

FREQUENTLY-ASKED QUESTIONS ON ENHANCEMENT TO CONTINUING PROFESSIONAL EDUCATION (CPE) FRAMEWORK

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1. What is the objective of CPE?

The objective of CPE is to foster a culture of continuous learning and enhancing the knowledge, skills and aptitude of the Capital Markets and Services Representative's Licence (CMSRL) holders and Employees of Registered Persons (ERPs).

2. What are the key changes made in the enhanced CPE framework via the *Guidelines on Compliance with the Continuing Professional Education Requirement (CPE Guidelines)*?

The enhanced CPE framework aims to provide greater flexibility to capital market professionals for their continuous learning. The key changes that have been incorporated under the enhanced framework include:

a. Wider selection of learning mode and activity

- Recognise online learning, soft skills, leadership and behavioural courses as part of CPE approved courses;
- Introduce the third category of learning mode i.e. 'Self-Directed Learning', in addition to 'Active Learning' and 'Development of Others'; and
- Introduce industry resource person as an additional avenue for point collection under the learning mode of 'Development of Others'.

b. Facilitative CPE point awarding system

- Allow unlimited points collection for online learning, soft skills, leadership and behavioural courses;
- Enable an on-going CPE points collection for pursuing professional qualification or academic certification at various stages of learning instead of awarding a one-off CPE point only upon full completion or conferment of the qualification or certification; and
- Remove capping of maximum points for speaking or writing on capital market related topics, obtaining recognised professional qualification or academic certification, and serving as expert witness.

c. Flexibility for experienced personnel to collect CPE points

- Allow experienced personnel to collect CPE points as industry resource person, e.g. participation at industry dialogue, consultation, focus group, working group,

taskforce, member delegates in domestic and international road show, coaching and mentoring; and

- Recognise tenure in the capital market in defining experienced personnel.

d. Centralisation of regulatory filing at the Common Reporting (ComRep) platform

- Using an eXtensible Business Reporting Language tool for submission of Fit and Proper Compliance Report (Form 6A), applicable to both Capital Markets Services Licence (CMSL) holders and Registered Persons.

For more information, please refer to the CPE Guidelines, which shall supersede the *Guidelines for Awarding CPE Points*, **effective from 1 August 2018**.

3. Who is responsible to ensure compliance with the CPE requirement?

Pursuant to the CPE Guidelines, the accountabilities and responsibilities for CPE compliance are as follows:

- CMSL holders and Registered Persons are responsible for determining the training needs of CMSRL holders and ERP respectively, monitoring their CPE compliance and providing the necessary attestation on the fitness and probity of the CMSRL holders and ERPs via Form 6A; and
- CMSRL holders and ERPs are also equally responsible for determining their own training needs, professional development and fulfilment of the CPE requirement.

4. Are CMSRL holders and ERPs required to obtain 20 CPE points in a year and what are the consequences for non-compliance?

CMSRL holders and ERPs must obtain 20 CPE points in a year on/or before the anniversary date of their licence or cycle period in order to continue carrying out the relevant regulated activity. Failure to comply with the CPE requirement may result in the necessary regulatory action against the CMSRL holders or ERPs by the relevant regulators.

5. Are CMSRL holders and ERPs allowed to collect CPE points solely by attending CPE-approved courses?

Yes. CMSRL holders and ERPs are eligible to collect full CPE points solely by attending CPE-approved courses.

6. What types of courses are recognised in the CPE curriculum?

Courses that are recognised under the CPE curriculum are grouped into three broad categories, namely Capital Market Development, Capital Market Regulations and

Behavioural. Each category contains a wide range of topics directly relevant to the nature or performance of CMSRL holders' or ERPs' job duties or business.

All CPE-approved courses are aligned to the Industry Competency Framework for the Malaysian Capital Market introduced by Securities Industry Development Corporation (SIDC).

Please check the CPE Training Calendar at <http://ers.seccom.com.my/cpepublic/> to view the list of CPE-approved courses offered by all CPE-approved training providers.

7. How do I keep the records of my participation in CPE-approved courses?

The records of CMSRL holders' and ERPs' participation in CPE-approved courses will be reflected in the CPE Tracker System. Such participation record will be submitted by the relevant training providers to the CPE Secretariat within three business days after the completion of the CPE-approved course. CMSRL holders and ERPs can contact the training provider if their CPE points are not updated after the stipulated time.

8. How can a company obtain the CPE Secretariat's approval for its internal training programme to be recognised as a CPE-approved course?

The company needs to be a CPE-approved training provider first before offering CPE-approved courses. Depending on the type of organisation, CPE Secretariat will request for the relevant documentations to be submitted and will arrange for applicants to access the CPE Tracker System. All new training providers are required to attend a briefing session with the Secretariat prior to the conduct of the first course. Please email the CPE Secretariat at cpe@sidc.com.my for more details.

9. Since CPE is compulsory, does that mean that I can attend courses during working hours?

This depends on the arrangement you may have with your principal. The CPE Secretariat encourages training providers to conduct CPE-approved courses on weekends or after office hours in order to minimise disruption to the CMSRL holders' and ERPs' work commitment.

10. Are online courses recognised for CPE points?

There are two categories of online courses, structured and non-structured, and both are recognised for CPE points. Structured online course refers to online course with independent assessments (e.g. evaluation or test results) with record to demonstrate fulfillment and duration of the course. Structured online course is categorised under the learning mode of 'Active Learning' while non-structured online learning is under 'Self-Directed Learning'. An example of non-structured learning includes watching podcasts.

11. Is the podcast learning limited to only local broadcast or overseas?

Both local and overseas podcast learning are eligible under 'Self-Directed' learning mode.

12. Are CMSRL holders and ERPs allowed to attend non-structured online learning courses which are not approved by CPE Secretariat?

Yes. CMSRL holders and ERPs may attend any non-structured online learning courses relating to capital markets, soft skills, behavioural, technical or leadership skills at their own initiative. However, the maximum point collection for this 'Self-Directed' learning mode is capped to 5 points per anniversary or cycle period.

13. Can I collect CPE points for attending courses or programmes conducted outside Malaysia?

CPE points may be granted for attending courses or programmes conducted outside Malaysia provided that it is conducted by an established overseas training provider.

14. What are the examples of Established Overseas Providers?

An established overseas provider refers to an institution and 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. Among the established overseas providers include, but not limited to, Harvard Business School, Wharton Business School, International Institute for Management Development (IMD), INSEAD, CFA Institute, etc.

Please contact CPE Secretariat to ascertain the status of any institution and professional body as an established overseas training provider.

15. Does speaking or lecturing at an internal event, workshop, town hall, or seminar be eligible for CPE points?

Speaking or lecturing engagements that are within or form part of the CMSRL holders' or ERPs' job duties and responsibilities are not eligible for CPE points. However, if the engagement activity is performed beyond the job description and not for the benefit of specific clientele or mandates, the CMSRL holders and ERPs would be eligible to collect CPE points from this activity.

For example, a morning briefing on the market outlook and stocks selection by Head of Research to his team members or within the company, would be not eligible for CPE points as it is part of his job duties. However, if the briefing is conducted following an external invitation to speak to mass audience at an event, workshop, seminar, etc., he would be eligible to collect unlimited CPE points, subject to the duration of speaking or lecturing engagement.

16. Can I collect CPE points for being one of the speakers for CPE-approved course while also attending as a participant?

CMSRL holders and ERPs can only collect CPE points for being either a speaker or as a participant in a course, and not for both.

17. As a CMSRL holder or an ERP, can I attend the same course during the current licence anniversary or cycle period and still collect CPE points?

You may attend the same course, and the training provider will record your participation in the CPE Tracker System upon submission of your attendance. However, no additional points will be granted for attending the same course within the same anniversary or cycle period.

18. Are CMSRL holders and ERPs eligible for CPE points for participating in their company's roadshow?

Participation at the company's roadshow would be eligible for CPE points if it involves the promotion of capital market awareness and investor protection, and it is part of a national led agenda or initiative. For example, being a speaker or moderator at events such as (but not limited to), InvestSmart, InvestKL, Minggu Saham Amanah Malaysia, Ministry of Finance Open Day, Karnival Kewangan, etc.

However, no CPE points shall be granted if the company's roadshow is held for the purpose of sales pitching or marketing of products.

19. What are the examples of domestic or international roadshow that are considered as national led agenda or initiative?

Among the roadshows or initiatives with national interest, include but not limited to, events organised by institutions such as the SC, BNM, SIDC, Bursa Malaysia, relevant CPE-approved industry associations or bodies, Ministry of Finance, etc.

20. Is the company allowed to grant CPE points under 'Self-Directed' learning mode to its CMSRL holders or ERPs for reading capital markets related books that are purchased by the company and made available at the company's library?

No. CMSRL holders or ERPs need to provide purchase receipt as proof of purchase or subscription of relevant materials in order to claim CPE points for this general learning.

21. What is the minimum learning hour imposed for 'Self-Directed' learning mode in order to be eligible for five CPE points?

There is no minimum learning hour. However, points are capped at maximum of five CPE points per anniversary or cycle period.

- 22. For general learning activity, can a CMSRL holder or an ERP share his annual subscription fee with another CMSRL holder or ERP so that each of them can get five CPE points?**

Sharing or recycle of purchase receipt as a proof of subscription is not allowed and CPE point eligibility should only be allocated to the owner of that receipt.

- 23. Are Registered Persons required to submit Form 6A through the ComRep platform?**

Yes, Registered Persons would be required to submit the Fit and Proper Compliance Report (Form 6A) through the ComRep platform pursuant to the CPE Guidelines. As part of the compliance reporting, Registered Persons are required to provide the necessary attestation on the fitness and probity of its ERPs, including CPE compliance. Similar reporting requirement is also imposed on the CMSL holders.

- 24. How long does the company need to keep record of CPE compliance by its CMSRL holders or ERPs?**

All training records for CPE compliance of CMSRL holders and ERPs must be kept by the company for seven years. Such information must be made available upon request by the relevant regulator.

- 25. As CMSL holders and Registered Persons are now responsible to maintain record of CMSRL holders' or ERPs' compliance with CPE requirement, are there procedures provided for companies to allocate CPE points for the various learning activities?**

Please refer to Chapter 6 of the CPE Guidelines for procedures to claim CPE points and the documentations required.

- 26. Are CMSL holders and Registered Persons required to submit all supporting documents for CPE compliance to the SC?**

No, the documents should be retained by CMSL holders and Registered Persons at their own premises and must be made available upon request by the relevant regulator.

27. Does the CMSL holder or Registered Person need to determine the CPE points for their CMSRL holders or ERPs?

The allocation of CPE points have already been determined by the SC as per the CPE Guidelines.

28. My company's headquarter is based overseas. Is there an alternative method of compliance reporting of Form 6A?

ComRep platform is a web-based application that can be accessed from any secured location with internet connection. In the event of a disaster, the company may email Form 6A to the ComRep team at scxbrl@seccom.com.my or alternatively to send a manual submission of Form 6A (available on SC's website) to the designated location as notified by the SC.

29. Since CPE Secretariat only manages point allocation for CPE-approved courses, what other information is available on the CPE portal?

The CPE portal provides information on the following:

- a. CPE Training Calendar;
- b. CPE Frequently Asked Questions (FAQ);
- c. Guidelines on Compliance with the Continuing Professional Education Requirement;
- d. List of CPE Recognised Qualifications;
- e. List of CPE Approved Industry Associations or Bodies;
- f. List of CPE Approved Industry Committee; and
- g. CPE Tracker to view the points for attending CPE-approved courses.

30. What is the timeline for the submission of Form 6A for June and December reporting?

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**, as illustrated below.

Illustration:



- *E.g. 1: If a CMSRL holder's licence anniversary date falls between 1 January and 30 June, the CMSL holder is to submit the Fit and Proper Compliance Report (Form 6A) on the fit and proper standing of such CMSRL holder via SC's Electronic Licensing Application (ELA) within 7 business days from 30 June 2018.*
- *E.g. 2: If a CMSRL holder's and ERP's anniversary date or cycle period falls between 1 July and 31 December, the CMSL holder and Registered Person are to submit the Fit and Proper Compliance Report (Form 6A) on the fit and proper standing of such CMSRL holder or ERP within 7 business days from 31 December 2018.*
- *Otherwise, to submit a nil reporting via ComRep platform when due, if none of the CMSRL holder or ERP has the anniversary date or cycle period that falls within the reporting period.*

31. Does the ComRep platform support Mac operating system?

Currently, the ComRep platform only supports Windows operating system.

32. Does the ComRep platform allow for the company's administrator to be assigned as the maker and approver as well?

Usually, the maker and approver are assigned to different persons. However, it is possible to assign the maker and approver roles to the administrator, if required.

33. Is the company's administrator allowed to assign two different reports to the same person for approval?

As an administrator, the person has the authority to assign related or different report (one or more) to the maker and approver when the company prepares for its regulatory filing to the SC. For example, a statistical report or investment report of a product which is filed at different interval of reporting, the maker and approver shall be given access to both reports by the administrator.

34. If a company is an existing user of ComRep platform, does the company need to re-install a new ComRep platform?

Existing users of ComRep may access the web-based portal with their current login ID. However, the maker needs to re-install the latest Client Tool and Category File available from the portal to access new reports i.e. Form 6A and Marketing Representative (if applicable). Please note that prior to the re-installation process, the company's administrator would need to assign the new reports to the maker and approver.

35. Can different entities within the same Group assign the same person to be in charge of the submissions to the SC via the ComRep platform?

Yes. Depending on the internal arrangement of the company within its group, it may appoint the same person to be responsible for all regulatory submissions to the SC.

36. Will the Electronic Licensing Application (ELA) system be discontinued with the introduction of ComRep platform?

Currently, only Form 6A and Marketing Representatives reporting are required to be submitted through the ComRep platform whilst other licensing applications are required to be submitted through ELA system as usual.

37. If a company's CMSRL holders or ERPs collect full 20 CPE points by attending CPE-approved courses, can the company submit Form 6A to SIDC, without having to submit Form 6A via the ComRep platform?

No, submission of Form 6A via the ComRep platform is mandatory for both CMSL holders and Registered Person pursuant to the CPE Guidelines.

38. Does the company need to pay for submission of Form 6A via the ComRep platform?

No fees are charged for submission of Form 6A via the ComRep platform.