

CA PAKISTAN



The Institute of
Chartered Accountants
of Pakistan

Directive 8.01 (Revised 2014)

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

A Program of Continuing Development of Professional
Competence and Lifelong Learning



CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

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CONTINUING PROFESSIONAL DEVELOPMENT

Preamble

1. The International Federation of Accountants (IFAC) has made it mandatory for its member bodies to design and implement a Continuing Professional Development (CPD) mechanism in such a way that it becomes a component of continued membership for the professional accountants. In order to facilitate the CPD implementation, IFAC has issued International Educational Standard for Professional Accountants (IES-7) which is in effect from January 01, 2014.
2. CPD provides continuing development of the (a) professional knowledge (b) professional skills (c) professional values, ethics and attitudes, and (d) competence achieved during Initial Professional Development (IPD), refined appropriately for the professional activities and responsibilities of the professional accountant.
3. In addition to education, practical experience and training, CPD also includes learning and development activities, such as (a) coaching and mentoring (b) networking (c) observation, feedback and reflection and (d) the self-directed and unstructured gaining of knowledge.
4. The objective of this directive is to have chartered accountants develop and maintain their competence subsequent to IPD through the undertaking of CPD that is necessary, in the public interest, to provide high quality services to meet the needs of clients, employers and other stakeholders.
5. This directive prescribes that members to:
 - a. demonstrate a commitment to CPD and maintain professional competence; and
 - b. undertake CPD to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities.

6. **Effective date:**

This directive is effective from **January 1, 2015**.

CPD Approach

7. The IES-7 states that CPD can be achieved by at least three different approaches:
 - a. Input based approach – by establishing a set amount of learning activity that is considered appropriate to develop and maintain competence.
 - b. Output based approach – by requiring professional accountants to demonstrate, by way of outcomes, that they develop and maintain professional competence.
 - c. Combination approach – by effectively and efficiently combining elements of the input and output based approaches, setting the amount of learning activity required and measuring the outcomes achieved.
8. The Institute has adopted a combination approach before moving towards a comprehensive output based system.

Organization

9. The CPD Committee of the Institute has the responsibility for the establishment of directive and overall coordination of CPD activities for its members in Pakistan and abroad.
10. Regional Committees would coordinate with the CPD Committee in execution of CPD activities.

Requirement

11. Every member is required to:
 - a. complete at least 120 hours or equivalent learning units of relevant professional development activity in each rolling three year period, of which 60 hours or equivalent learning units should be verifiable;
 - b. complete at least 20 hours or equivalent learning units in each year; and
 - c. track and measure learning activities to meet the above requirements.

Explanation: "Rolling Periods" under this directive are periods of three year each, of which first commences from July 1, 2012:

- For those who are members as on July 1, 2012 the first rolling period starts on July 1, 2012 and completes on June 30, 2015.
- On July 1, 2012 the 1short fall in the CPD account maintained at the Institute shall be deemed zero.
- The excess hours as at June 30, 2012 shall be carried forward to the rolling period commencing on July 1, 2012.²
- For all other members, proportionate rolling period will commence on first day of the month following the date of admission of a member and will complete on its scheduled date explained in this paragraph. The CPD requirement will be prorated on the basis of 120 hours for three year period.
- The excess of CPD hours of one year may be carried forward to the next year within a rolling period only. At the end of a rolling period the excess hours shall be nullified, however, the members will be required to complete their shortfall hours to avoid any sanctions, as prescribed by the Council.

¹ The words "excess or" were deleted by the Council in its 234th meeting held on June 15 & 16, 2012.

² Paragraph (c) under the head "Rolling Period" inserted by the Council in its 234th meeting held on June 15 & 16, 2012.

Measurement of CPD Credit Hours

12. The CPD credit hours are to be measured as follows:

S. #	Activity	Evidence to be kept	CPD Credit Hours
a.	Participation in short courses, seminars, conferences, lectures* and trainings *Excluding classes of degree courses ¹	Certificates of attendance/course contents in case it is a non-ICAP course	Actual classroom time. For a full day session a credit of 8 hours and for a half-day session 4 hours
b.	Completing degree courses and studying professional certifications	Degree/ Certification	<u>Professional Qualifications</u> Members bodies of IFAC, CISA, CIA 5 times of the examination hours or 40 hours, whichever is lower, in a CPD year ¹ <u>Degree Courses</u> As accredited by the HEC approved or Foreign Institute/ University. On completion of a semester/ stage. 1/3 of actual contact hours. ³ However, the maximum CPD hours that can be given under this head shall be 40 hours for a year
c.	Relevant research paper/article (at least 4000 words) published in a peer reviewed journal including ICAP's publication	Original copy of the journal/ publication	8 hours Should not exceed more than 24 hours per annum
d.	Contributing article/review or any other relevant material including material in ICAP's, or other, local or international publications	Original copy of the publication or e-copy of publications ¹	4 hours Should not exceed maximum of 8 hours per year
e.	Registered and evidence-based E-learning courses	Certification	Actual time consumed by the course / training
f.	Presenter, participant or session chairman in short courses, seminars, conferences, trainings and media including interviews in print media	To be declared on the Reporting Form	Twice the actual time of the presentation

¹ Amendments approved by the Council in its 269th Meeting held on October 14 2015

S. #	Activity	Evidence to be kept	CPD Credit Hours
g.	Teaching relevant professional or degree courses	To be declared on the Reporting Form	One and half the actual time of the session ¹ .
h.	Participation in council, committees, working groups of ICAP other regulatory bodies, participation as Non-Executive Director in Board and Board Committee of listed companies. ²	To be declared on the Reporting Form	Actual time of the meeting
i.	Writing of books on professional interest, technical and reference manuals including study pack	Copy of the publication	1 hour per page of technical content. Maximum 40 hours per release
j.	Watching videos/CDs of the ICAP CPD programmes of the Institute by a particular geographical area(s) where there is no CPD Committee of the Institute. However, CPD hours in respect of the above activity are restricted to a maximum of 20 hours in a year. Further, places where there are established CPD Committees, CPD hours in respect of the above activity are restricted to a maximum of 10 hours in a year	Members are encouraged to obtain prior approval from the CPD Committee Attendance/topic(s) to be communicated to the CPD Committee within 2 weeks of watching such programme	Half of the actual duration
k.	General / Self certified readings (relevant to current or future development needs) e.g. journal articles, newspaper, reports, subscriptions etc.	Details to be provided on CPD Reporting Form: <u>Printed Material</u> <ul style="list-style-type: none"> • Date of reading • Date of publication • Title of the publication • Title of the specific article <u>Web-based Material</u> in addition to above information also include: <ul style="list-style-type: none"> • Retrieved/accessed from the full web address. • Date/time of retrieval/access 	Actual reading time, subject to maximum of 2 hours per article subject to the maximum of 10 hours per annum

¹ The words 'subject to maximum of 20 hours per annum' were deleted by the Council in its 269th Meeting held on October 14 2015.

² Amendments approved by the Council in its 269th Meeting held on October 14 2015

S. #	Activity	Evidence to be kept	CPD Credit Hours
l	Visit to ICAP libraries	The Librarian will provide sign in and out time to the CPD Directorate.	Actual time spent in the library
m	On Job learning ¹ Assignments and new initiatives that provide new learning for professionals while on job	Confirmation of employer and details of learning outcomes.	Half of actual hours spent on the assignments and initiatives subject to maximum of 60 credit hours in three year rolling period

13. Exemption to CPD

This directive does not apply to the members who fall in following categories:

- a. ill or incapacitated so that he/she cannot perform normal work;
- b. retired from whole time business;
- c. career breaks;
- d. members holding public offices such as Federal Ministers, Provincial Ministers, Advisors to Ministers, Senators, MNAs, MPAs etc., during the currency of their offices; or
- e. for any other reason which is considered justifiable by the CPD Committee, for the reasons duly recorded.

Verification

A “Verifiable CPD Activity” undertaken by the member must be supported by documentary evidences required to be maintained by the member provided under paragraph 12(a) to 12(j) and 12(l) for one year after the close of rolling period.

A” Non-verifiable CPD Activity” is an activity where a member is unable to prove that the CPD learning activity has taken place. Ordinarily, non-verifiable CPD does not have a defined learning outcome and is not designed to address a specific learning need. General reading, as defined in paragraph 12(k), is an example of non-verifiable CPD.

Non-compliance

14. On non-compliance with the CPD requirement at the end of each year and at the end of three year rolling period the members will sign a declaration form of non-compliance with a firm commitment to make up the deficit within 180 days.

On failure to comply with the requirements of this Directive, the CPD Committee will refer the non-compliant cases to the Council.

Recording and Monitoring

15. Each member is responsible for maintaining and retaining his CPD records and related evidences. A member may update member’s record maintained by the Institute online or he may keep the information through any other medium. The records maintained by the member should demonstrate that the member understands and complies with the

¹ Amendments approved by the Council in its 269th Meeting held on October 14 2015

Regulations. Additionally, CPD records are to be maintained by the CPD Directorate where CPD activities are organized by the Institute or any of its Regional or City – Sub-Committee:

- i. The Regional or City CPD Sub-committee will maintain a register of attendance; and
- ii. Within two weeks of holding the activity, will send the attendance sheet, to the CPD Directorate
 - a. The CPD Directorate will summarize the CPD record and send a summary to the CPD Committee for information.
 - b. The CPD Directorate will be responsible for maintaining record in respect of members participating in CPD activities arranged by Regional or City CPD sub-committees and relating to member’s participation in Institute’s Standing and other committees and uploading such CPD data on the website for members to review.
 - c. The CPD Directorate should also maintain up-to-date online data of all members of all CPD activities reported by member.

Annual Declaration

16. A member shall be required to submit annually to the Institute a declaration in a specified format by post or online, confirming member’s compliance with this Directive and, if requested by the Institute, provide such evidence of compliance as may be required.
17. The above said declaration or an evidence of its online filing shall be filed along with the annual renewal fee of the membership.

(232nd meeting of the Council held on March 6, 2012)

(234th meeting of the Council held on June 15 and 16, 2012)

(256th meeting of the Council held on August 7-8 and 9, 2014)

(269th meeting of the Council held on October 14, 2015)

Feroz Rizvi
Secretary/COO

Annexure

Annual Continuing Professional Development (CPD) Declaration

Member Name	
Member Number	
Reporting Year	

Declaration:

I declare that I comply with the annual CPD requirements. I have completed a total of _____ hours for the last calendar year. I understand that it is my responsibility to maintain professional competence and my record may be called in for review.

Name

Signature

Date (MM/DD/YY)



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