

To: Heads of Organisation / Department of Activity Organizers of Continuing Professional Development (CPD) Programme under the Insurance Intermediaries Quality Assurance Scheme (IIQAS)

Insurance Intermediaries Quality Assurance Scheme (IIQAS) - Continuing Professional Development (CPD) Programme

The Insurance Authority (IA) has recently published an updated ‘CPD Information Sheet’. It stipulates that insurance intermediaries registered for engaging in investment-linked long term insurance intermediary business immediately before 1 March 2010, who choose not to pass the enhanced Investment-linked Long Term Insurance Examination Paper (“enhanced IL Paper”) under the Insurance Intermediaries Qualifying Examination (IIQE) on or before 29 February 2012, are subject to an additional CPD requirement of 20 extra hours dedicated towards the additional modules of the enhanced IL Paper (“IL CPD hours”) to be completed within a two-year transitional period, i.e. between 1 March 2010 and 29 February 2012 inclusive. Please refer to the ‘CPD Information Sheet’ published by the IA (http://www.oci.gov.hk/download/cpd_info_sheet.pdf) for details.

With regard to the organisation of CPD activities qualified for these 20 IL CPD hours, I would like to draw your particular attention to the salient points as highlighted below:

1. The 20 IL CPD hours are divided into eight modules as stated in the Appendix of this notice. A qualified CPD activity should contain at least one module and cover all the topics listed for that module.
2. Insurance intermediaries are required to attend each module in full and no CPD hours will be counted for partially completed modules.
3. The attendance certificate provided to the participant upon completion of the CPD activity/activities shall include the reference number assigned by the HKCAAVQ as well as the module code(s) of the IL CPD hours obtained by the participant (e.g. IL-CPD Module Code(s): IL-CPD-03, IL-CPD-04).
4. The scope and the relevant examination syllabi of the enhanced IL Paper serve as the basis of assessment on the activity content by the HKCAAVQ.
5. Approved CPD activities will be subject to re-assessment on an annual basis.
6. In addition to the above points, activity organisers should also comply with all other requirements stipulated in ‘Assessment Criteria for The Continuing Professional Development Programme, Insurance Intermediaries Quality Assurance Scheme (Last updated on 13 March 2009)’ published by the HKCAAVQ in organising the CPD activities.

The up-to-date application forms are available from our website (www.hkcaavq.edu.hk).

Hong Kong Council for Accreditation of
Academic and Vocational Qualifications

4 December 2009

Scope of the 20 extra CPD hours dedicated towards
the additional modules of the enhanced version of
the Investment-linked Long Term Insurance Examination (“IL CPD hours”)

Module Code	Module Description	Exam Syllabus Reference	Hours
IL-CPD-01	<p><u>Financial Risk Management in Hong Kong:</u> Study of the risk management systems and processes of different financial institutions and the regulatory frameworks</p> <ol style="list-style-type: none"> 1. The Risk Management Process 2. Risk Management Systems and Processes in Hong Kong 3. Risk Management Techniques 4. Past Experience 5. Looking Ahead 	2.1.5 - 2.1.6	3 hours
IL-CPD-02	<p><u>Investment Considerations I:</u> Study of different investment knowledge and considerations that have to be taken into account before making investment choices</p> <ol style="list-style-type: none"> 1. Basic Economics : demand & supply, economic sectors, money & banking 2. The Global Economy: flow of funds, international capital and investment flows, global market 	2.2.1 - 2.2.2	2 hours
IL-CPD-03	<p><u>Investment Considerations II:</u></p> <ol style="list-style-type: none"> 1. Economic Factors affecting the Financial Markets <ol style="list-style-type: none"> a. Gross Domestic Product b. Economic Cycles c. Government Fiscal and Monetary Policy d. Interest Rate e. Exchange Rate f. Inflation g. Unemployment Rate h. Globalisation and Technology 2. Investment Advising 	2.2.3 & 2.2.6	3 hours

Module Code	Module Description	Exam Syllabus Reference	Hours
IL-CPD-04	<p><u>Investment Assets:</u> Study of two most common investment assets</p> <ol style="list-style-type: none"> 1. Debt Securities <ol style="list-style-type: none"> a. Investing in Debt Securities b. Pricing of Bonds c. Price and Yield relationship d. Yield Curve 2. Equities <ol style="list-style-type: none"> a. Investing in Equities b. Methods of Raising Equity Finance c. Bonus Issue d. Dividend 	3.2.1, 3.2.6 – 3.2.8, 3.3.1 – 3.3.2 & 3.3.4 – 3.3.5	3 hours
IL-CPD-05	<p><u>Equities Market:</u> Learning of the equities market enhances the understanding of the dynamics of the equities investment and the role played by different market players</p> <ol style="list-style-type: none"> 1. The Stock Exchange of Hong Kong 2. The International Markets 3. Market Indexes 	3.3.6 – 3.3.8	2 hours
IL-CPD-06	<p><u>Fundamental and Technical Analysis:</u> Learning of how funds managers make their analysis on the value of the subject securities</p> <ol style="list-style-type: none"> 1. Fundamental Investment Analysis 2. Technical Analysis 	3.3.9 – 3.3.10	3 hours
IL-CPD-07	<p><u>Sales Practice:</u> Study of the recent guidelines of the HKFI on sales practice of investment-linked insurance policies to ensure the policies are suitable for customers</p> <ol style="list-style-type: none"> 1. Financial Needs Analysis (FNA) 2. Risk Profile Questionnaire (RPQ) 3. Applicant’s Declarations 4. Suitability Check 5. Post-sale Controls 6. Certification of Copies of FNA and RPQ 	4.13.1	2 hours

Module Code	Module Description	Exam Syllabus Reference	Hours
IL-CPD-08	<p><u>Other Updates:</u></p> <p>Learning of other updates in relations to compliance issues of sale of investment-linked insurance policies</p> <ol style="list-style-type: none">1. Cooling-off period2. The Securities and Futures Commission, Securities Legislation and Code of Conduct3. Code of Practice for the Administration of Insurance Agents4. Prevention of Money Laundering and Terrorist Financing5. Personal Data (Privacy) Ordinance	4.13.4, 5.1.2, 5.2.2, 5.3 & 5.4	2 hours

Source: CPD Information Sheet (Appendix), Office of the Commissioner of Insurance, November 2009.