



# The Institute of Taxation

## CONTINUING PROFESSIONAL DEVELOPMENT (CPD)



### **Preamble**

1. Continuing Professional Development (CPD) Mechanism for members of Institute has been set in such a way that it becomes a component of continued membership for the members of Institute. Implementation of CPD Mechanism is in accordance with the International Standard followed by the recognized professional bodies.

### **What is CPD?**

2. CPD refers to learning activities that develop and maintain capabilities to enable individuals to perform competently within their professional environments.
3. It is to be appreciated that the knowledge needed to function effectively as a tax professional in practice, industry, commerce, education and the public sector, continues to expand and change at a rapid rate with the development in regulatory environment, amendments in international practices and advancement in technology.
4. CPD, on its own, does not provide assurance that all members of the Institute will provide high quality professional service all the time. Doing so involves more than maintaining professional competence; it involves applying knowledge with professional judgment and an objective attitude. Also, there cannot be assurance that the member who participates in a CPD program will obtain the full benefits of that program, because of variances in individual commitment and capacity to learn. Nevertheless, it is certain that members who are not up-to-date on current technical and general knowledge pertinent to their work will not be able to provide professional services competently. Therefore, despite the inherent limitations of any CPD program, a CPD requirement is important in preserving the standard of the profession and also in maintaining public confidence.

### **Responsibility of Institute's member**

5. Being professional it is the responsibility of Institute member to develop and maintain professional competence necessary to provide high quality services to clients, employers and other stakeholders. Members are free to choose from the opportunities both locally and internationally available, as approved by the CPD Committee, to fulfill their relevant CPD needs in terms of mandatory hours.
6. This document prescribes that Institute members should:
  - a. foster a commitment to lifelong learning
  - b. establish benchmarks for developing and maintaining the professional competence necessary to protect the public interest; and
  - c. monitor and enforce the continuing development and maintenance of professional competence.

**Effective date:**

7. This CPD mechanism is effective from July 01, 2020.

**CPD Approach**

8. CPD can be achieved by at least three different approaches:

- a. *In-put based approaches* — by establishing a set amount of learning activity that is considered appropriate to develop and maintain competence.
- b. *Out-put based approaches* — by requiring tax professional to demonstrate, by way of outcomes, that they develop and maintain professional competence.
- c. *Combination approaches* — by effectively and efficiently combining elements of the input and output based approaches, setting the amount of learning activity required and measuring the outcomes achieved.

9. Institute has adopted a ***combination approach***.

**Organization**

10. Technical Committee of Institute has the responsibility for establishment of directive and overall coordination of CPD activities for its members in Pakistan and abroad.

11. CPD Committee would coordinate with the Technical Committee of Institute for execution of CPD activities through CPD subcommittees.

**Requirement**

12. Every member is required to:

- a. complete 30 mandatory CPD hours or equivalent learning units of relevant professional development activity in each year, of which 20 hours or equivalent learning units should be verifiable;
- b. complete any short fall in the mandatory CPD hours not beyond the expiry of the very next year;
- c. adjust/claim any excess CPD hours within the very next year, beyond which such excess hours will be nullified; and
- d. track and measure learning activities to meet the above requirements.

***"Important"***

For any incomplete first year of membership, the member will be required to complete 2 CPD hours for each complete months.

The members will be required to complete their shortfall hours to avoid any sanctions, as prescribed by the Council of Institute.

## Measurement of CPD Credit Hours

13. The CPD credit hours are to be measured as follows:

S. No.	Activity	Evidence to be kept	CPD Credit Hours
a.	Participation in short courses, seminars, conferences, lectures and training workshops.	Certificates of attendance / course contents in case it is a non-Institute course.	Actual classroom time. For a full day session a credit of 6 hours and for a half-day session 3 hours.
b.	Completing degree courses and studying relevant professional certifications.	Degree / Certification	<p><u>Professional Certification</u> (Issued by a recognized professional body):</p> <p>5 times of the examination hours or 40 hours, whichever is lower, in one CPD year.</p> <p><u>Degree Programs</u> (As accredited by the Higher Education Commission of Pakistan, or approved Foreign Institute / University)</p> <p>Attending a 3 credit hours course will be measured equivalent to 10 CPD hours long for relevant subjects only. However, the maximum CPD hours that can be given under this head shall be 40 hours for a year.</p> <p>Award of CPD hours in this category shall be decided by the Committee on a case to case basis.</p>
c.	Relevant research paper published in a peer reviewed journal	Original copy of the journal	10 hours
d.	Contributing article / review or any other relevant material including material in Institute's, or other, local or international publications	Original copy of the publication	5 hours
e.	Registered and evidence-based E-learning courses from recognized content providers.	Certification	Actual time consumed by the course / training but not exceeding 10 CPD hours.

f.	Presenter, trainer or session chairman in short courses, seminars, conferences, trainings and media including interviews in print media	To be declared on the Reporting Form	Twice the actual timespent for the training, workshop, seminar, conferences, and media interviews
g.	Teaching relevant professional certificate course or degree courses	To be declared on the Reporting Form	One and a half of the actual time of the session subject to maximum of 20 hours per annum.
h.	Participation in board, committees, working groups of listed companies, Institute and other regulatory bodies of Pakistan.	To be declared on the Reporting Form	Actual time of the meeting
h.	Writing of books on professional interest, technical and reference manuals including study pack	Copy of the publication	1 CPD hour per page of technical content. Maximum 40 hours per release
j.	Watching recorded videos of the Institute CPD programs or equivalent programs	Members are encouraged to obtain prior approval from the CPD Committee; or  Attendance/topic(s) to be Communicated to the CPD Committee within 2 weeks of watching such program.	Half of the actual duration of the recorded video
k.	General / self certified readings (relevant to current or future development needs) e.g. journal articles, newspaper reports, subscriptions etc.	Details to be provided on CPD Reporting Form:  <u>Printed Material</u> <ul style="list-style-type: none"> <li>• Date of reading</li> <li>• Date of publication</li> <li>• Title of the publication</li> <li>• Title of the specific article</li> </ul> <u>Web-based Material</u> in addition to above information also include: <ul style="list-style-type: none"> <li>• Retrieved/accessed from: the full web address.</li> <li>• Date/time of retrieval/access</li> </ul>	Actual reading time, subject to maximum of 2 hours per article and further subject to the maximum of 5 hours per annum
l.	Visit to Institute recognized library	The librarian will provide sign-in and sign-out time to the CPD Executive along with the title and other details of the book or other material issued for reading	Actual time spent in the library but not exceeding 10 CPD hours in a year.

## **Exemption to CPD**

14. This directive does not apply to the members who fall in following categories:

- a. Sick or incapacitated so that he/she cannot perform normal work
- b. Retired from whole time business/work and the person attained the age of 65
- c. Career breaks.
- d. Members holding public offices such as Ministers, Advisors to Ministers, etc., during the currency of their offices.

## **Verification**

15. A "Verifiable CPD Activity" undertaken by the member must be supported by documentary evidences required to be maintained by the member.

A "Non-verifiable CPD Activity" is an activity where a member is unable to prove that the CPD learning activity has taken place. Ordinarily, non-verifiable CPD does not have a defined learning outcome and is not designed to address a specific learning need. General reading, as defined in paragraph 13(k), is an example of non-verifiable CPD.

## **Non-compliance**

16. For all members, non-compliance of this Directive will be reviewed by the Technical Committee and if deemed appropriate the matter may be referred to the Disciplinary Committee or Council of Institute.

## **Recording and Monitoring**

17. Each member is responsible for maintaining and retaining his/her CPD records. These records should demonstrate that the member understands and complies with the Regulations. Additionally, CPD records are to be maintained by the CPD Executive of the Institute as follows:

- a. Where CPD activities are organized by the Institute or any of its Sub-Committee:
  - i. The Institute or Sub-committees will maintain a register of attendance and within two weeks of holding the activity will send the attendance sheet, to the CPD Executive.
- b. Where a member participates in other CPD credit programs:
  - i. On a periodic basis (a member may be to send CPD record to CPD Executive when demanded) the member will complete a CPD reporting form (as annexed) summarizing the details of the CPD activities in which he/she participated based on the credit hours measurement prescribed in paragraph 13.
  - ii The CPD reporting form should be sent to the attention of the CPD Executive or be completed online.
  - iii. Any CPD reporting form for a year (ending on June 30) must be received by the CPD Executive by August 31 of that year.

- iv. The member will maintain evidence of the CPD activity e.g. attendance confirmation / details of article published etc.
  - v. The evidence of the CPD activity shall be produced before the Institute if so required.
- c. The CPD Executive will summarize the declarations and send a summary to the CPD Committee for information.
- d. The CPD Executive will be responsible for maintaining record in respect of members participating in CPD activities and uploading latest CPD data on the website for members to review.
- e. The CPD Executive should send an Email reminder to all members within two weeks of the close of year for reporting of all activity along-with form.

## The Institute of Taxation

## CPD REPORTING FORM

Membership Number: \_\_\_\_\_

Name of Member. \_\_\_\_\_

Reporting Year: \_\_\_\_\_

Date: \_\_\_\_\_

Sr. No.	Description of CPD activity attended along with name of CPD provider	Date	Details of CPD activity attended	Credit Hours

Signature of Member \_\_\_\_\_