

Cyprus Actuarial Association

Continuing Professional Development Rules

Exposure Draft

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1. Introduction

The Cyprus Association of Actuaries (CAA) is introducing a Continuing Professional Development (CPD) scheme for all its Associate and Fellow members. The CPD scheme is consistent with the International Actuarial Association's guidelines for CPD both in content and in context. The CPD scheme is binding on all CAA Associate and Fellow members and goes into effect on 01/01/2015.

Each CAA member must satisfy the minimum CPD requirements over a CPD cycle. The first two – year CPD cycle covers the period January 2015 to December 2016.

2. Definitions

2.1. Continuing Professional Development (CPD)

Continuing Professional Development (CPD) is defined as the development of knowledge and of technical, professional, business, management and personal skills and competencies throughout the working life of an actuary.

2.2. CPD Cycle

The CAA CPD cycle is defined as a two – year rolling cycle, meaning in any year a member must satisfy the minimum requirements by using CPD credits earned over the year of evaluation and the preceding one. For example, a member can be considered as having satisfied the minimum CPD requirements for 2016 by using CPD credits earned in 2015 and 2016.

2.3. Unit of credit

One unit is defined as 1 hour. Credit is also granted for parts of an hour.

2.4. Structured Credit

Credit earned from any organized activity or experience derived from an organized activity where there is an opportunity for interaction among participants. This definition is meant to include participation in a webcast. Employer – sponsored continuing education events where there are no outside speakers do not count towards this requirement.

2.5. Self – Study Credit

Credit earned through a number of non – structured activities. Self – study credit can be earned a number of different ways, some of which are listed under “Self – Study Activities” in paragraph 5.3.4.

2.6. Skills Categories

CPD provides a means to address a varying range of skills becoming necessary at the different career stages and roles of an actuary with emphasis on:

- ✓ technical actuarial skills;
- ✓ related professional skills, such as the ability to exercise professional judgement and address ethical dilemmas;
- ✓ business and management skills, such as knowledge of the industry and the ability to create and implement business strategies; and
- ✓ personal skills such as time management, independence of thought and communication skills.

The CAA is granting CPD credit categorized in the following categories:

- A. Job – relevant skills,
- B. Professionalism,
- C. Business and Management skills

3. Objectives of the CPD Scheme

We recognize that actuarial knowledge and the environment in which actuaries work are dynamic and subject to constant change and development. We also understand that our members can only remain current and competent in their areas of practice by continued study and by keeping up with developments whether industrial, technological, actuarial, etc.

A primary objective of the CAA is that its members are able to provide a high quality service for which they have to be competent and appropriately experienced to do so. We believe that CPD is extremely important in being able to provide and maintain such service in performing professional services.

The CAA requires all its members to undertake CPD for the following reasons:

- i. To continue the process of development after qualification and to maintain familiarity with the complex environment in which actuaries work;
- ii. To stay abreast with the new types of risk that emerge over time and developments in actuarial techniques so that their work done is up-to-date and relevant;
- iii. To be aware of developments of new products and current methodologies and factors which may affect the suitability of models and assumptions;
- iv. To be aware of developments in national and international legislation, regulation and accounting standards and to keep up with new actuarial standards of practice and modifications to existing standards;
- v. To keep up to date with developments in the regulatory environment that impact the actuarial profession as well as with changes in the industry in which they practice
- vi. To achieve personal as well as technical development in order to equip themselves for new roles, including managerial roles, over their careers;
- vii. To address skills and knowledge needs in order to function in new areas of practice arising from the expansion of the profession;
- viii. To be regularly challenged to think through professionalism questions;
- ix. To be competent in the areas in which they practice in order to safeguard the public interest;
- x. To safeguard the reputation and status of the actuarial profession by having the ability to provide relevant and up-to-date advice;
- xi. To be knowledgeable as qualified actuaries in order to meet the expectations of different stakeholders;
- xii. To be competent and up-to-date in all actions, even when not working in a specific actuarial role.

4. CPD Activities

The responsibility for determining the CPD activities that are relevant to a member's development rests with the member. The same applies to the distribution of CPD topics the member chooses between technical and non – technical topics.

CPD can be achieved in a number of different ways including, but not limited to, the following:

- a) Participating in any of the following:
 - ✓ relevant courses, given or run by actuarial associations, universities and other bodies;
 - ✓ local, national and international actuarial or other related meetings, seminars, conferences, colloquia and workshops;
 - ✓ other related events run by other related professional bodies and organizations;
 - ✓ relevant commercial conferences or seminars;
 - ✓ relevant employers' courses and discussion groups;
 - ✓ relevant webcasts, web-based seminars or video-link seminars;
 - ✓ relevant research, either as an individual or in a group;
 - ✓ internet discussion groups on actuarial or other related topics;
 - ✓ technical committees work of the CAA or other local relevant professional bodies or organizations (either local or at international level);
- b) Teaching or mentoring other actuaries and/or actuarial or related field students ;
- c) Setting or marking actuarial examinations;
- d) Studying for a further related qualification, including membership of other relevant professional bodies;
- e) Studying relevant courses or educational programs on-line;
- f) Writing relevant articles, papers and books;
- g) Giving talks or making presentations to colleagues or a wider audience at conferences or seminars;
- h) Private reading of relevant journals and books;
- i) Participating in committees or forums responsible for the preparation of relevant regulatory or best practice frameworks including, laws, regulations, standards and guidelines

The CAA is granting credit categorized in the following categories:

A. Job – Relevant Skills

Job relevant skills credits are educational credits that broaden a member's knowledge of work and are:

- a) required for member's current role,
- b) in related disciplines that bear directly on the member's work, or
- c) in a new area in which the member contemplates practicing in the future.

Job – relevant skills fall into two distinct categories as follows:

Technical Job – relevant skills

- i. Actuarial
- ii. Mathematical and Statistical
- iii. Financial Modelling
- iv. Risk management & Governance
- v. Legislative and regulatory developments
- vi. Other technical topics relevant to the work of the actuary

Non - technical topics

- i. Industry and Economy trends
- ii. Globalization
- iii. Economic and Business cycles
- iv. Other job relevant topics not relevant to the work of an actuary

B. Professionalism

Professionalism includes the professional and ethical standards that actuaries are expected to adhere to when performing their professional duties.

C. Business and Management skills

Business and Management Skills are skills not unique to the actuarial profession, but improve personal effectiveness and ability to succeed in a diverse business environment:

- i. Presentation skills
- ii. Business writing skills
- iii. Negotiation tactics
- iv. People management
- v. Project management
- vi. Personal development skills

5. CPD Requirements

5.1. CPD Requirements Introduction

This section provides details on the CPD requirements that members must meet and detailed explanations / clarifications on what constitutes **acceptable credit**.

5.2. CPD Requirements Table

The following table displays the required credits for a CPD cycle by category and any minimum or maximum limits that exist within a category or between categories:

Category	Credit Distribution	Credit Units	Credit Type
Job – relevant Skills	Minimum 65%	Minimum 26	At least 50% (13 credits) must be structured credit
Professionalism	Minimum 10%	Minimum 4	Can be either self – study credit or structured credit
Business and Management Skills	Maximum 25%	Maximum 10	Can be either self – study credit or structured credit
Total requirement	100%	40	

5.3. CPD Requirements Clarifications

5.3.1. Single Event Limit

There is no ceiling on the number of structured credits that a member can earn from a single organized event or activity. Furthermore, there is no requirement that the event is organized by the CAA or any other actuarial society.

5.3.2. Presenters

Members who are presenters in an organized event eligible for structured credit can earn:

- i. Structured Credit for the session length of their presentation, and
- ii. Self – study credit for the preparation of the presentation

5.3.3. Volunteer Activities

Volunteer activities are considered structured credit so long as they involve interaction with others and a job – relevant activity with an actuarial or other professional organization.

Examples of volunteer activities include:

- i. Organizing meetings of an actuarial association
- ii. Making policy decisions for an actuarial association
- iii. Designing professional development sessions of an actuarial association
- iv. Sub – committee meetings of the CAA
- v. Council meetings of the CAA

5.3.4. Self – study Activities

Credit can also be earned for CPD approved self – study activities for a number of credits up to the maximum allowed under this category. A number of self – study activities can be used to earn CPD credits and these are listed below:

- i. Writing professional papers or articles
- ii. Relevant graduate level studies
- iii. Reading actuarial literature, relevant statutes or regulations
- iv. Reading books, papers, articles and professional magazines
- v. Preparing presentations
- vi. Volunteer activities for an actuarial organization if the activity does not involve interaction with others so long as the activity is job relevant
- vii. Research

As a general comment it is clarified that self-study credit can be earned for study done as part of an actuary's employment based on the understanding that learning something new for one's job is a professional development activity that is job-relevant CPD. However, it is clearly noted that applying something new in one's job is part of normal job duties, and does not qualify as CPD.

6. Requirement to Keep CPD Records

A log of CPD qualifying activity should be kept by each member. The log should include:

- a. Date
- b. Skills Category (job-relevant, professionalism or business and management skills)
- c. Type of Activity (self-study or structured),
- d. Source of the activity for Structured Credit (employer or non-employer event),
- e. Time spent (in minutes)
- f. Credits (CPD units),
- g. Description of the activity (detailed enough to show why this was a CPD activity)

Recording details of all qualifying CPD activity will eventually be available on-line within the member's section of the CAA's website at www.actuaries.org.cy.

Members must ensure that they retain sufficient records to be able to prove their participation in the CPD events or the periods of self-study activity listed in their records to the CAA, if requested.

The profession reserves the right to require sight of such documentation as it deems sufficient to support any application for exemptions from the Scheme or to support any claim by a member that they are not within the scope of the CPD Scheme.

A sample CPD Recording Template is included in the Appendix.

7. Attesting and Assessing Compliance

Each member must attest compliance by the end of July for the rolling two – years CPD cycle ending with the previous June. Attestation will be available through the CAA website or through any other means the executive council of CAA might decide.

A member who attests compliance is effectively certifying that he has completed all the requirements under the CPD scheme and must also submit details of his CPD compliance upon request.

The CAA will be performing annual random audits on its members to verify attestation and assess compliance with the CPD requirements.

8. Failure to Satisfy the CPD Requirements

Failure to comply with the CPD Scheme is considered as evidence of professional misconduct and will result in disciplinary action being taken.

Any member who fails to attest compliance by the deadline of the end of February each year will automatically have his status changed to Non – Compliant and the new status will remain until such time when the member finally complies.

The removal of a Non – Compliant status requires a formal application to CAA with full evidence of the CPD requirements completed and the payment of an application fee (set at €50 until further notice).

9. Appendix A – Sample CPD Recording Template

CPD Records - John Doe, FCAA

CPD Cycle	2015	2016
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Date	Skills Category	Type	Source	Duration (Minutes)	Units	Description

Skills Category	Type	Source
Job Relevant Skills	Structured	Employer
Job Relevant Professionalism	Self - Study	Other than Employer
Business and Mgt Skills		

10. Appendix B: Provision of CPD activities

This Appendix illustrates a wide range of CPD activities in which an actuary might participate. The list is not intended to be exhaustive and other activities may also be relevant and appropriate to the individual actuary's needs.

- i. Events organized by the IAA or the Actuarial Association of Europe (AAE) – Former *Groupe Consultatif*

The following sections of the IAA organize colloquia in years in between the International Congress of Actuaries which could be used for CPD:

- ✓ ASTIN – non-life insurance
- ✓ AFIR/ERM – investment and financial risk
- ✓ PBSS – pensions, benefits and social security
- ✓ IAALS – life insurance
- ✓ IAAHS – health and care; and
- ✓ IACA – actuarial consulting practice

Member associations of the Actuarial Association of Europe (AAE) organize summer schools from time to time. These are structured learning programs for people interested in developing their knowledge on a particular topic. The Actuarial Association of Europe (AAE) itself holds major events periodically.

- ii. Events organized by Actuarial Associations

- ✓ Conventions
- ✓ Colloquia
- ✓ Workshops
- ✓ Seminars
- ✓ Regular members' meetings
- ✓ Professionalism events
- ✓ Face-to-face courses, both within and outside the regular actuarial curriculum
- ✓ Events organized in conjunction with other professional bodies

- iii. Events organized by Universities

- ✓ Courses within the actuarial curriculum, especially such courses that have been introduced after the actuary graduated
- ✓ Other courses that are relevant to the actuary's present line of work
- ✓ Presentations of papers and dissertations
- ✓ Seminars

- iv. Events organized by Other Bodies

Many professional bodies and associations organize many events that could be of value to the actuary's job related and / or business management skills. Such events may take similar form to those organized by actuarial associations

v. Reading materials

The journals of research work published by several associations are an example of suitable reading materials. There are also many books with material relevant to actuaries or actuarial science.

vi. Electronic learning

Several associations use their websites to disseminate learning materials, particularly from conferences, colloquia and seminars. This may often be in the form of slides presented at recent events and could form part of a member's self – study.

vii. Activities offered by other providers

There are a number of outside providers in every country that offer activities relevant for actuarial CPD.