



Institute of Actuaries of India

Statutory body established under an Act of Parliament

Unit No. F-206, 2nd Floor, F Wing, Tower II, Seawoods Grand Central,
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December 19, 2020

To
Fellow and Affiliate members &
all interested persons from the Public

Subject: Exposure Draft on proposed amendments in Actuarial Practice Standard 9 (APS9): Continuing Professional Development (CPD) and the Actuary

Institute is seeking comments on Exposure Draft APS 9 - Continuing Professional Development (CPD) and the Actuary as per para 4.4 of Principles and Procedure for issuance of Guidance Note/ Practice Standard.

APS 9 (version 1.00) was first issued and made effective from 1st April 2005 and thereafter there has been several revision, final one being APS (Ver 3.00) which was issued on 25 August 2018 and is effective from FY 2018-19.

The draft APS 9 (version 4.00) has been drafted after taking into consideration feedback received from members, best practices and experience during this period.

Notable Changes from existing APS 9 (version 3.00)

Notable changes made to the existing APS 9 reflected in the exposure draft are summarized below.

1. Categories of Fellow members
2. Exemption Criteria
3. Evidence of CPD hours
4. Compliance Monitoring
5. Enforcement

The revised draft APS 9 is annexed as annexure 1

Request for Comments

The IAI appreciates comments and suggestions on all areas of this proposed Exposure draft within 30 days i.e by 18th January 2021. Rationale and recommended wording for any suggested changes would be helpful and requested to be provided in format as per annexure 2 and to be submitted on the link below

https://forms.office.com/Pages/ResponsePage.aspx?id=qaPCdAjME0W_mANhUfqCxEYQu7Nb1FFNks5Wf8XsanNUNTnMTU1MMkVMMkMxQjdGWjZFS1EyUFEyWC4u

For any query or clarification, kindly get in touch with Compliance Officer at compliance@actuariesindia.org



Continuing Professional Development (CPD) and the Actuary

Classification: Practice Standard

Legislation or Authority: Section 19 (2) (i) of the Actuaries Act 2006

Author: The Council of the Institute of Actuaries of India.

Compliance: Members are reminded that they must always comply with the Professional Conduct Standards (PCS) and that Actuarial Practice Standards imposes additional requirements under specific circumstances.

Application

This Actuarial Practice Standard (APS) is applicable to all fellow members (called member/s herein below) of the Institute of Actuaries of India (the Institute) as under:

1. All Fellow members who hold Certificate of Practice (COP) under Section 9 of the Actuaries Act 2006 and in accordance with the COP Guidelines issued by the Council of the Institute of Actuaries of India.
2. All other Fellow members who are not holding Certificate of Practice (COP) as per Section 9 of the Actuaries Act, 2006.

Status:

APS 9 Version 1.00 - Remained in force till 27th March 2015

APS 9 Version 2.00 - Remained in force between 28th March 2015 to 31/03/2018

APS 9 Version 3.00 - Approved by Council in its meeting dated 21/07/2018. This version of the APS 9 (Version 3.00) comes into effect from the CPD year 2018-19.

APS 9 Version 4.00 - Under Due process

1. Legal Framework

This Actuarial Practice Standard is issued by the Council of the Institute of Actuaries of India in exercise of the powers vested under section 19 (2) (i) of the Actuaries Act 2006.

2. Objective

On compliance with this APS, a member will have a high degree of confidence in the application of actuarial principles and practices while meeting his/her obligations for the cause of public interest under Professional Conduct Standards.



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3. Actuarial work

For the purpose of this APS, the “actuarial work” is defined as work that involves the application of Actuarial Science as defined under the section 2(1) (a) of the Actuaries Act 2006.

4. CPD requirements

4.1. All Fellow members must spend certain amount of time each year to undertake appropriate activities that address personal development needs and contribute to learning that is relevant to the nature of the member’s work or role. Such time spent in learning shall be called Continuous Professional Development hours (CPD hours). The minimum prescribed CPD hours set out in this practice standard are mandatory for all Fellow members of the Institute.

4.2. Categories of Fellow members

4.2.1. Category 1: COP holders

All active Fellow members who **hold or apply for a COP**

4.2.2. Category 2:

All active Fellow members **who do not hold a COP** and who undertake paid or unpaid work which relies upon their actuarial training and experience

4.2.3. Category 3:

All Fellow members who are inactive i.e. not in paid or unpaid work which relies upon their actuarial training and experience, in the widest interpretation, or on their membership of the IAI and do not expect to return to such work in the foreseeable future, *but wish to use the qualification FIAI against their name*

4) Category 4:

All Fellow members who are inactive i.e. not in paid or unpaid work which relies upon their actuarial training and experience, in the widest interpretation, or on their membership of the IAI and do not expect to return to such work in the foreseeable future *and do not wish to use the qualification FIAI against their name or continue with their membership.*

4.3. The CPD year(s) for all Fellow members of the Institute shall be a period of one year (from 1st April to 31st March).

4.4. CPD requirements for Category 1

4.4.1. The eligibility for COPs as per the COP Guidelines will be reviewed on 1st April every year and eligibility with respect to CPD activities will be based on the full CPD year/s immediately prior to the CPD year to which the COP applies.



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- 4.4.2. For members applying for new CoP or the restoration of the CoP, if they do not have the CPD hours as per Para 4.4.3 below, the CPD hours earned during the year of application/restoration may also be counted for the purpose of total CPD hours. However, these CPD hours will not be used/counted for renewal of CoP for next year.
- 4.4.3. Minimum CPD hours required for COP holders are provided below:

For a fellow member who applies for or holds a COP, a minimum credit of 24 CPD hours are required each year, of which:

1. A minimum of 15 CPD hours should be pre-approved verifiable technical CPD hours in specific area of practice. For members holding or applying for additional areas of practice, there would be a requirement of additional CPD hours as per Para 5 below
2. A minimum of 6 CPD hours should be pre-approved verifiable professional CPD hours.
3. A maximum of 3 CPD hours may be earned as other verifiable CPD hours.

4.5. CPD requirements for Category 2

For all active fellow members **who do not hold a COP**, a minimum credit of 18 CPD hours are required each year, of which:

- i). A minimum of 9 CPD hours should be pre-approved verifiable technical CPD hours.
- ii). A minimum of 3 CPD hours should be pre-approved verifiable professional CPD hours.
- iii). A maximum of 6 CPD hours may be earned as other verifiable CPD hours.

- 4.5.1. Fellow members under category 2 may be exempted from the CPD requirements of the Institute if they are fellow members of other actuarial body recognised by the Institute (as approved by competent authority and updated on IAI website from time to time) for the purpose of demonstrating CPD and meet the CPD requirements of that actuarial body which is equivalent or greater than the CPD requirement of the Institute. Such member shall declare, at the start of relevant CPD year, that the other actuarial body is the primary regulator for CPD matters. They must demonstrate compliance to the CPD requirements of the other actuarial body for the relevant CPD year by submitting certificate



from that actuarial body at least 3 months before the end date of the annual membership year.

4.6. CPD requirement for Category 3

Fellow members who are not in paid work which relies upon their actuarial training and experience, in the widest interpretation, or on their membership of the IAI and do not expect to return to such work in the foreseeable future, but wish to use the qualification FIAI against their name may apply to the IAI to be registered as **Inactive** member atleast 3 months before the end date of the annual membership year (fees to be decided). By doing so, they will no longer be required to confirm their status to the IAI each CPD year

Above category of members must complete the exemption application form and submit to Compliance Officer at compliance@actuariesindia.org.

4.7. CPD requirement for Category 4

Fellow members who are not in paid work which relies upon their actuarial training and experience, in the widest interpretation, or on their membership of the IAI and do not expect to return to such work in the foreseeable future *and do not wish to use the qualification FIAI against their name* may apply to the IAI. By doing so, they will no longer be required to confirm their status to the IAI each CPD year and *would have their membership discontinued from the date of application*.

Above category of members must complete the exemption application form and submit to Compliance Officer at compliance@actuariesindia.org.

4.8. Fellow members other than Category 1 who are unable to meet the required CPD hours due to exceptional personal circumstances such as, permanent disability (not less than 40% and above) or member suffering from prolonged critical disease/illnesses or other disability or any other medical condition as may be specified by Council or Committee authorised by Council.

Above category of members must complete the exemption application form and submit to Compliance Officer at compliance@actuariesindia.org .



5. Practice Areas

Each area of actuarial practice needs possession of specialised knowledge and skills by a member on an on-going basis and, therefore, each practicing member who holds COP should have earned minimum credit of fifteen (15) technical CPD hours per year as stipulated in Para 4.4 above, in the respective area of practice. The areas of practice are a) Life Insurance; b) Health Insurance; c) General Insurance; d) Pension and Other Employee Benefits; e) Finance, Investments and Management and f) any other area as decided by the Council from time to time.

Illustration:-

Situation 1:-

If Mr. X wants to practice in Life Insurance area, he must accumulate 24 hrs consisting of the following CPD credits :-

- 15 hrs CPD credits in Life Insurance as specific area
- 6 hrs CPD credits in Professional
- 3 hrs may be earned as other verifiable CPD hours or any other pre-approved CPD credits irrespective whether its Professional / Technical

Situation 2:-

If Mr. X wants to practice in any other additional area, he must accumulate 8 hrs technical CPD hours in each additional area of practice

If a member practices in multiple areas of practice, the required minimum Technical CPD hours under would go up by 8 (Eight) CPD hours under each additional area of practice.

6. Nature of CPD Programs:

- 6.1. "Technical CPD hours" means the time spent on acquiring knowledge that enhances technical actuarial skills relevant to a member's practice area. The requirements for each specific area of practice will be as per Para 4 above.
- 6.2. "Professional CPD hours" means the time spent on acquiring knowledge that is directly relevant to enhancing the understanding of professional obligations and behaviour expected from a member.
- 6.3. For pre-approved verifiable CPD programs/ events organised by the Institute, the Council or Committee authorized by it shall designate the program or event as



'technical' or 'professional' at the time of announcement of the activity. For technical programs the CPD hours by area of practice shall also be specified.

- 6.4. For pre-approved verifiable CPD programs not directly organised by the Institute, the classification as 'technical' with applicable area of practice or 'professional' shall be assigned at the time of providing such pre-approval.
- 6.5. For other verifiable CPD activities, members may classify their CPD hours as 'technical' with area of practice or 'professional' based on their own judgement with respect to the nature of the activity undertaken.

7. Pre-approved Verifiable CPD hours:

- 7.1. Pre-approved Verifiable CPD hours are those that the Council or Committee authorized by it deems as being such. The Council or Committee authorized by it at its sole discretion might add, delete or change the eligibility by considering the appropriateness of the activity contributing to such CPD hours. A list of all activities, programs and events deemed as contributing to pre-approved verifiable CPD hours shall be published by the Institute and any change would be suitably notified to the members. A list of such activities currently deemed as pre-approved is as updated on IAI website from time to time.
- 7.2. If a particular activity, program or event is not approved by the Institute and so not listed as pre-approved, any Fellow member may apply for its inclusion in the list of pre-approved verifiable CPD hours if the activity is deemed appropriate in the context of enhancing opportunities for providing continuous professional development for members of the Institute. An activity, program or event may be considered for pre-approval by the Council or Committee authorized by it provided the following criteria are met:
 - 7.3. The organising body is an organisation of appropriate reputation in the context of actuarial work, for example a professional body, a regulator, another member body/partner of the International Actuarial Association (IAA), an appropriate industry group or industry organisation or a reputed employer of actuaries;
 - 7.4. There is a demonstrable enhancement of knowledge and/or skills relevant to actuarial work as a result of participation;
 - 7.5. Participation is open for all Fellow members of the Institute and not limited to a certain set of individuals, for example by invitation only or any other eligibility criteria;
 - 7.6. Participation exposes members to an exchange of viewpoints including individuals from outside of the member's own organisation; and
 - 7.7. Participation as well as learning outcomes are capable of being evidenced to the Institute in writing.
- 7.8. A member when applying for inclusion of a specific activity, program or event to the pre-approved list, must provide the following minimum information to the Institute for its consideration:
 1. Name and brief description of the activity, program or event;



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2. Name of the organising body;
3. Total number of CPD hours for which pre-approval is required as a result of participation;
4. Classification as 'technical' or 'professional' along with rationale for the same;
5. Frequency (e.g. one-off / ad-hoc from time to time / annual etc.);
6. Nature of participation (e.g. via open registration / nomination by the Institute or any other form of nomination etc.);
7. A clear description of expected learning outcomes as relevant to actuarial work and rationale for inclusion in the pre-approved list;
8. Whether the activity is recognised as valid for CPD purposes by any other actuarial body recognised by the Council for the purpose of CPD credit;
9. A clear description of how the participation as well as learning outcomes shall be evidenced to the Institute; and
10. Any other supporting documents or materials (e.g. relevant brochures / announcements / references to past iterations of the event or previously published materials etc.).

7.9. Upon receipt of such an application, the Council or Committee authorised by the Council shall consider on a case by case basis merits for inclusion or otherwise of the activity, program or event in the list of pre-approved verifiable CPD activities. The decision for inclusion or otherwise of any activity in the pre-approved list is the sole prerogative of the Institute and may not be challenged by any member.

8. Other verifiable CPD hours:

- 8.1. Other verifiable CPD hours relate to any time spent on activities that contribute to a member's professional development but are not listed under the pre-approved verifiable list of activities. These may include, but are not limited to any informal ways of enhancing own knowledge through self-study or attending internal training and development programs of a member's own organisation.
- 8.2. Any activity, program or event may be considered as other verifiable CPD hours provided the following conditions are met:
 - 8.2.1. There is a demonstrable enhancement of knowledge and/or skills relevant to the member's role or personal development needs related actuarial work as a result of undertaking such activity; and
 - 8.2.2. Engagements in the activity as well as learning outcomes are capable of being evidenced to the Institute in writing.

9. Hours of CPD Credit:

- 9.1. CPD hours should only be claimed to the extent that the member considers professional development has happened as a result of participation in the stated activity, program or event. Hours claimed as CPD shall be at the discretion of the member (subject to maximum limits set out in the table below), based on self-



assessment of learning outcomes, consistent with the nature of the member's own work or role and personal development needs. An assessment of CPD hours commensurate with the member's learning outcomes should be undertaken regardless of whether these are in respect of pre-approved verifiable CPD activities or other verifiable CPD activities.

- 9.2. Nevertheless, to ensure reasonable amount of hours are considered as CPD hours for each activity, the detail calculation as shown in table below shall apply.

Details calculation for CPD per day as under	
Number of CPD hours	Time Spent
Zero CPD hour	<0.5 hrs
One CPD hour	≥ 0.5 hrs < 1.5 hrs
Two CPD hours	≥ 1.5 hrs < 2.5 hrs
Three CPD hours	≥ 2.5 hrs < 3.5 hrs
Four CPD hours	≥ 3.5 hrs < 4.5 hrs
Five CPD hours	≥ 4.5 hrs < 5.5 hrs
Six CPD hours	≥ 5.5 hrs
Note:- This excludes lunch break	

10. Evidence of CPD hours

- 10.1. It is mandatory that appropriate records of CPD hours earned during a year are maintained by the members. As best practice, members should maintain a log that contains, as a minimum, the following information:

- 10.1.1. Date of CPD activity
- 10.1.2. Name of event / activity undertaken
- 10.1.3. Number of CPD hours claimed, commensurate with member's assessment of own learning outcomes
- 10.1.4. Area of the practice applicable.
- 10.1.5. Nature of activity: whether pre-approved verifiable CPD activity or other verifiable CPD activity
- 10.1.6. Classification of CPD hours: whether 'technical CPD hours' or 'professional CPD hours'
- 10.1.7. A brief description of learning outcomes providing a description of the knowledge and/or skills which the member gained as a result of undertaking the stated activity. Explanation should include how the activity contributed to professional development for the member and fulfilled a personal development need commensurate with the number of hours of CPD recorded; and
- 10.1.8. A verifiable evidence of participation in the CPD activity.
- 10.1.9. Verifiable evidence of participation in the CPD activity is a written or other documentary record which may include but is not limited to:
- 10.1.10. A signed register of attendance;



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- 10.1.11. A certificate, letter or email vouching for attendance and/or completion of a course or activity;
- 10.1.12. A copy of minutes from any meetings attended with name included in list of attendees;
- 10.1.13. Articles or papers written for publication bearing name of the member;
- 10.1.14. Hard copies of lectures or presentations, including hand-written learning notes by the member; and
- 10.1.15. Photographic or other multimedia record of participation together with name on an agenda or participants list of an event.

10.2. The members must maintain the records of every CPD year for at least five years and these must be made available to the IAI in the event it is asked for by the IAI as part of a process to audit compliance with CPD.

10.3. For newly qualified members, the CPD requirements will be applicable from next CPD year.

11. Compliance monitoring

11.1. Every member (other than Category 1) shall complete a self-attestation of their CPD records on the member's IAI portal within two months (i.e. by 31 May) of completion of the relevant CPD year. For Category 1 it should be done as of date of COP renewal or issuance of new COP whichever is earlier.

11.2. The Institute may, from time to time, monitor Members' compliance with this Professional Standard by examining Members' CPD records.

11.3. Members shall be required to provide their CPD records or any additional information in written or electronic form within 14 days of receipt of a request from the Institute or such other reasonable time as agreed by the Institute. The Institute will make any such request in writing or by email.

11.4. Any records provided to the Institute will not be disclosed to other parties, except as necessary to conduct an investigation of a Member's compliance with this Professional Standard or as part of a disciplinary investigation of the Institute. If, during examination of a Member's CPD records, the Institute has concerns about the adequacy of those records, it will initially seek additional information from that Member and provide him or her with a reasonable opportunity to fully document his or her records.

12. Enforcement

12.1. A Member who does not have reasonable grounds for his or her non-compliance with this Professional Standard may be subject to action by Council or Committee appointed by Council pursuant to Council's powers under the Actuaries Act 2006. Such action may include, but not be limited to:



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- 12.1.1. Issuing a warning letter to the Member regarding his or her non-compliance;
- 12.1.2. Requiring the Member to undertake further CPD and provide evidence of such to the Institute within a certain timeframe;
- 12.1.3. Requiring that the Member provide quarterly records to the Institute of his or her CPD activities for a specified period; and/or
- 12.1.4. Issuing a warning letter to the Member noting that he or she will be audited for compliance for a particular period and that, if there are repeated breaches, this may constitute Actionable Conduct under the Institute's Disciplinary Scheme i.e The Actuaries (Procedure for enquiry of Professional an Other Misconduct) Rules, 2008
- 12.1.5. Non-compliance with any direction by Council shall constitute further instance of Actionable Conduct under IAI Disciplinary Scheme.
- 12.1.6. Member who are not CPD Compliant for relevant CPD year and subsequently resigns or discontinue as members of the IAI and subsequently apply for reinstatement must complete one full cycle of CPD before reinstatement of membership and to be considered compliant with the IAI CPD Requirement.
- 12.2. It shall be noted that members who are not compliant with the CPD scheme of the Institute, such member name will be uploaded on IAI website on 1st July every year and will be available until such time the member is compliant with CPD scheme of the Institute. Further, their primary regulator would be informed accordingly.

13. Removal of Doubts

For any doubt related to interpretation, the Council or Committee authorised by the Council is authorised to issue clarifications on the same.



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ANNEXURE 2

FORMAT FOR SUGGESTIONS ON DRAFT APS 9 - CPD and the Actuary

Change suggested by				
Date				
Note	<ul style="list-style-type: none"> ❖ It is suggested that ONE Page may be used for one change. ❖ This will enable us to group all the suggestions and take a decision on the changes suggested 			
Page No	Paragraph	Sub-paragraph	Suggested change	Reasons for change