

Minimum Competency Requirements

The Minimum Competency Requirements (MCR) were first introduced from the 1st January 2007 and established minimum professional standards for regulated firms and individuals working in financial services and were originally designed to improve the quality of service provided to consumers.

The Central Bank recently published a new Minimum Competency Code (MCC) which replaces the existing MCR with effect from the 1st December 2011. The MCC complements the introduction of the Fitness & Probity Standards regime and will also be one of the considerations taken into account by the Central Bank in assessing whether the holder of either a controlled function or a pre-approval controlled function complies with the Fitness & Probity Standards.

The MCC also introduced a number of changes to the existing MCR regime including:-

- Revising/restructuring the categories of retail financial products.
- Increasing the number of recognised qualifications.
- Introducing tighter supervision for new entrants.
- Amending the Continuous Professional Development (CPD) requirements.
- Requiring certain records to be maintained.

Two of the professional qualifications currently awarded by the IIPM – the Membership (MIIPM) and Associateship (AIIPM) qualifications- have been approved by the Central Bank as recognised qualifications under the new MCC in relation to the following three (new) categories of retail financial products:-

- Life Assurance
- Pensions
- Savings and Investments

The MCC sets out in some detail the competency standards that must be complied with however this article is intended to primarily address the revised CPD requirements introduced under the new code.

These new CPD requirements can generally be sub-divided into 3 main categories :-

- A person who is the holder of a recognised qualification, the ongoing maintenance of which depends on the completion of CPD, then that person will be taken to have successfully complied with the obligations where the person has completed the CPD requirements of the recognised qualification.
- A person who is the holder of a recognised qualification, the ongoing maintenance of which is not dependent on the completion of CPD, must complete 15 formal hours of CPD in each calendar year.
- A grandfathered person is also obliged to complete 15 hours formal CPD in each calendar year.

These new requirements come into effect from 1st January 2012.

The requirement to complete informal CPD hours has been abolished so the only CPD that will now be approved is formal CPD. Furthermore the content of the CPD hours undertaken must be relevant to the functions to be exercised by that person and every person must complete at least one hour of CPD in each calendar year for each function undertaken.

There is also now a requirement that a person must complete at least one hour of CPD which relates to ethics.

Surplus hours in one year may not be carried forward into the following year.

Where a person fails to complete 15 formal CPD hours in any year, the shortfall may be made up by the end of the following year (in addition to the existing 15 hours CPD requirement for that year) **provided that the person has not incurred another shortfall within the previous 5 years.**

Formal CPD hours may be obtained by attending seminars, lectures, conferences, certified completion of appropriate e-learning tutorials, workshops or courses dealing with a directly relevant topic. All formal CPD hours must be accredited by the provider of a recognised qualification. The maximum number of formal hours in any day is 8 hours and the maximum for any single topic is 4 hours.

A person must retain a written record to demonstrate that they have satisfied the CPD requirements both in relation to the number of hours undertaken and the relevancy of the topics covered. This record should consist of a log of events attended supported by receipts, certificates of attendance/completion etc.

A pro-rata adjustment of CPD hours may apply in certain very limited circumstances e.g. statutory leave or serious illness. A pro-rata adjustment will specifically not apply in the following circumstances:-

- Part-time work
- Unemployment
- Retirement
- Career break
- Holidays

Accordingly holders of the two IIPM professional qualifications – MIIPM and AIIPM – must now complete 15 hours of formal CPD in each year AND maintain a record of the hours completed. This record must be made available for inspection (to the IIPM/regulated firm/Central Bank etc.). Should an individual fail to comply with their CPD obligations then they must be removed from the register of accredited persons but may be restored if they subsequently comply with the requirements.

The new CPD regime imposes additional requirements on relevant persons which they must not only fulfil but must also be able to clearly demonstrate that they have fulfilled by compiling and maintaining relevant records and making them available for inspection on request. Any failure on their part could have very serious consequences for their ability to continue working in their chosen position.

The table below summaries the activities considered by IIPM eligible for CPD:

Exams

Membership (MIIPM)	On successful completion: 4 hours per subject
Associateship (AIIPM)	On successful completion: 8 hours per subject

Activities

Seminars	
Meetings	CPD allocation of hours determined on a case by case basis.
Lectures	

Guest Speaker The time spent speaking may be counted in addition to preparation time equal to the time delivering the talk. A repeat talk does not count. A maximum of four hours per year may be counted on this activity.

Pre-approved organisations:

Pre-approved relevant courses with CPD by the following organisations will not need to seek separate CPD approval from the Institute:

- Association of Pensions Lawyers in Ireland
- Association of Pensioner Trustees in Ireland
- Brokers Ireland
- Institution of Bankers in Ireland
- Insurance Institute of Ireland
- Irish Association of Pensions Funds
- Irish Institute of Pensions Management
- Irish Insurance Federation
- Irish Taxation Institute
- Pensions Management Institute, UK
- The Pensions Authority
- Revenue Commissioners
- Society of Actuaries of Ireland
- Life Insurance Association