



**Capital Markets Continuous Professional
Development (CPD) Policy Guidelines**

Kenya

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1. Preamble

In order for Kenya to become the heart of African capital markets, in line with the Capital Markets Master Plan, as well as an investment destination of choice, investment professionals must be committed to furthering their knowledge and skill on a consistent basis. The efforts will also increase the confidence level in our markets thereby translating into increased product uptake. The Authority recognises this need for continuous long-term learning and professional growth and has developed the Capital Markets Continuous Professional Development (CPD) Policy to outline the need and key features of the program.

2. Background

In recognition of the goal to ensure Kenya is a competitive and attractive destination for domestic and international funds flows, the capital markets industry has strongly supported the introduction of international certification standards in tandem with the introduction of more diversified products. For Kenya to maintain its competitiveness, key staff in capital market intermediaries are required to undertake Continuous Professional Development to ensure that engagement with investors is consistent, to the highest possible standards and informed by the most current information.

The programme aims at sustaining a highly skilled talent pool in line with the Capital Market Master Plan, the ten-year blue print for the Kenyan capital markets industry, and the ambition of the country to become a regional and International Financial Centre.

The CPD program for the Kenyan will be facilitated by service provider/s accredited by the Capital Markets Authority. The requirements for specific programs will be set by the service provider. The CPD policy continues to build on the success of the Securities Industry Certification Programme and is in line with the CMA circular issued on November 6, 2015 on Market Certification and Competency Standards pursuant to Regulation 19(3) of the Capital Markets (Corporate Governance) (Market Intermediaries) regulations 2011, which states that:

"Upon certification of 'target employees'¹ of market intermediaries, they should be required to accumulate annual Continuous Professional Development (CPDs) as part of their continuous training requirements, from which shall include CISI training programs and such other programs submitted and approved by the Authority."

Table 1 (Certification journey: Where we have come from)

Year	Initiative
Sep 17, 2014	MOU with the Chartered Institute for Securities & Investment (CISI) for the introduction of SICP under joint funding by the Authority and the FSDA
Nov 9, 2015	Authority issues a circular to all market licensees on informing them of the certification and competency standards to be adopted pursuant to Regulation (19)3 of the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations 2011;
April 21, 2016	Official launch of certification in Kenya
Jan 7, 2017	Practitioners with more than 10 years exempt from certification (grandfathering)
Jan 7 2017	Deadline for all industry professionals to comply with Stage one certification
Aug 21, 2017	Deadline for all industry professionals to comply with Stage 2.
Jan 18, 2018	Certification Award Ceremony
Jan 18, 2018	Discussion about the need for CPD

3. What is CPD?

CPD stands for Continuing Professional Development. It is the process of learning and developing your knowledge and skills whilst you work. CPD shows colleagues, clients and the regulator that you are committed to the highest standards of professionalism and integrity. This offers you a wealth of opportunities to develop your expertise through online

¹ "Target employees" are all employees of a market intermediary Licenced under the provision of Part IV of the Capital Markets Act who have direct dealings with clients and/or trading activities on behalf of the clients as well as influence or advice clients either directly or indirectly.

resources, events and publications developed by service provider/s in collaboration with CMA.

4. General Guidelines on Role of CPD

The implementation of the CPD program in Kenya is aimed at maintaining and developing knowledge and skills particularly in three key areas of professional development:

- ✓ Changes to legislation and regulation;
 - ✓ Skills and expertise;
 - ✓ Addressing gaps linked to technical areas of specialism.
- CPD undertaken must be relevant to the target employee's current job role, or any anticipated changes to that role.
 - In all events target employees will be responsible to ensure they meet their firms own internal CPD requirements where applicable and where this is beyond the minimum prescribed by the Authority.
 - CPD requirements may change, due to changes in legislation/ regulation.

5. General CPD Requirements

- Target employees who have complied with the Securities Industry Certification Programme (SICP) and including those who have been grandfathered or exempted from it will need to complete CPD hours to maintain their 'dealing with client' status on an annual basis.
- The CPD program will be implemented through service provider/s accredited by the Authority. Only reputable institutions will be considered subject to a demonstration of quality content, sustainability and administration capabilities. Each accredited program shall issue details of their specific CPD requirements and guidelines on the operations of their programs.
- Service providers will be expected to give clear guidance on how they will recognize third party trainings that are relevant to the capital markets. In addition, institutions must have mechanism of providing evidence to target employees.
- CMA is working on modalities for CPD providers (once accredited) to work with institutions to provide a mechanism for system log- ins.
- Target employees will be required to complete 35 hours of CPD within a specified year.

- Each service provider accredited by CMA will need to have in place a mechanism of recording CPD hours of participants in a verifiable manner.
- The accredited CPD programs will address at a minimum the following mandatory modules: Anti-Money Laundering, Financial technology and related risks such as cybercrime, Integrity & Ethics, Corporate Governance and Stewardship Code, Introduction to Derivatives in Kenya, KYC and client suitability, Collective Investment Schemes including REITs, Risk and Current updates on Policies, regulations and services in the Kenya's capital markets.

6. Expected Channels of CPD Delivery?

Below is a snapshot of possible mediums of delivery that can be set by the provider/s and approved by the Authority:

- Watching relevant capital markets programs online which is verifiable through logs;
- Online training resources such as distance learning;
- Reading verifiable and logged prescribed publications to stay up to date with key industry news and specialist insights from around the world;
- Attending workshops, conferences, forums or trainings.

7. Failure to Complete CPD

Target employees will have to demonstrate that they have satisfied the CPD requirements within a CPD cycle. Target employees who have failed to meet the CPD requirements will be suspended from any involvement in prescribed aspects of the business of the licenced firm. Target employees will remain suspended from such functions until their CPD requirements have been met.

8. What is Structured and Non-Structured CPD

Structured CPD is defined as an activity undertaken for the express purpose of learning whilst unstructured CPD includes unplanned activities, where there is no predetermined learning objective and outcome. Although not exhaustive, Structured CPD may be evidenced by enrolment records, attendance sheets, receipts, transcripts, assessment reports, certificates, employer records or any other submission for consideration. Depending on the actual

activity, Unstructured CPD may be evidenced by statutory declarations, links to online content, evidenced communications and outcomes. Examples of Structured and Unstructured CPD are listed below:

Structured	Unstructured
<ul style="list-style-type: none"> • Corporate training • Membership CPD event • Training conference and forums • Training event • Lectures and talks • Seminars • Presenter/trainer at evidenced relevant events • Documented materials development on relevant content • Qualification exams • Research • Mandatory Integrity 	<ul style="list-style-type: none"> • Television, podcasts, webcasts, live web streams that are verifiable through logs • Read relevant materials on electronic medium related to capital markets that is verifiable through logs • Professional networking session • On the job training • Supervised research for articles

The list above is not exhaustive. CMA and the accredited providers reserve the right to reject any submission that is deemed to be non-compliant as per the CPD Policy.

9. Inadmissible CPD

- Appraisals/one-to-one meetings/performance reviews.
- Activities where no learning outcomes can be identified or recorded/evidenced.
- Activities that are not relevant to current or evolving job role.
- Subjects not related to the financial services sector.
- Activities that are part of the normal day-to-day job role, rather than specific learning activities.
- Social/networking events.

10. Admissible CPD Scheme Snapshot

Learning Type	Minimum eligible Structured CPD (24 hours) Maximum eligible Unstructured CPD (11 hours)
Applicability	Target employees who have complied with the Securities Industry Certification Programme (SICP) and including those who have been grandfathered or exempted from it will need to complete CPD hours to maintain their 'dealing with client' status on an annual basis
Learning Activity undertaken	Actual event undertaken as outlined in the structured vs non-structured guidelines
Learning Objective	The theme and topics of the event
Learning outcome	Expected achievement from the event (particularly for unstructured)

11. Audit of CPD

- All service providers will be required to have mechanism for audit of logged CPD hours and to ensure records are available for a CMA audit if need be
- All Licensed firms, in respect to their target employees, will be required to maintain or cause to be maintained records of all structured and non-structured CPD undertaken in a form that is verifiable by the Authority during supervisory visits.

12. Guidance on Supporting CPD Evidence

CPD evidence shall include the following:

- Title of activity.
- Name and surname of the member.
- The date the activity was undertaken (day, month and year), if more than one day, a date range needs to be included.
- The duration of the activity. Please note lunch/tea breaks should not be included in CPD hours.
- Score or grade if applicable (if exam or eLearning test).
- Specific confirmation of attendance/participation after the activity has taken place.

13. Non-Acceptable Evidence

Below are some of the items that may be not be accepted as CPD evidence Invitation or confirmation of booking:

- Invoice or confirmation of payment
- Calendar or diary entry
- Screen shot of internal or external CPD system
- Members response sent confirming intention to attend
- Copy of event programme
- Slides and notes
- Certificate without attendees full name

14. Compliance

After the end of the CPD cycle all target employees who have successfully met their CPD requirement will be provided with documented evidence by their service providers. This will allow target employees to demonstrate their achievements to the regulator and to their employers.