CPE POLICY
OF
THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

CONTENTS

PRELUDE

ICSI- Continuing Professional Education (CPE) Policy

I.   INTRODUCTION

The Company Secretaries Act, 1980 entrusts the Institute of Company Secretaries of India (ICSI) to regulate and develop the profession of Company Secretaries.

The knowledge and skills required for effective functioning as a Company Secretary in various avenues of practice and employment continue to change dynamically and expand rapidly. Rising market expectations from the members of the ICSI in terms of increased knowledge, skills and effective delivery of services, emphatically place continued development of professional competence and learning as critical imperative.

With a view to enabling its members to maintain the optimum level of professional competence and to ensure high quality and standards in the professional services that they render, the ICSI has been placing highest priority on Continuing Professional Education (CPE).

With the changing market dynamics, complexity of business operations and growing expectations from professionals the ICSI strengthened its CPE framework covering requirement of eligibility, undertaking and recording of credit hours as well as monitoring and auditing as an essential features.

II.   A GLOBAL PERSPECTIVE

The study of practices adopted in other jurisdictions including Institute of Chartered Secretaries and Administrators, United Kingdom, Governance Institute of Australia, Society of Actuaries, United States of America, Institute of Chartered Accountants, Australia, Chartered Secretaries South Africa reflects that -

1. The requirement of CPE in most of the jurisdictions is applicable to all the members with an exemption for retired members or members over and above the age of 60.

2. Any reported cases of leave from professional duties (e.g. paternal or sabbatical leave), physical disability or cases of extenuating circumstances are given due consideration.

3. Continuing Professional Development Activity has been divided into structured and unstructured learning patterns, most of the jurisdictions recognise the same, however with different nomenclature.

4. Across all jurisdictions members are responsible for maintaining a record of their CPD activities.

5. The self declaration sheets are required to be submitted to the respective Institute within a particular time frame.

6. As a part of monitoring process, in most jurisdictions the chosen methodology is audit of a random sample of members.

III. OBJECTIVES OF CPE

The objective of Continuing Professional Education (CPE) is to facilitate the members in keeping them abreast of latest developments, widening their knowledge base and improving their skills to maintain the cutting edge by providing training and expertise in critical areas. It assists members achieve constant upgrading of competence by acquiring adequate skills commensurate with their professional responsibilities.

IV. NEED FOR CPE

The explosion of knowledge and the rapid obsolescence of technology have created need in most countries to modernise their traditional education and training systems to cater to the professional developmental needs of the new information age society. The issues are summarised as under:

- Lack of adequate and sufficiently flexible opportunities for lifelong learning, while in employment and public practice, to keep one's knowledge and skills updated to match the demands of the corporates and society, often leads to losses for both the professional and service seeker.
- Shortages of suitably trained human resources continue to hamper national progress.

Creating adequate opportunities for vertical mobility, that is, progression in the same discipline through further specialisation, and horizontal mobility, that is, progression through reorientation of a different discipline, are the twin general objectives of a good continuing education system.

One of the most important features of such a system would be its ability to cater to individual needs of learners. Thus, the CPE system should be flexible, in terms of choice of content, learning style, venue, time, and duration.

V. TYPES OF CPE SYSTEMS

Institutions across jurisdictions have adopted various methodologies for the effective utilization and implementation of CPE. Most popular type of CPE systems include face-to-face attendance at personal development events (external or in-house training), such as: participating in activities such as courses, seminars, workshops, updates, conferences, masterclasses and panel/group meetings where a member can provide evidence that the learning was relevant to his current or future career needs, and he can prove that it took place.

Other systems include general reading or writing of/ for professional magazines; following financial and business matters in print and media; and discussions with colleagues in an informal setting; Reading and/or studying of material from podcasts / online streams; CD/DVD/ audio tapes etc.

Information technology and distance learning concepts are increasingly influencing the systems of CPE.

ICSI – Continuing Professional Education (CPE) Policy

(w.e.f. April 1, 2014)

1. Need for CPE for Company Secretaries

ICSI has been striving for excellence in standards of professional services rendered by its members – whether in employment or in practice. Members of ICSI who accept or commit themselves to professional engagements or occupations implicitly assure the users of quality of their services.

1.2 This necessitates the members of ICSI to constantly upgrade and update their knowledge and skills in all areas of professional work. Further, the competitive professionalism, rapid technological advancement, new legislative enactments as well as constantly emerging dynamic business environment, makes the need for continual professional updating of knowledge and skills, imperative and more pressing.

1.3 With a view to enable its members to maintain high standards of professional services, the ICSI had issued Guidelines for Compulsory Attendance of Professional Development Programmes by the Members which came into effect from January 1, 2003. Keeping in view the growing importance of CPE for reasons mentioned above, the Council of the Institute has adopted and implemented Continuing Professional Education (CPE) Policy for its members with effect from April 1, 2014.

2. APPLICABILITY

The following members of the Institute shall be required to meet the CPE credit requirement:

(i) All members in practice;

(ii) All members in employment in respect of whom Form 32 (in terms of the provisions of the Companies Act, 1956)/DIR-12 (in terms of the provisions of the Companies Act, 2013) has been filed by the companies.

2.1 The requirements of CPE Credit shall not apply to:

(a) A member who attains the age of 65 years during a particular calendar year.

(b) A member, for the year during which he gets his Certificate of Practice for the first time.

(c) A member or class of members to whom the Council may in its absolute discretion grant full/partial exemption either specific/general, on account of facts and circumstances in case of:

　(i)　Maternity / Paternity Leave

　(ii)　Accident / Medical Emergencies

　(iii)　Unemployment

　(iv)　Any other case, as may be deemed appropriate by the Council on a case to case basis.

2.2   CPE Requirements

A member of the Institute can upgrade his knowledge and skill through both structured and unstructured learning activities.

2.3   Block Year – A Block Year for the purpose of requirement of obtaining Programme Credit Hours shall be for a period of three years.

2.4   The Institute shall make such efforts as are possible to enable its members to obtain required PCH so that they consider obtaining PCH as an opportunity to grow within their chosen profession of company secretaryship. The Institute, its Regional and Chapter Offices, organising Approved Learning Programmes shall inform the members about such programmes through electronic means of communication. Similarly, members are expected to regularly visit ICSI website for details of approved learning programmes being organised by Headquarters, Regional and Chapter Offices.

2.5   Structured Learning Activities

A member shall be entitled to grant of PCH for participation in approved learning programmes organised by Headquarters, Regional and Chapter Offices including programmes jointly organised with other organisations.

2.6   Unstructured Learning Activities

Unstructured learning activities shall include the following:

   a) Web based learning including elearning, subject to the production of Certificate, per year.
   b) Publication of article in a journal of repute other than the Chartered Secretary Journal.
   c) Publication of book(s).
   d) Revision of Published Book.
   e) Acting as Guide / Supervisor for M.Phil. / LL.M. / Ph.D. / Guide to PMQ Course(s)
   f) Suggestions on Questionnaires / Consultative Papers / Exposure Draft, etc. sought by the Institute.
   g) Reviewing of Articles / Guideline Answers / Study Material and other publications of the Institute.
   h) Publication of Research findings / Studies on the areas relevant to Corporate Sector, Capital Markets and Professional interest.
   i) Publication of articles of professional interest in national dailies.
   j) Visit to foreign countries as part of government delegation.
   k) Acting as visiting faculty or guest faculty at the various Universities / Management Institutions / Institutions of National importance and ICSI approved learning / training programmes.

2.7   Certificate Learning Activities, i.e., Examination

The Institute may provide approved topics of interest to the members, which the members may learn at their own pace. There would be examinations at regular intervals on such topics and the member passing the examination would be Certified as having completed the desired learning activity and obtaining the mandatory PCH during that block.

2.8   Requirement of obtaining Programme Credit Hours

2.8.1   A member shall obtain a minimum number of Programme Credit Hours (PCH) during a block of three years, including a minimum number of PCH that must be obtained annually during each year of the block. The total number of PCH obtained during each year of the block of three years must add up to the minimum PCH required during the three year block.

2.8.2   Every member of the Institute holding a Certificate of Practice or in employment (i.e. in whose name Form 32 / DIR-12 has been filed with the RoC) shall be required to obtain the mandatory number of PCH each year as per the Guidelines for Compulsory Attendance of Professional Development Programmes by the Members issued by the Council from time to time. However, no carry forward for excess Program Credit Hours from one block to another block shall be allowed.

2.9   Multiple Qualifications

A member holding membership of more than one professional body wherein he / she is also required to meet PCH requirements in order to continue the membership, such member shall be granted equal number of PCH as are applicable to such learning activities undertaken under the banner of the other professional body(ies).

2.10   Intermittent CoP / employment

In case of a member in practice for only a part of the three year block and in employment for the remaining period or *vice versa*, the requirement of obtaining the mandatory PCH shall be adjusted accordingly, so as to say, a member in employment for a period not less than six months in a year shall be treated to be in employment for that entire year and *vice versa*. The rollover PCH shall be calculated at the end of the three year block.

3.   ADMINISTRATION OF CPE POLICY

CPE MODELS	MONITORING BY
Structured learning	ICSI
Unstructured learning	Member shall submit self declaration of respective learning activity for grant and recording of PCH in database
Certified learning activities	Record by ICSI on completion

4.   Audit

The member shall make an Annual self declaration about the compliance with CPE Policy at the time of payment of membership fee. The Peer reviewer may be required to report compliance with CPE Policy by the sole proprietor/ all the partners of the Practice Unit. Members shall not be

required to submit supporting documents (e.g. attendance certificates), but these should be retained by members in case they are required for auditing purposes.

5. Switchover from Employment to Practice

As discussed above under the heading "Requirement of obtaining Programme Credit Hours", the PCH shall be calculated in accordance with the time of entering into employment or obtaining CoP, i.e. *prorata* consideration shall be given.

For example, if a member has been in employment for say 7 months, unemployed for 2 months and in practice for the rest of the year. Then he/she shall be deemed to be in employment for the entire year. Any period exceeding six months shall be treated as full year.

6. Consequence of Non-compliance

6.1   A member may opt for any of the abovementioned three learning activities which are to be completed during the block of three year for grant of Programme Credit Hours.

6.2   A member who fails to obtain the mandatory Programme Credit Hours during the stipulated period shall be liable to disciplinary action for non-compliance under the provisions of the CS Regulations and the Code of Conduct, as amended from time to time.

6.3   If a member fails to obtain the mandatory PCH during the three year block, the Council may allow some grace period to such member to complete the PCH requirements or may at its discretion grant partial or complete exemption from obtaining the mandatory PCH. It is however, in the member's best interest to obtain the mandatory PCH as soon as possible by way of attendance of approved learning programmes (structured and unstructured).

6.4   At the end of the three year block, when both the PCH and annual membership fee payment requirements are met, membership renewal shall be processed. Members will be intimated about the renewal of their CoP / continuation of membership by the Institute.

7. Role of HQ / ROs / COs*

For administrative convenience the Guidelines for Compulsory attendance of Professional Development Programmes shall be administered by the Hqrs through the ROs and COs. The ROs/COs shall be free to design and conduct learning programmes within these policy frameworkwhich provide avenues for systematic, ongoing structured learning for developing and enhancing skills, knowledge and competence both professionally and personally in order to improve performance.

_____

* RO – Regional Office

 CO - Chapter Office

8.   Designing Learning Programme

8.1   ROs / COs while designing the learning programmes may follow the following guiding principles:

8.1.1   Adoption of an outcomes-based approach with a focus on achievement: The learning programmes should be planned and based on identifiable outcomes of learning that individual member achieve. The ROs / COs should adopt this approach rather than an input-focused one that specifies the amount of PCH to be obtained but does not take into account the usefulness of the programme in practice. With an outcomes-based approach, the emphasis is on quality and achievement where learning can be demonstrably linked to practice of the profession.

8.1.2   Linking learning with quality, excellence and ethical conduct: The purpose of CPE is to enhance the quality of service that the stakeholders receive whilst striving for professional excellence and adherence to ethical conduct.

8.1.3   Individual members' needs and expectations: Members are professional and responsible for monitoring their own development and standards of practice. They are responsible for planning and undertaking CPE relevant to the context in which they work. Therefore ROs / COs should plan programmes based on members' expectations.

8.1.4   Establishment and maintenance of a portfolio of learning: A portfolio of learning activities allows members to become systematic and more structured in their approach to CPE as it enables them to plan and evaluate their learning, and review the impact on their professional practice. A portfolio can take many formats, e.g., face-to-face, paper based, web-based, etc.

8.1.5   Access to information and appropriate resources: The learning programmes should be designed in a way so as to provide a holistic learning experience to the members, wherein the learning activities are planned at places away from the normal place of work, where the members can unwind and relax in addition to gaining and sharing of knowledge.

8.1.6   Encouragement of professional support, networking and collaboration: Networks of support for CPE should be made across the profession to enable the sharing of learning resources.

9.   Checklist for HQ / RCs / Chapters

9.1   The CPE activities organised by HQ/RCs/Chapters for the members should meet the following standards of quality:

    9.1.1   The CPE activity: Each CPE activity should –

    (a) Adhere to the Guidelines issued by the Council of the Institute with regard to CPE

    (b) Be planned in response to needs identified for the members

    (c) Have specific written learning outcomes (objectives) based on identified needs

    (d) Be planned and conducted by appropriately qualified individuals – qualified individuals may be subject experts, professionals, and other experts.

    (e) Provide programme content and instructional methods based on the specified learning outcomes

    (f) Include methods to evaluate a participant's attainment of the specified learning outcomes

    9.1.2   CPE support: The provider (HQ/RC/Chapter) of the learning activity should provide information to potential participants that includes –

        (a) A Programme description

        (b) A Programme outline specifying the amount of time designated to each content area

        (c) A list of faculty and their qualifications for delivering the programme

        (d) The number of programme hours

(e) The target audience

(f) The prerequisites and requirements for entry to and successful completion of the CPE offering

(g) Learning resources

(h) Where relevant, certificates of completion that record the award of PCH

9.1.3 CPE programme content: A quality CPE programme should include –

9.1.3.1 Handout materials which are:

(a) Comprehensive and up-to-date

(b) Contain references to bibliographic and original peer reviewed research appropriate to the programme content

9.1.3.2 Instructor(s) who:

(a) Establish rapport with the audience

(b) Review the programme objectives

(c) Are knowledgeable and provide up-to-date content

(d) Disclose, in advance of the programme, any bias or proprietary interest (of the faculty) in any product, device, service, or materials discussed during the programme

(e) Use appropriate teaching materials and methods for the stated learning outcomes

(f) Are open to questions and discussion

(g) Show enthusiasm and generate curiosity for the content

(h) Use teaching strategies that engage participants in active learning

(i) Use a variety of instructional methods

(j) Maintain a teaching pace that is appropriate for the majority of the audience

(k) Summarise the content and re-emphasize key points on occasions

(l) Provide feedback to participants and appropriately respond to questions from the audience

9.1.3.3 Programme evaluation tools which assess the achievement of the participant learning outcomes

9.1.3.4 Identification of any conflict of interest, for example sponsorship by a company providing a product

10. Monitoring of Programmes and MIS on Programmes organised by RCs / Chapters

The RCs/ Chapters organising the programmes shall provide monthly MIS reports on various learning activities undertaken by them to Headquarters.

11. List of products and services to support CPE

(a) Annual Membership Scheme

(b) Training Programmes / Short term Courses

(c) Virtual Library

(d) Digital Library – Videos / Programme Proceedings

(e) Books / Journals / Magazines

(f) Professional Networks / Study Groups

(g) Events – Seminars, Workshops, Conferences

(h) Independent studies / ICSI sponsored studies

12. Obligation of Members

12.1   This CPE Policy makes it mandatory for the members to fulfil the CPE requirement within the stipulated block of three years, as prescribed under PCH Guidelines issued by the Council from time to time.

12.2   Selection of the learning activities by a member should be a thoughtful, reflective process addressing the individual member's current work and future work plans, current knowledge and skills level, and desired or needed additional competencies to meet future opportunities and/or professional responsibilities.

13.   CPE Certificate

The Guidelines for Compulsory Attendance of Professional Development Programmes by the Members and any other Guidelines / Advisories / Clarifications issued by the Council under this Policy from time to time shall be applicable to all members, except otherwise provided.

The Certificate of CPE activities undertaken by the members may be downloaded online from the website of the Institute.