



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

Guidelines on Continuous Professional Training

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Table of Contents

1. Introduction	3
2. Application and interpretation	4
3. Objectives of CPT	5
4. Requirements for corporations	6
5. Requirements for individuals	7
6. Relevant activities	10
7. Relevant topics	11
8. Seeking approval as a recognised institution for providing CPT	12

1. Introduction

- 1.1 In a fast changing and highly competitive financial market, persons engaging in regulated activities should continuously update their knowledge and skills through continuous professional training (CPT) in order to maintain their professional competence to remain fit and proper.
- 1.2 The spirit of the CPT requirements is to ensure that a person engaging in regulated activities remains “fit”, by undergoing training that enhances his or her technical skills and professional expertise, and “proper”, by periodically refreshing himself or herself about the relevant ethical standards and regulatory knowledge.
- 1.3 The Guidelines on Continuous Professional Training (Guidelines) are published under section 399 of the Securities and Futures Ordinance, Cap. 571 (SFO) by the Securities and Futures Commission (SFC). They provide general guidance for persons to comply with the CPT requirements.
- 1.4 The Guidelines do not have the force of law and should not be interpreted in a way that would override the provisions of any applicable laws, codes or other regulatory requirements. Failure to follow these Guidelines may reflect adversely on the fitness and properness of a person to continue to carry on the regulated activities.
- 1.5 The Guidelines should be read in conjunction with the Fit and Proper Guidelines and the Guidelines on Competence.

2. Application and interpretation

2.1 The Guidelines are applicable to the following persons carrying on any regulated activities under Part V of the SFO:

- (a) a licensed corporation (LC);
- (b) a registered institution (RI);
- (c) a licensed representative (LR);
- (d) a licensed representative who is approved as a responsible officer (RO);
- (e) a relevant individual (ReI) whose name is entered in the register maintained by the Hong Kong Monetary Authority (HKMA) under section 20 of the Banking Ordinance; and
- (f) a person who has been given consent to act as an executive officer (EO) of an RI under section 71C of the Banking Ordinance.

2.2 For the purposes of the Guidelines, persons in paragraphs 2.1(a) and (b) above are named “corporations” while persons in paragraphs 2.1(c), (d), (e) and (f) above are known as “individuals”.

3. Objectives of CPT

- 3.1 CPT is the systematic maintenance, improvement and broadening of knowledge and skills to enable individuals carrying on regulated activities to perform their duties competently and professionally. The objectives of the CPT programme are:
- (a) to maintain and enhance their technical knowledge and professional expertise;
 - (b) to provide reasonable assurance to investors at large that they have the technical knowledge, professional skills and ethical standards required to perform the regulated activities efficiently, effectively and fairly; and
 - (c) to maintain and enhance Hong Kong's international reputation for high professional standards.
- 3.2 The SFC takes the view that the objectives of CPT could not be achieved solely through work experience or on-the-job training. It will generally be necessary for individuals to undertake CPT if they are to remain fit and proper.
- 3.3 The requirements for CPT will vary according to the size and nature of the business and the nature of the responsibilities to be undertaken by an individual. Rather than mandating particular programmes, these Guidelines describe the general attributes of the CPT programme.
- 3.4 LCs, ROs and LRs are required to confirm their compliance (or explain non-compliance) with the applicable CPT requirements annually with the SFC. SFC licensees shall provide such confirmation for the previous calendar year when they submit their annual returns electronically¹.
- 3.5 Failure to satisfy any applicable CPT requirements will cast doubt on the fitness and properness of corporations and individuals to remain licensed or registered and may lead to disciplinary action by the SFC or the HKMA (as the case may be). Nevertheless, the SFC or the HKMA will adopt a pragmatic approach taking into account the circumstances and the facts of the breach before taking any action.

¹ For example, in their electronic submission of an annual return with an anniversary date in 2020, they would confirm their compliance (or non-compliance) with the CPT requirements for calendar year 2019.

4. Requirements for corporations

- 4.1 Corporations are held primarily responsible for planning and implementing a continuous education programme best suited to the training needs of the individuals they engage which will enhance their industry knowledge, skills and professionalism. The apportioning of training costs will be a matter between the corporations and the individuals.
- 4.2 Corporations should at least annually evaluate their training programmes and make commensurate adjustments to cater for the training needs of the individuals they engage.
- 4.3 In developing the training programmes, consideration should be given to the corporation's size, organisational structure, risk management system and scope of business activities as well as the prevailing regulatory framework and market development.
- 4.4 The training programmes can be provided internally or the corporations can make use of appropriate external sources. In selecting training courses, corporations should satisfy themselves of the quality of the trainers and the standard of the training programmes. They should also ensure that the contents of such courses are appropriately structured and of benefit to the individuals in performing their functions. Subjects which are relevant to the individuals' functions and may help to enhance the performance of their functions would meet the CPT purpose.
- 4.5 Neither the SFC nor its Academic and Accreditation Advisory Committee (AAAC)² would endorse any training courses, whether provided internally or externally.
- 4.6 Corporations should keep the details of the training conducted, the attendance records and materials provided for individuals who have completed the training.
- 4.7 Sufficient records of the programmes and the CPT activities undertaken by the individuals should be kept for a minimum of three years and be made available for inspection or upon request by the SFC (for training undertaken by LRs and ROs of LCs) or the HKMA (for training undertaken by Rels and EOs of RIs).

² The AAAC is comprised of representatives from the SFC, the industry and academic institutions. It regularly reviews the CPT requirements to ensure that they meet general market needs and international standards and considers applications as recognised institutions for CPT purposes (see paragraph 8 below).

5. Requirements for individuals

- 5.1 Individuals must remain fit and proper at all times. One of the criteria is that an individual is continuously competent to perform the regulated activities. The SFC considers that an individual's competence may be achieved by undertaking training that enhances his or her technical skills, professional expertise, ethical standards and regulatory knowledge.
- 5.2 An LR or Rel must undertake a minimum of 10 CPT hours per calendar year (regardless of the number and types of regulated activities he or she engages in). In view of the higher level of responsibility and accountability placed on ROs or EOs, they are required to take two additional CPT hours (ie, at least 12 CPT hours per calendar year). These two CPT hours should cover topics relating to regulatory compliance.
- 5.3 An individual should attend at least five CPT hours per calendar year (out of the 10 hours for LRs and Rels and 12 hours for ROs and EOs) on topics directly relevant to the regulated activities³ for which he or she is licensed at the time the CPT hours are undertaken. As a general principle, such CPT hours should be allocated to cover the practice areas of the individual in proportion to the time and effort that he or she spends in each area. In addition, the following two types of individuals are required to comply with specific requirements.
- (a) Individuals who engage in the sponsor work of a corporation are required to attend training on topics which are relevant to their sponsor work, eg, relevant skills and knowledge of the regulatory rules and their changes. Training on these topics should amount to at least 2.5 CPT hours per annum.
 - (b) Individuals who engage in Codes on Takeovers⁴ transaction work for a corporation are required to attend training on topics which are relevant to their Codes on Takeovers advisory work, eg, relevant skills and knowledge of the regulatory rules and their changes. Training on these topics should amount to at least 2.5 CPT hours per annum.

For the avoidance of doubt, the specific requirements set out in paragraph 5.3(a) and (b) can be counted towards the five CPT hours on topics directly relevant to the regulated activities for which the individual is licensed. Moreover, for an individual whose RA licence changes during the calendar year, it is reasonable that these five CPT hours be on topics which are directly relevant to the regulated activities for which he or she is licensed at the time.

- 5.4 Within the 12 months after a person first becomes an individual as defined in paragraph 2.2, that person must undertake two CPT hours on "ethics", which include, but are not limited to, topics relating to integrity, fairness, due care and diligence, good faith, objectivity, best interests of clients, treating clients fairly, avoidance of conflicts of interest and confidentiality of clients' information. Thereafter, he or she is required to complete at least two CPT hours per calendar year on topics relating to ethics or compliance. Topics relating to "compliance" include, but are not limited to,

³ Such as applicable compliance, legislative and regulatory standards, business conduct, market developments, new financial products and risk management systems.

⁴ "Codes on Takeovers" refers to the Codes on Takeovers and Mergers and Share Buy-backs.

the legal and regulatory framework for the financial industry, codes of conduct and industry guidelines issued by regulatory authorities, as well as policies and guidelines set out by individual corporations internally or by other professional bodies.

- 5.5 For the avoidance of doubt, an individual who first joins the industry can count the mandatory two CPT hours on ethics towards the annual CPT requirement set out in paragraph 5.4. However, they cannot be counted towards the two additional CPT hours required of ROs and EOs set out in paragraph 5.2 nor be used to meet the CPT requirements for conditional exemption of recognised industry qualification and the local regulatory framework paper requirements.
- 5.6 Individuals are also required to retain appropriate records of all CPT activities completed in a calendar year. Documentary evidence sufficient to support their attendance or completion of the CPT activities such as certificates of attendance issued by the course providers and examination results should be kept by the individuals for a minimum of three years. The SFC may request LRs and ROs of LCs, and the HKMA may request Rels and EOs of RIs, to produce such documentary evidence as and when required.
- 5.7 The SFC or the HKMA (as the case may be) may impose a higher CPT hours requirement under certain circumstances, such as, a person seeking exemption from meeting the recognised industry qualifications or completing a recognised local regulatory framework paper. Please refer to the Guidelines on Competence for details of the exemption criteria and the additional CPT hours required.
- 5.8 Several practical issues regarding the accumulation of CPT hours are set out in the following paragraphs.
- (a) The CPT hours required for an individual⁵, who is first licensed during the year, can be applied pro-rata with reference to the licensed period⁶. For example, if an individual was granted a licence as an LR on 1 July, the total number of CPT hours required of him or her for the calendar year would be five (ie, one half of the annual CPT requirement for LRs).
 - (b) The training courses attended prior to the date of licence but within the same calendar year can be counted as CPT hours. This would include study hours for fulfilling competence requirements if a pass in the relevant examination is proven.
 - (c) When an individual changes his or her employer within the same calendar year, he or she can carry forward his or her CPT hours undertaken at the previous employer. The new employer does not need to get the CPT information from the previous employer. It can rely on the declaration and the documentary evidence provided by the individual.

⁵ Including the (i) 10 CPT hours per calendar year for LRs, Rels, ROs and EOs; (ii) additional two CPT hours on regulatory compliance for ROs and EOs; (iii) five CPT hours on topics directly relevant to the RAs in which an individual engages; and (iv) two CPT hours on topics relating to ethics or compliance.

⁶ Except for the one-off mandatory requirement of two CPT hours on ethics required of new joiners as set out in paragraph 5.4.

- (d) It is not necessary for an individual to apportion his or her CPT hours undertaken in accordance with his or her periods of employment with the previous and new employers.
- (e) The new employer will not be accountable for the non-compliance of the individual who has not undertaken enough CPT hours at his or her previous employer. Thereafter, it has to ensure that the individual meets the annual CPT hours requirements, ie, 10 CPT hours for LR's or Rel's, or 12 CPT hours for RO's or EO's.
- (f) Excess CPT hours accumulated in one calendar year cannot be carried forward to the following year.

6. Relevant activities

- 6.1 CPT hours are time spent by individuals in undertaking CPT activities. The CPT activities should be relevant to the functions to be performed by them⁷ and should incorporate significant intellectual and practical content and involve interaction with other persons.
- 6.2 The following are acceptable means of obtaining CPT:
- (a) attending courses, workshops, lectures and seminars⁸;
 - (b) distance learning which requires submission of assignments;
 - (c) self-study or online learning courses⁹;
 - (d) industry research;
 - (e) publication of papers;
 - (f) delivery of speeches⁸;
 - (g) giving lectures or teaching⁸;
 - (h) providing comments to industry consultation papers;
 - (i) attending meetings or undertaking activities as members of the SFC's regulatory committees or formal working groups¹⁰; and
 - (j) attending luncheon talks which normally last for one to two hours in total (0.5 hour will be counted).
- 6.3 Normal working activities, general reading of financial press or technical, professional, financial or business literature and activities which do not involve interaction with other persons will generally not be regarded as CPT activities.

⁷ See paragraph 5.3 above for specific requirements.

⁸ Both face-to-face and virtual formats are acceptable.

⁹ Independent assessments (such as evaluation or test results) and sufficient records are required to demonstrate fulfilment and duration of training.

¹⁰ Formal working groups set up for the purpose of making decisions on a predetermined subject, meetings of which are presided over by a chairman and with minutes.

7. Relevant topics

- 7.1 Individuals are required to remain fit and proper to perform their functions at a professional level. Relevant topics for individuals at the LR or Rel level include:
- (a) applicable compliance, legislative and regulatory standards¹¹;
 - (b) business conduct and ethical standards¹²;
 - (c) market developments, new financial products and risk management systems;
 - (d) business communication skills and trade practices;
 - (e) general law principles;
 - (f) basic accounting theories;
 - (g) fundamental economic analysis;
 - (h) Fintech;
 - (i) environmental, social and governance (ESG);
 - (j) cybersecurity; and
 - (k) information technology.
- 7.2 Relevant topics for ROs or EOs who play a crucial role in ensuring effective corporate governance and control may, in addition to the above topics, include the following:
- (a) business management;
 - (b) risk management and control strategies;
 - (c) general management and supervisory skills;
 - (d) macro and micro economic analysis; and
 - (e) financial reporting and quantitative analysis.
- 7.3 The topics listed above are only examples and are by no means exhaustive.
- 7.4 Generally speaking, language courses cannot be counted as CPT. Management training can be counted towards CPT if the training assists in enhancing the person's ability to carry out the regulated activities.
- 7.5 Seminars given by the SFC pertaining to regulatory updates and other relevant topics can be counted towards CPT.
- 7.6 Repeatedly undertaking the same CPT activity with the same content will not satisfy the requirements.

¹¹ See paragraph 5.4 above.

¹² See paragraphs 5.4 and 5.5 above.

8. Seeking approval as a recognised institution for providing CPT

- 8.1 The AAAC is responsible for endorsing applications from professional bodies and tertiary institutions to be recognised institutions for providing CPT.
- 8.2 Applications should be made to the Secretary of the AAAC in the “Application Form for Professional Bodies and Tertiary Institutions for Approval as a Recognised Institution”.
- 8.3 The criteria for approval as a recognised institution for providing CPT include the following:
- (a) it is an established professional body or institution with a track record of at least three years in providing training;
 - (b) it has and will develop training related to regulated activities;
 - (c) it has set up an independent committee, with representatives who are industry participants, to develop and ensure the quality of training;
 - (d) its training programmes are evaluated on an ongoing basis;
 - (e) the trainers are professionally qualified and have relevant industry experience;
 - (f) the training is interactive (self-study and online learning courses without assessments or examinations are not acceptable);
 - (g) it has attendance controls in place, including verification of the identity of the person attending the training, an audit trail to keep track of the duration of each person’s training and attendance records which are kept for at least three years; and
 - (h) attendance certificates are issued upon successful completion of training, eg, when an attendee achieves a pass in an assessment for an online learning course.
- 8.4 Recognised institutions for providing CPT are expected to notify the SFC if there are any material changes to the matters set out in paragraph 8.3 above. The SFC may, if necessary, monitor their CPT programmes and review their status as a recognised institution for providing CPT.
- 8.5 The AAAC has endorsed a list of recognised institutions for providing CPT. Institutions which provide recognised industry qualifications for competence purposes can also provide CPT courses. The list will be updated and posted on the SFC’s website as and when changes occur.
- 8.6 As mentioned in paragraph 4.5 above, neither the SFC nor the AAAC endorses CPT courses. Generally, it is expected that the contents of these courses would relate to the topics set out in paragraphs 7.1 and 7.2 above.
- 8.7 The AAAC will regularly review the CPT requirements to ensure that they meet general market needs and international standards.