) ▪ Conducting structured coaching and mentoring (<i>once within each anniversary period</i>) 	20 points 5 points 5 points 10 points	Unlimited } Maximum of 10 points
C. Self-Directed Learning Mode		
1. General learning e.g. reading capital markets related materials such as books, journals, magazines, online publication or other similar learning (<i>per purchase/subscription</i>)	5 points	Maximum of 5 points
2. Completion of non-structured online learning such as podcasts, e-books, e-journal or other similar learning relating to capital markets, soft skills, behavioural, technical and leadership (<i>per online learning session</i>)	5 points	

2.05 CMSRL holders and ERPs are not allowed to carry forward any excess of CPE points to the next anniversary or cycle period. Similar position is also reiterated for the ERPs in the IP Guidelines.

Chapter 3

ACTIVE LEARNING MODE

3.01 Eligibility

- (1) 'Active Learning' refers to any form of proactive learning arising from participative or interactive process between the learners and the instructors.
- (2) There are two types of learning activities, which are–
 - attending CPE-approved course; and
 - obtaining CPE recognised professional qualification or academic certification.
- (3) Both Category 1 and 2 of CMSRL holders and ERPs are eligible to collect full CPE points solely from these activities.

3.02 Attending CPE-Approved Course

- (1) CMSRL holders and ERPs may obtain CPE points by attending and completing programmes that promote leadership or soft skills, including behavioral skills, capital market related technical competencies, physically or via structured online course with either a local CPE-approved training provider or an established overseas training.
- (2) Structured online course refers to online course with assessments (e.g. evaluation or test results) and where there is sufficient record to demonstrate fulfillment and duration of the course.
- (3) Established overseas provider refers to an institution or professional body recognised or approved as training provider for the purpose of continuous learning and professional development of licensed and registered persons by the relevant capital markets regulator in their respective jurisdictions.
- (4) No additional points will be granted for attending and completing the same CPE-approved course within the same anniversary or cycle period.
- (5) All courses (domestic and overseas) including structured online courses have to be approved by SIDC.
- (6) However, for physical or structured online courses offered by established overseas training providers, CMSRL holders and ERPs may be granted CPE points post attendance.

3.03 Obtaining CPE-Recognised Professional Qualification or Academic Certification

- (1) All certification programmes as listed on the SC's website, are CPE-recognised. CPE points will be awarded to CMSRL holders or ERPs based on the conferment date of the said qualification and point allocation is only valid during the anniversary or cycle period.

- (2) All qualifications obtained prior to licensing as CMSRL holder or registration as ERP will not be eligible for CPE points.

Chapter 4

DEVELOPMENT OF OTHERS LEARNING MODE

4.01 Eligibility

(1) 'Development of Others' refers to the learning process that involves the sharing of knowledge and expertise of one person for the benefit of others.

(2) The eligibility under this learning mode is as follows:

No.	Activity	Eligibility	
		Category 1	Category 2
1.	Speaking or lecturing on capital markets related topics or subjects	√	√
2.	Publication of book, article or interview	√	√
3.	Serving in CPE-approved industry associations, bodies or committees	√	√
4.	Acting as industry resource person:		
	a) Serving as the SC's expert witness/subject matter expert	√	√
	b) Participating in industry dialogue/working group/consultation/focus group/ taskforce	√ <i>(by invitation only)</i>	√
	c) Participating as member delegate in domestic or international industry roadshow	√ <i>(by invitation only)</i>	√
	d) Conducting structured coaching and mentoring	X	√

(3) Depending on the eligibility, CMSRL holders and ERPs may collect full CPE points solely from these activities except for serving in CPE-approved industry associations, bodies or committees and conducting structured coaching and mentoring where there is a maximum of 10 CPE points capped per anniversary or cycle period.

4.02 Speaking or Lecturing on Capital Markets Related Topics or Subjects

- (1) This category excludes speaking or lecturing engagements which are within or form part of the CMSRL holders' or ERPs' job duties and responsibilities. For example, a presentation made for the benefit of a client's specific investment would not be eligible for any CPE points.
- (2) No additional CPE points will be granted for speaking or lecturing on a same topic, subject, programme title or outline within the same anniversary or cycle period.

4.03 Publication of Book, Article or Interview

- (1) This category includes publication of a book, article and interview in any form of media, but excludes materials produced within or forming part of the CMSRL holders' and ERPs' job duties and responsibilities (e.g. reports commissioned for the benefit a client's specific investment would not be eligible for any CPE points).
- (2) Additional CPE points would not be awarded for republication of the same material or using different publishers.

4.04 Serving in CPE-Approved Industry Associations, Bodies or Committees

- (1) CMSRL holders and ERPs will only be entitled to claim the relevant CPE points for participation as an office bearer of approved industry associations and committees as provided on the SC's website.
- (2) The tenure as an office bearer must be valid during the CMSRL holder's anniversary or the ERP's cycle period respectively.
- (3) A CMSRL holder and an ERP may obtain a maximum of 10 CPE points only from his capacity as an office bearer. No additional points will be granted for serving in multiple committees within the same industry associations, bodies or committees within the same anniversary or cycle period.

4.05 Acting as Industry Resource Person

- (1) Resource person refers to CMSRL holders or ERPs who have been selected, appointed or nominated to provide expertise or industry insights on policy formulation or promote awareness on capital markets.

(2) The following are the eligibility requirements:

a) Serving as the SC's Expert Witness/Subject Matter Expert

- (i) For the purpose of claiming CPE points for this activity, the CMSRL holder or ERP must be appointed and served as an expert witness for the SC within the anniversary or cycle period.

b) Participating in Industry Dialogue/Working Group/Consultation/Focus Group/Taskforce

- (i) CPE points are only awarded for participating in industry dialogue events of a certain stature, where the objectives and initiatives of the events are duly recognised by the SC, SIDC, Bursa Malaysia, BNM or relevant professional bodies.
- (ii) No additional points will be granted for participating in the same industry dialogue event conducted in multiple sessions.

c) Participation as Member Delegate in Domestic or International Industry Roadshow

- (i) Industry roadshow must reflect the following:
- promotion of capital markets awareness and investor protection; and
 - a national-led agenda or initiative.
- (ii) No additional points will be granted for participating in the same industry roadshow conducted in multiple sessions.

d) Conducting Structured Coaching and Mentoring

- (i) The framework, including the template applicable for a structured coaching and mentoring exercise, must be common across the organisation levels as identified by its Human Resources Department and form part of the CMSRL holder's or ERP's key performance indicator or job goal.
- (ii) Only CMSRL holders and ERPs under Category 2 may obtain CPE points from this activity, up to a maximum of 10 points. However, no additional points will be granted for conducting multiple structured coaching and mentoring sessions, irrespective of the number of mentees and topic coverage, within the same anniversary or cycle period.

Chapter 5

SELF-DIRECTED LEARNING MODE

5.01 Eligibility

- (1) 'Self-directed learning' refers to unaccompanied, own initiative learning activities.
- (2) There are two types of activities under this learning mode which are:
 - General learning - reading capital markets related materials; and
 - Completion of non-structured online learning.
- (3) Both Category 1 and 2 of CMSRL holders and ERPs are eligible to collect a maximum of 5 CPE points only from each of these activities for each anniversary or cycle period.

Chapter 6

PROCEDURES FOR CLAIMING CPE POINTS

6.01 All CPE-approved courses, both domestic and overseas, as well as structured online courses require the approval from the CPE Secretariat.

6.02 All learning activities other than attending CPE-approved course, need to be verified and reported by the respective CMSL holders or Registered Persons via the ComRep platform. CMSL holders and ERPs must submit directly to the respective CMSL holders or Registered Persons with the necessary documents.

6.03 Attending CPE-Approved Course

- (1) CMSL holders or ERPs must register for CPE-approved course listed in the CPE Training Calendar organised or conducted by the relevant CPE-approved training providers.
- (2) CMSL holders or ERPs must inform the training provider that they are subject to the CPE requirement and provide their CMSL or ERP number to the training provider.
- (3) In respect of physical or structured online courses offered by established overseas training providers, CMSL holders and ERPs must apply directly to the CPE Secretariat and submit:
 - (a) the course outline or content which includes the duration of the course; and
 - (b) a copy of the certificate or confirmation of attendance from the course organiser or training provider.

6.04 Obtaining CPE-Recognised Qualification or Academic Certification

- (1) A certified true copy of the examination transcript for each successful completion of course, module, level or paper, as the case may be, per term or semester.

6.05 Speaking or Lecturing on Capital Markets Related Topics or Subjects

- (1) The confirmation letter from the respective organiser, the outline of the programme or presentation and any other documents deemed necessary.

6.06 Publication of Book, Article or Interview

- (1) A copy of the published materials and where necessary, a confirmation letter from the relevant publisher verifying the authorship of the CMSRL holder or the ERP. Details that should be included in the letter are:
 - (a) Name of publication;
 - (b) Date of publication;
 - (c) Name of publisher; and
 - (d) International Standard Book Number (ISBN), where relevant.

6.07 Serving in CPE-Approved Industry Associations, Bodies or Committees

- (1) The letter of appointment from the respective industry associations, bodies or committees.

6.08 Acting as Industry Resource Person

Serving as the SC's expert witness or subject matter expert

- (1) The confirmation letter from the SC.

Participating in an industry dialogue, working group, consultation, focus group or taskforce and participation as member delegate in domestic or international industry roadshow

- (2) A copy of the invitation or appointment letter or attendance confirmation from the organiser offering or conducting the activities pursuant to paragraph 4.05(2)(b) and (c).

Conducting structured coaching and mentoring

- (3) A letter of endorsement from the CMSRL holders' or ERP's respective Human Resources Department on the details of the structured coaching and mentoring activities.

6.09 Self-Directed Learning

General learning

- (1) A copy of the purchase receipt as proof of purchase or subscription of relevant materials.

Completion of non-structured online learning

- (2) A copy of the certificate of completion of non-structured online learning.

Chapter 7

COMPLIANCE REPORTING

7.01 Submission of Fit and Proper Compliance Report (Form 6A)

- (1) All CMSL holders and Registered Persons are required to submit the semi-annual Fit and Proper Compliance Report (Form 6A) on the fit and proper standing of its CMSRL holders and ERPs whose licence anniversary date or cycle period fall due within the reporting period. Such report shall be submitted via the ComRep platform within seven business days from the end of the reporting period.

7.02 Contact

- (1) The CPE Secretariat can be contacted at:

CPE Secretariat
Securities Industry Development Corporation
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur
Tel: (603) 6204 8000/8536
Email: cpe@sidc.com.my

- (2) The Authorisation and Licensing Department can be contacted at:

Authorisation and Licensing Department
Securities Commission Malaysia
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur
Tel: (603) 6204 8000 Fax: (603) 6201 5282