



A Simple Guide to CPD Requirements

JULY 2019



WHAT IS CPD?

CPD STANDS FOR CONTINUING PROFESSIONAL DEVELOPMENT AND IT'S REALLY ALL ABOUT LEARNING.

ALERT: CPD Regulation 7-2 came into effect on January 1, 2019. This Guide should be read in conjunction with the Regulation.

Professional development is a required component of CPA Ontario membership and shall:

- Be relevant to your professional responsibilities as a chartered professional accountant.
- Be quantifiable, meaning that it must be specifically identifiable and be able to be expressed in terms of a specific time requirement.
- Contain significant intellectual or practical content.
- For members applying for or renewing a Public Accounting Licence (PAL), be in activities directly related to the competencies needed to engage in the practice of public accounting.

HOW MANY CPD HOURS MUST I COMPLETE AND WHEN DO I REPORT?

CPD Declarations are made as part of your Annual Membership Dues payment process which begins in April of each year. Specifically, you will be asked to declare that you have met the annual minimum and/or three-year CPD requirements as set out below.

MINIMUM ANNUAL REQUIREMENTS	FIXED TRIENNIAL REQUIREMENTS (ARCHIVED REGULATION 4-5)	ROLLING TRIENNIAL REQUIREMENTS (CURRENT REGULATION 7-2)
January 1 – December 31 Report by June 1 of the following year**	Fixed period: January 1, 2016 – December 31, 2018 Report by June 1, 2019**	Rolling* triennial period starting January 1, 2019 Report by June 1 starting in 2022**
20 hours 50% must be verifiable	120 hours 50% must be verifiable	120 hours 50% must be verifiable For the triennial period ending on December 31, 2021, and for each triennial period thereafter, the 120 hours shall include four verifiable hours of professional ethics.
<p>*A rolling triennial period effective January 1, 2019 was introduced in order to harmonize CPD requirements with international standards as CPA Ontario is a member of the International Federation of Accountants (IFAC).</p> <p>**A late fee will be applied to submissions received June 2-30. Members with outstanding declarations after June 30 will be subject to membership suspension.</p>		

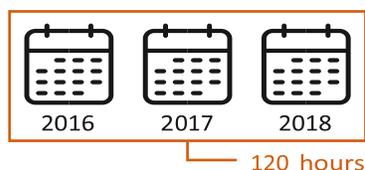
TIP

Though you only need to complete a minimum of 20 hours per year, you need a total of 120 hours by the end of the triennial period. Some members may qualify for an exemption or reduction of the CPD requirements (read on for more information).

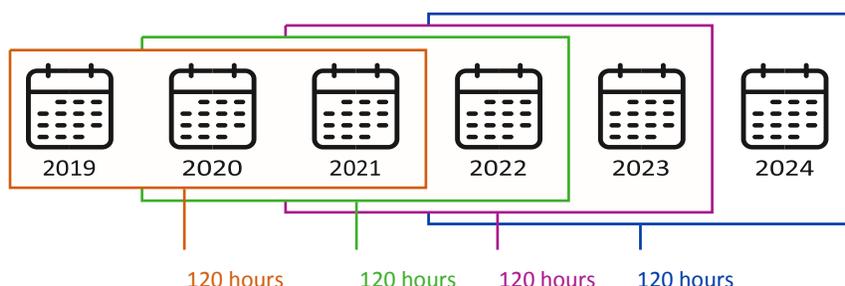
NEW ROLLING TRIENNIAL PERIOD: IMPLEMENTATION

The last fixed triennial period ends on December 31, 2018 (CPD Declaration due June 1, 2019). A minimum of 120 CPD hours are required in a triennial period, at least half of which are verifiable.

Fixed period until December 31, 2018



Rolling triennial period starting January 1, 2019



The first rolling triennial period begins on January 1, 2019 and will be phased in as follows:

- 2020: Members will submit a 1-year CPD Declaration for 2019. A minimum of 20 CPD hours required.
- 2021: Members will submit a 1-year CPD Declaration for 2020. A minimum of 20 CPD hours required.
- 2022: Members will submit a 3-year CPD Declaration for 2019-2021. A minimum of 120 CPD hours required, including 4 **verifiable** hours of ethics.
- 2023: Members will submit a 3-year CPD Declaration for 2020-2022. A minimum of 120 CPD hours required, including 4 **verifiable** hours of ethics.
- 2024: Members will submit a 3-year CPD Declaration for 2021-2023. A minimum of 120 CPD hours required, including 4 **verifiable** hours of ethics.
- Continuing on indefinitely.

EXAMPLE: NEW ROLLING TRIENNIAL PERIOD

Although you must complete a minimum of 20 total CPD hours, including at least 10 verifiable hours annually, it is up to you to determine how you will complete the 120 CPD hours required in each rolling triennial period. See the example below of how this might work:

2019	2020	2021	2022	2023	2024	2025	2026
40 hours	40 hours	40 hours E*					
	40 hours	40 hours E*	50 hours				
		40 hours E*	50 hours	30 hours			
			50 hours	30 hours	40 hours E*		
				30 hours	40 hours E*	50 hours	
					40 hours E*	50 hours	30 hours

E* - denotes verifiable professional ethics

- 2019-2021: In the first rolling three-year period, the member completes 40 hours of CPD each year. The member completes 4 verifiable hours of professional ethics in 2021.
- 2022: The member chooses to complete 50 hours of CPD, for a total of 130 CPD hours for the 2020-2022 three-year period. The member does not complete any CPD related to ethics.
- 2023: To meet the requisite 120 hours for the 2021-2023 rolling three-year period, the member needs to complete 30 hours of CPD. The member does not complete any CPD related to ethics.
- 2024: To meet the requisite 120 hours for the 2022-2024 rolling three-year period, the member needs to complete a minimum of 40 CPD hours. To meet the ethics requirement, the member completes 4 verifiable hours of professional ethics.

WHAT ARE VERIFIABLE HOURS?

At least 50% of your required annual and triennial period hours must be “verifiable”. What does that mean? It means you must have documentation to support your professional development hours. This chart will help you determine if your hours would count toward your 50% requirement and help ensure you maintain the documents needed to support your CPD declaration.

VERIFIABLE CPD ACTIVITY	QUALIFYING NUMBER OF HOURS	ACCEPTABLE DOCUMENTATION
<p>CONTINUING EDUCATION Participation in a course, webinar, conference or seminar</p> <p>Enrolment in a formal education program leading to a degree, diploma, certificate, re-certification or designation</p>	<p>Hours spent attending the course, webinar, conference or seminar provided that you are learning.</p> <p>Hours spent preparing or studying for the course, conference, seminar or exam (to a maximum of 5 hours prep time for each hour of participation)</p>	<p>Any one of the following:</p> <ul style="list-style-type: none"> • Copy of course payment/invoice • Certificate of completion or official transcript • Confirmation of participation by provider or employer • Attendance record (e.g. sign-in sheet) • Course assignment and exam results
<p>INSTRUCTION/ SPEAKING Teaching a course or session in an area relevant to your professional role</p> <p>Participation as a speaker in a conference, briefing session or discussion group</p>	<p>Hours spent preparing for the course/session (to a maximum of 5 hours for every hour of teaching time)</p>	<p>Copy of course or presentation material from the session including date and speaker details</p> <p>A log of your prep hours (by date)</p>
<p>COMMITTEES Participation on a board or technical committee, including:</p> <ul style="list-style-type: none"> • Audit Committee of a public company, registered charity or not- for-profit organization • CPA Ontario Council or CPA Canada Board or Committee(s) 	<p>Hours spent attending meetings provided that you are learning</p> <p>Hours spent preparing for the meetings (to a maximum of 5 hours prep time for each hour of participation)</p>	<p>Any one of the following:</p> <ul style="list-style-type: none"> • Email confirming membership • Meeting agenda or minutes (redacted, if appropriate) • Letter from organization or employer confirming your role • Information circular for public companies <p>A log of the hours (by date) you spent attending meetings</p> <p>A log of the hours (by date) you spent preparing for meetings</p>
<p>RESEARCH /PUBLICATIONS Conducting research in an area that expands your knowledge for a specific application in your professional role that result in a presentation or report</p> <p>Writing or publishing technical articles, papers, books or academic work</p>	<p>Actual hours for your presentation if applicable</p> <p>Hours spent preparing or researching the presentation or report (to a maximum of 5 hours prep time for each hour of presentation)</p> <p>Hours spent researching, authoring or contributing to the publication</p>	<p>A copy of the presentation, report or published material (redacted, if appropriate), or confirmation from third-party or employer</p> <p>A log of hours (by date) for your presentation and/or prep/ research hours (by date)</p>

NOTES: 1) Volunteering does not necessarily count as CPD hours. However, if the activities that you do result in one of the above verifiable activities then it can be counted towards your CPD.
2) Networking hours (social functions, lunch, dinner, etc.) normally do not count as CPD, unless it can be demonstrated that there was learning involved. such as if there is a speaker for the duration of the lunch or dinner.

WHAT ARE UNVERIFIABLE HOURS?

"Unverifiable continuing professional development" means independent and informal learning activities and may include the following:

- On-the-job training for new software, systems, procedures or techniques for application in a professional role.
- Self-study that does not involve an examination or other objective certification of completion, such as conference reference material or self-study by electronic media or device.
- Casual reading of professional journals or magazines that is not part of research for a specific application in a professional role.

TIP

50% of qualifying hours can consist of independent and informal learning (unverifiable CPD) including self-study and reading of professional journals or magazines.

NEW ETHICS REQUIREMENT

For the triennial period ending on December 31, 2021, and for each triennial period thereafter, the 120 hours of continuing professional development that a member must complete shall include four **verifiable hours** of professional ethics.

Professional ethics is the study of the values that guide the choices and behaviours of professionals. Ethics training ensures that professionals acquire the tools, methods and/or frameworks that enable them to make decisions based on their moral principles. Professional ethics CPD can cover a wide range of topics related to ethics and should be relevant and appropriate to a member's work and professional responsibilities and growth as a CPA.

The four hours do not have to be obtained in one single program, but can be accumulated through ethics components in any number of seminars or courses. Course material must go beyond an awareness of the rules, standards or guidelines. The course must give examples or scenarios that show the application of the rules, standards or guidelines; present ethical dilemmas, models or theories of ethics; or the application of ethical decision making.

Examples of professional ethics topics include, but are not limited to, the following:

- CPA Ontario regulatory updates covering the Act, Bylaws, Regulations and Code of Professional Conduct
- Regulatory updates that are relevant and appropriate to the member's role or industry
- Corporate codes of conduct
- Independence/conflict of interest
- Ethical business culture
- Corporate social responsibility
- Whistle-blowing
- Anti-money-laundering
- Bribery and corruption, etc.

DO YOU QUALIFY FOR A CPD EXEMPTION?

RETIRED CPD EXEMPTIONS & REDUCTION

You meet the criteria to file a retired CPD exemption if:

- You have ceased full-time work, you have reached 55 years of age by December 31 of the previous year, you do not hold a Public Accounting Licence, and the sum of your age and years of membership is 70 or more; OR
- Prior to April 1, 2014, you were a retired member of CMA Ontario; OR
- Prior to July 2, 2014, you were a retired member of CGA Ontario; AND
- You are not providing reliance services, as set out in the table below:

RELIANCE SERVICES PROVIDED*	CPD REQUIREMENTS
Licensed to practise public accounting OR Serving on the board of a public company OR Providing accounting services to the public or professional services where your revenue exceeds \$75,000	Full CPD Requirements: Annually: Minimum 20 hours (50% verifiable) Triennially: 120 hours (50% verifiable), including four hours of verifiable professional ethics**
Serving on the board of a public interest entity* OR Providing accounting services to the public or other professional services where your revenue from these services is between \$25,000 and \$75,000	Reduced CPD Requirements: Annually: Minimum 10 hours (50% verifiable) Triennially: 60 hours (50% verifiable), including four hours of verifiable professional ethics**
Providing accounting or professional services*** where your revenue is less than \$25,000	No CPD - Exempt
* As defined in Regulation 7-2 Continuing Professional Development ** Four hours of verifiable professional ethics is required for the triennial period ending on December 31, 2021, and for each triennial period thereafter *** Professional services are defined in the CPA Code of Professional Conduct and applies to all members and firms and is not restricted only to those who are engaged in the practice of public accounting. It includes those of a member's or firm's activities, whether undertaken for remuneration or not, where clients, employers, the public or professional colleagues are entitled to rely on membership or registration with the CPA Ontario as giving the member or firm particular competence and requiring due care, integrity and an objective state of mind.	

OTHER EXEMPTIONS

Other exemptions are available for members who have not worked for six months or more in the previous calendar year as a result of:

- Unemployment
- Maternity, parental, or family care leave
- Medical leave (letter from physician required; keep on file for five years, in case of audit)
- Compassionate or extraordinary circumstances (letter explaining circumstances required at time of submission; requires the approval of the Registrar)

TIP

December 31, 2018 was the end of the fixed three-year cycle. You will need to provide your annual as well as your three-year requirements. If you claimed an exemption for any year in the triennial period, your overall hours will be pro-rated (i.e. the one-year exemption and three-year requirement is now 80 hours, of which 50% must be verifiable).

CAN MY CPD DECLARATION BE AUDITED?

Yes. Each year, CPA Ontario performs CPD audits of selected members. You may be audited at any time, so it is important to keep records and supporting documents related to your CPD activity for at least five years. If audited, you will be asked to provide them. You will be given written and electronic notice, with 30 days to provide the required documentation.

HOW DO I TRACK MY HOURS?

To help record, update and track your hours, you can use our optional [online CPD Log](#) or the printable version [here](#). You must retain all documentation for five years.

WHAT IF I DO NOT MEET THE CPD REQUIREMENTS?

If you did not complete the CPD requirements by the end of the calendar year, you will need to submit a Plan of Action which sets out the activities or courses you will take to complete the CPD requirements. This Plan is due within 14 days of your CPD Declaration, and you must provide sufficient detail, including names and providers of any planned learning activities, as well as hours and end dates.

Within 120 days of filing the above Plan, you must complete your required CPD and submit a CPD POA Compliance Declaration. If the Plan is incomplete or the learning activities set out in the Plan are not met within 120 days, your membership may be suspended.

TIP

Track your hours. Submit your declaration. Stay in good standing.

NEED MORE INFORMATION?

For frequently asked questions, visit cpaontario.ca/cpdrequirements.

If you have other questions, please contact our Customer Service Centre at customerservice@cpaontario.ca or call 1 800 387.0735 Monday to Friday, 8 a.m. to 6 p.m.

This guide is provided for general information purposes and information has been summarized and paraphrased for ease of use. Responsibility for compliance with CPA Ontario Bylaws and Regulations remains with the member.