

28 February 2011

Dear fellow members of HKIoD

I am pleased to convey to you greetings for a Happy, Healthy and Successful Year of the Rabbit.

With members' collective efforts, HKIoD has continually established significant milestones in promoting good corporate governance and developing platforms in professional development and networking. In terms of director professionalism, our **Membership Accreditation Scheme**, which was launched in 2005 and involves the fulfillment of our Code of Conduct and CPD (Continuing Professional Development), has been well practised by members and recognized by the authorities and the community. We take pride in the continuing learning spirit of our members, as evidenced by the statistics in Box 1. In its recent Consultation Paper, the Hong Kong Exchanges and Clearing Limited proposes to include HKIoD Guidelines in a Note to the Listing Rules regarding duties expected of directors and quotes HKIoD members' pursuit of CPD in supporting its proposed requirement for directors of listed companies to engage in CPD.

In the way forward, HKIoD has carefully conducted a review of the CPD requirement for membership. Members' accomplishment in this area in the past six years, the pace in progressing with raising standards and the general market conditions regarding the pursuit of CPD by various professions were all considered in balance. It was resolved that it is time to upgrade the CPD requirements as follows:-

Effective in the year 2011 for membership renewal in 2012,

- **Minimum Total CPD Time Per Year:** enhanced from 5 hours to **10 hours** and
- **Recommended Best Practice Per Year** to qualify for award: enhanced from 10 hours to **20 hours**.

We are pleased to enclose a one-page **Summary of Guidelines for HKIoD Membership Accreditation Through CPD** for your easy reference. The definition of CPD covers a wide spectrum and includes activities in and outside classrooms. If you have any query or comment, please feel free to contact our Executive Office (tel: 2889 9986) or email to me (carlye.tsui@hkiod.com).

As always, the Institute takes an active role in organizing activities and programmes in the best interests of members. Thank you for your support.

Yours sincerely

THE HONG KONG INSTITUTE OF DIRECTORS



Dr Carlye Tsui
Chief Executive officer

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Box 1 on statistics in 2005-2009:-

In the annual Declaration of Fulfillment upon renewal of membership, all renewed members have pledged the undertaking of CPD. On average, 60% signed to declare the completion of the minimum CPD hours, whereas 40% reported additional time over and above the minimum CPD requirement.

In the annual CPD Validation exercise by random sampling, the following averages were revealed:-

5 CPD Hours:	6%	21-100 CPD Hours:	43%
6-10 CPD Hours:	8%	101-200 CPD Hours:	8%
11-20 CPD Hours:	29%	>200 CPD Hours:	6%

Summary of Guidelines for HKIoD Membership Accreditation Through CPD
Effective year 1Jan-31 Dec 2011 For Guidelines & Form: <http://www.hkiod.com/accreditation.html>

Membership Grades Applicable: Fellows and Members of HKIoD (FHKIoD and MHKIoD)

Mandatory Minimum Total CPD Hours:-

- 10 hours** per annum with at least **1 hour** obtained from Category 1 CPD Activities, or
- 12 hours** per annum if all hours are derived from Category 2 CPD Activities.

Recommended Best Practice:-

- 20 hours per annum**, with award for achieving or exceeding this time upon CPD Validation.

Notes:-

Category 1 refers to CPD activities organised by or related to HKIoD.

Category 2 refers to CPD activities organised by or related to other bodies.

Declaration of Fulfillment is made by all members, upon renewal of membership, by filing with HKIoD the **Membership Renewal Statement**, with, *inter alia*, the following data:-

- required signature for a declaration in having fulfilled the Minimum Total CPD Hours. and
- optional filling in of the Actual Total CPD Hours undertaken.

CPD Validation is executed by members by filing with HKIoD, either in response to request by HKIoD or by voluntary submission, the **Record of Continuing Professional Development**, detailing breakdown of CPD activities.

Exemptions: applicable to Associates and Affiliates of HKIoD and those who fit the Rule of 100, ie (age + director experience in years) \geq 100. Those who qualify for exemption are still encouraged to pursue CPD as a recommended practice.

CPD Activities, a *non-exhaustive* list of opportunities producing learning outcome:-

Formal CPD - involves some form of interaction with other individuals, eg

- Attending HKIoD training courses
- Attending HKIoD speaker forums
- Attending training courses of other bodies with relevance to director development.
- Attending speaker forums of other bodies with relevance to director development.
- Delivery of talks in HKIoD forums or facilitating HKIoD training courses.
- Delivery of talks or facilitating training courses organized by other bodies with relevance to director development.
- Organizing HKIoD talks or events.
- Organizing talks or events of other bodies with relevance to director development.
- Director work based: in-house training
- Director work based: leading a new technique or discipline
- Director work based: making a presentation after research
- Director work based: coaching or mentoring regarding director practices
- Service: HKIoD committee work
- Service: board work or committee work regarding director practices in public duties and community services with skills applied in areas beyond one's principal engagement in profession/industry.

Informal CPD - covers self-directed learning where there is no interaction with other individuals, eg

- Knowledge relevant to director development, from relevant books, general/business journals, general/business press, documentaries, videos, audio materials, distance-learning, e-learning.
- Authoring a paper or article with relevance to director development.