

CIPM Association Mandatory Continuing Education (MCE) Program

Purpose of the MCE Program

Under the CIPM Association *Code of Ethics*, members must “maintain and improve their professional competence.” The CIPM Mandatory Continuing Education (MCE) program puts this ethical obligation into practice by requiring certificate holders to engage in ongoing professional development as a condition of retaining the right to use the CIPM designation.

CIPM certificate holders have broad latitude in selecting activities to meet the requirement. They may elect self-study or choose offerings from any provider, assuming the activity meets MCE Program standards. Guidelines shall be interpreted in accordance with the general principle of protecting and enhancing the integrity of the CIPM designation.

MCE Program Requirements

CIPM certificate holders must:

1. complete forty-five (45) hours of qualifying activities within three years following the calendar year in which the right to use the CIPM designation was awarded or renewed; **or**
2. pass the CIPM Expert examination in the third year following the calendar year in which the right to use the CIPM designation was awarded or renewed.
 - a. Certificate holders may enroll to sit for the Expert examination at the then-effective discounted fee for returning candidates.
 - b. In order to qualify for the full 45 hours of MCE credit, they must *pass* the examination.
 - c. Certificate holders who sit for but do not pass the Expert exam may claim credit for preparation time up to a maximum of twenty (20) hours.

For example, the following table illustrates the timeline for candidates who earn the right to use the CIPM designation in calendar 2007 or 2008:

Certificate Awarded	First MCE Reporting Period Begins	Expert Exam Eligible for MCE Credit	First MCE Reporting Period Ends	Second MCE Reporting Period Begins
January 2007	1 January 2008	2010	31 December 2010	1 January 2011
June 2007	1 January 2008	2010	31 December 2010	1 January 2011
January 2008	1 January 2009	2011	31 December 2011	1 January 2012
June 2008	1 January 2009	2011	31 December 2011	1 January 2012

In addition, CIPM certificate holders must:

3. attest that they have complied with the MCE program as of the end of each three-year reporting period; and
4. retain the prescribed documentation of pertinent activities for one (1) calendar year following the three-year period in which the activities were completed.

The documentation requirements are explained below. All certificate holders may be selected for a compliance review of their activity documentation.

Activity Standards

CIPM certificate holders may select any combination of the following types of activities that meet the MCE program criteria:

- Self-study (i.e., reading, researching, etc.)
- Employer-based (i.e., in-house training)
- Programming sponsored by CFA Institute and member societies
- Activities offered by unaffiliated organizations/providers in any language

MCE Program Criteria

To qualify for MCE credit, activities must have *educational content* that:

1. is *relevant to and intended for professionals* **and either**
2. covers an *investment topic* **or**
3. contributes *substantively* to the certificate holder's development as an investment performance professional.

Educational content is defined by these characteristics:

- a. The activity has an academic, technical, or sector/industry focus; and
- b. The activity is concept-based rather than data- or information-based.

Specific company/product marketing presentations, software training, and assorted "sales pitches" do not meet the educational content criterion.

Content is defined as *relevant to and intended for professionals* if the activity:

- a. provides professionally applicable knowledge; and
- b. is not targeted toward the layperson or general public audience.

An *investment topic* is defined as a topic that can be found on the Topics for Investment Professionals ("TIPS") list shown below.

The *educational content* of an activity is defined as *substantively* contributing to professional development if it maintains or improves the certificate holder's knowledge, skills, and abilities as an investment performance professional.

Topics for Investment Professionals (TIPs)

The MCE program has adopted the CFA Institute Professional Development list of Topics for Investment Professionals (TIPs). These topics may be used in searches for CFA Institute [webcasts](#) and for CFA Institute [publications](#).

Advocacy, Regulatory, and Legislative Issues

Advocacy Issues
Regulatory and Legislative Activities
Other

Alternative Investments

Closely Held Companies
Commodities
Hedge Fund Strategies
Private Equity
Real Estate
Venture Capital
Other

Business Strategy

Customer Mix and New Customer Development
Firm Philosophy, Size, and Structure
Industry Best Practices
Long-Term Strategic Planning
Product Mix and New Product Development
Strategic Relationships
Other

Corporate Finance

Capital Investment Decisions
Long- and Short-Term Financing Decisions
Mergers and Acquisitions
Short-Term Asset Management
Other

Corporate Governance

Debt Investments

Asset-Backed Securities (including Mortgage-Backed)
Bonds with Embedded Options
Credit Analysis
Emerging Market Debt
Global Bonds
High-Yield Bonds
Option-Free Bonds
Research Sources
Return or Yield Measures
Risk Measures
Sovereign Debt
Structured Notes
Tax-Exempt/Municipal Bonds
Term-Structure Analysis
Yield-Spread Analysis
Other

Derivative Instruments

Commodity Derivatives
Currency Derivatives
Debt Derivatives
Equity Derivatives
Other

Economics

International Financial Systems
Macroeconomics
Microeconomics
Relationship of Economic Activity to the Investment Process
Other

Equity Investments

Fundamental Analysis and Valuation Models
Industry Analysis
Research Sources
Technical Analysis
Other

Ethics and Professional Standards

AIMR Performance Presentation Standards
CFA Institute Code of Ethics and Standards of Professional Conduct
Global Differences
Global Investment Performance Standards
Interpreting or Analyzing Ethical and Professional Standards
Other CFA Institute Standards and Guidelines
Professional and Supervisory Responsibilities
Soft Dollar Standards and Issues
Standards Compliance Programs in the Firm
Other

Financial Markets

Market Microstructure
Market Structure and Organizations
Other

Financial Statement Analysis

Accounting and Financial Reporting Issues
Financial Accounting Standards and Proposals
Financial and Ratio Analysis
Other

The TIPs list is continued on the next page.

Firm Management

Adapting to Change
Managing Client Services
Managing, Motivating, and Compensating
Investment Professionals
Promoting and Developing Organizational Values
Other

Investment Industry

Future Directions and Sources of Change
Historical Trends
Structure, Organization, and Demographics
Other

Investment Theory

Behavioral Finance
CAPM, APT, and Other Pricing Theories
Efficient Market Theory
Portfolio Theory
Other

Managing the Investment Process

Designing the Decision-Making Process
Organization and Control
Other

Performance Measurement and Evaluation

Global Investment Performance Standards
Manager Selection
Performance Attribution
Performance Measurement
Other

Portfolio Management

Asset Allocation
Asset/Liability Management
Debt Strategies
Equity Strategies
Hedge Fund Strategies
Investment Policy
Portfolio Construction, Rebalancing, and
Implementation
Trading and Execution
Other

Private Wealth Management

Asset Allocation
Asset Location
Client Objectives, Constraints, and Behavior
Client Relationship Management
Family Dynamics
Investment Policy Formulation
Mutual Fund Studies
Performance Monitoring and Reporting
Tax-Efficient Investing
Wealth Management Plan Creation and
Implementation
Wealth-Transfer Planning
Other

Quantitative Tools

Econometric and Statistical Methods
Mathematical Methods
Other

Risk Measurement and Management

Advanced Risk Tools
Alternative Investments
Currency Portfolios
Equity Portfolios
Firm/Enterprise Risk
Fixed-Income Portfolios
Multi-Asset Portfolios
Single Assets
Other

Sample Qualified Activities for CIPM Certificate Holders

- Readings relevant to the investment professional (journal articles, textbooks, etc.)
- Conferences, seminars, forums, lectures, or other live events applicable to the investment professional
- University courses applicable to the investment professional
- Web-based courses applicable to the investment professional
- Time spent on preparatory readings for teaching, lecturing, presenting, or article writing (“podium time” is ineligible)
- Reviewing articles with educational content for *Financial Analysts Journal*, *Journal of Performance Measurement*, or other publications for investment professionals
- Abstracting articles or reviewing books written for investment professionals
- Volunteer participation on selected CFA Institute or CIPM program committees
- Passing or preparing for investment-related regulatory or designation exams such as NASD, FSA, etc.
- In-house employee training sessions relevant to the investment professional
- Mandatory continuing education training sessions for other investment-related designations
- Forecast dinners where the presentation includes models and other educational content beyond the actual forecast dinner (only the educational portion of the event is eligible for MCE credit)
- Presentations that include substantive information on an industry rather than a single company (i.e. detailed explanation of industry trends and the implications for valuing companies within that industry)
- “Street research” designed to produce a result, such as a report providing substantive educational material with broad application
- Individually relevant activities pertinent to the certificate holder’s work or development as an investment professional
- Passing Level I, II, and/or III of the CFA exam
- CFA Institute conferences, webcasts, and publications (*Financial Analysts Journal*, *CFA Institute Conference Proceedings*, Research Foundation monographs, *CFA Magazine* articles with educational content, etc.)

Sample Non-Qualified Activities

- Reading *The Wall Street Journal*, *Financial Times*, *The Economist*, *Barron's*, or similar publications
- Reading *CFA Digest* summaries (original source articles do qualify)
- Software training sessions
- Commercial product training sessions
- Conferences, seminars, forums, lectures, or other live events intended for the layman or non-professional investor
- Employer-sponsored events with client-marketing focus in which educational content is directed at client (layman's level of rigor)
- Teaching, lecturing, or presenting (i.e., "podium time")
- In-class time for exam preparation (e.g., CFA or CIPM preparatory classes, etc.)
- Forecast luncheons or dinners where the presentation is simply a forecast or the event is purely social in nature
- Presentations that are only on a specific company and/or its products
- "Street research" primarily addressing a specific company

Activities Requiring Special Consideration

Some activities may qualify for MCE credit depending upon the circumstances surrounding the activity and one's unique professional responsibilities. Judgment is required in applying the criteria used to determine whether an activity is eligible for credit.

Forecast luncheons and dinners, company presentations, street research, and similar activities should be assessed on an individual basis to determine if the activity meets qualifying criteria listed above in general or for an individual in particular.

Example: Forecast Dinners

- Qualified activity: The presentation includes models and other educational content beyond the actual forecast (only the educational portion of the event is eligible for credit)
- Non-qualified activity: the presentation is only a forecast or is purely social in nature

Example: Company Presentations

- Qualified activity: the presentation includes substantive information on an industry, not just a single company (i.e., a detailed explanation of industry trends and the implications for valuing companies within that industry)
- Non-qualified activity: the presentation is on a specific company and/or its products

Example: Street Research

- Qualified activity: a report providing substantive educational material with broad application, such as "Interpreting Economic Indicators," "Understanding Tracking Error," or "Valuing Structured Debt Securities"
- Non-qualified activity: a report that addresses a particular company, such as "Teleflex Incorporated: Initiating Coverage With a Hold"

Example: Individually Relevant Activity

- Qualified activity: a GIPS verifier attends a conference on "Sampling Techniques for Auditors"
- Non-qualified activity: a certificate holder attends a conference on "Networking Techniques for Job-Seekers"

Example: Individually Relevant Activity

- Qualified activity: a certificate holder with responsibility for the integrity of performance measurement input data attends a conference on "Portfolio Accounting"
- Non-qualified activity: a certificate holder attends a conference on "Accounting for Property, Plant, and Equipment"

Calculating Credit

Credit Hour Definition

- One (1) MCE credit hour is defined as one (1) 60-minute hour of educational activity
- Credit hours can be earned in half-hour increments (rounded to the nearest half hour)
- As a general rule, no single self-study activity may earn greater than twenty (20) MCE credits.
- Certain pre-qualified activities and activities with standard reference times may earn more than 20 credits. (See below.)

Credit Hour Calculation

Members should calculate credit hours earned under the MCE program based upon one of the following types of activities:

Pre-Qualified Activities

CFA Institute conferences, and programs offered under the CFA Institute [Approved-Provider Program](#), have a predetermined number of eligible credits. When documenting their MCE activities, certificate holders should refer to the number of hours declared eligible by the conference or program sponsor.

Standard Reference Time Activities ([click to view chart](#))

These activities have a standardized number of eligible credits which **must** be used when documenting activities.

Clock Time Activities

For activities that are not pre-qualified or for which standard reference times are undefined, certificate holders should record the actual duration of the educational portion of the activity, up to the maximum of twenty (20) credits.

Credits in excess of the requirement may not be carried forward to the next three-year period.

Documentation

For each activity, certificate holders must complete and retain the MCE [Activity Documentation Form](#).

CIPM certificate holders must keep completed MCE Activity Documentation Forms for one year after the end of the three-year period to which they pertain. The following table shows two examples for an individual who is awarded the CIPM certificate in 2007.

Activity Takes Place	MCE Period Ends	Documentation Must Be Kept Until
23–24 March 2008	31 December 2010	31 December 2011
15 September 2010	31 December 2010	31 December 2011

Certificate holders are strongly encouraged to complete the MCE Activity Documentation Form shortly after completing each activity.

In order to support and validate the integrity of the MCE program, all certificate holders may be subject to periodic reviews of the documentation establishing that the activities for which they claim credit meet the standards set forth above.

CIPM Association Mandatory Continuing Education Program
Activity Documentation Form

Last Name: _____

ID: _____

1. Describe the activity (including, title, author, event date, event location, etc.)

2. Complete **either** Section A **or** Section B:

A. To which topic(s) on the TIPs list does the activity pertain?

(www.cfainstitute.org/memresources/pdprogram/tipslist.html)

B. **Briefly** state how the activity contributed to your development as an investment performance professional.

3. Activity Completion Date (DD, MM, YYYY format)

4. Total credit earned for this activity:

Note: Keep this completed form for one calendar year after the end of the three-year MCE period in which the activity described took place.

Attestation and Compliance Review

Satisfying the mandatory continuing education requirement is a condition of retaining the right to use the CIPM designation. Certificate holders must attest that they have complied with the MCE program as of the end of each three-year MCE period. For example, individuals who are awarded the CIPM certificate in 2007 must attest that they have met the MCE requirements as of 31 December 2010.

All certificate holders may be subject to a periodic compliance review. The process will include these steps:

1. Certificate Holder's Obligation: Upon notification that he or she has been selected for a compliance review, the certificate holder has thirty business (30) days to supply the documentation of MCE activities for the most recent three-year MCE period. The certificate holder may be asked to supply additional documentation during the course of the compliance review.
2. Review of Documentation: The supplied documentation will be reviewed to ensure compliance with the MCE program requirements and guidelines.
3. Compliance Review Status: Certificate holders selected for review will receive one of the following statuses:
 - a. Successful completion: All documentation is acceptable, and the compliance review is approved.
 - b. Insufficient/disallowed credits: The certificate holder is given ninety business (90) days to substitute ineligible or missing credits.
 - c. Professional Conduct violation: Unsupported, misstated, or fraudulent reporting of credits is a violation of the CIPM Association Code of Ethics and Standards of Professional Conduct. Such reporting may be grounds for disciplinary action and will be handled by the CIPM Association Professional Conduct Program.

Penalties for Non-Compliance

The right to use the CIPM designation is automatically suspended for one (1) year as of the end of any reporting period in which an individual does not meet all conditions and requirements of the CIPM Association Mandatory Continuing Education program. Accordingly, CIPM certificate holders who are not in compliance must cease using the CIPM designation as of the end of the MCE period. For example, individuals who are awarded the CIPM certificate in 2007 but do not meet all MCE conditions and requirements for the three-year reporting

period ending 31 December 2010 must not use the CIPM designation after 31 December 2010.

If an individual whose right to use the CIPM designation has been suspended fails to satisfy the conditions for reinstatement, as provided below, within one (1) year, the right to use the CIPM designation is automatically revoked. For example, the right to use the designation is revoked as of 31 December 2011 for any individual whose certification is suspended as of 31 December 2010 and who is not informed by the CIPM Association that they have met the reinstatement requirements.

Reinstatement

Individuals whose right to use the CIPM designation has been suspended due to their failure to meet the conditions and requirements of the MCE program may apply for reinstatement within one (1) year of the suspension upon passing the then-current Expert examination or otherwise meeting all outstanding requirements for the most recent MCE reporting period and submitting acceptable documentation of qualifying activities to the CIPM Association. They must not resume using the CIPM designation unless and until they are notified by the CIPM Association that their right to use the designation has been reinstated.