

## CONTINUING PROFESSIONAL DEVELOPMENT POLICY

### 1. Overview

Pursuant to section 5 of the Corporations (*Relevant Providers Continuing Professional Development Standard*) *Determination 2018*, the Licensee is required to develop and adopt a Continuing Professional Development Policy.

In this Continuing Professional Development Policy (**Policy**), a reference to 'representatives' means the Licensee's:

- employees and directors who provide financial services on behalf of the Licensee;
- Responsible Managers; and
- Authorised Representatives.

Representatives must:

- develop and maintain a CPD Plan on a continuing basis;
- complete at least 40 hours of CPD activity in each CPD Year, 70% of which must be approved by the Licensee;
- maintain a continuous, up-to-date and accurate record of their CPD activities, including evidence of completion of any CPD activity; and
- provide those records to the Licensee to allow the Licensee to monitor compliance with the CPD standards.

The Licensee will make appropriate resources and opportunities available to the representative to enable the representative to meet its CPD requirements.

### 2. The Licensee's CPD year

The Licensee's CPD year is a 12 month period beginning on the day of the year determined by the Licensee.

The Licensee has determined that its CPD year will commence on 1 July.

The Licensee will notify ASIC of the day on which the Licensee's CPD year begins within 30 business days of the day that the Licensee made the determination.

The Licensee may decide to change the Licensee's CPD year if it has not previously notified ASIC of its CPD year within the preceding 12 months.

If the Licensee changes its CPD year it will:

- notify its representatives in writing;
- notify ASIC of the new day on which the Licensee's CPD year begins within 30 business days of the day that the Licensee made the determination; and
- update this Policy.

### 3. CPD Plan

A representative will prepare a CPD plan prior to the start of each CPD year and lodge the plan with the Licensee. The Licensee may assist the representative to prepare the CPD plan.

The CPD plan may be amended at any time, subject to the Licensee's approval of any amendments.

The CPD plan will:

- assess the representative’s training needs, having regard to the specific financial services and products that are relevant, particularly if the representative’s functions change;
- identify areas for improvement, including any training gaps or weaknesses in the preceding year, in the representative’s competence, knowledge and skills;
- set objectives to be met (being, the desired changes in the advisor’s knowledge, skills and/or performance at the end of the training year); and
- describe the CPD activities the provider will complete during the CPD year to achieve those improvements and objectives.

If a representative has not been practising or authorised as a representative for a continuous period greater than two years, the Licensee must not approve a CPD plan unless it is satisfied that it is appropriate to address gaps in the advisor competence, knowledge and skills arising from the provider’s absence from practice. The representative will not be permitted to provide financial product advice on behalf of the Licensee until the CPD plan has been approved by the Licensee.

If a representative is appointed after the start of the Licensee’s CPD year, the representative’s CPD plan must be prepared no later than 3 months after the date that the representative is authorised.

#### 4. Minimum number of hours

Representatives must complete a minimum of **40 hours** of qualifying CPD activities during a CPD year. At least 70% of a representative’s minimum CPD hours must be approved in writing by the Licensee in accordance with FASEA requirements.

In special circumstances, part-time representatives may reduce their CPD requirement to a minimum of 36 hours of qualifying CPD activities with the Licensee’s prior written consent.

A minimum of 24 hours of CPD during the CPD year will be allocated to the following five qualifying CPD activities in accordance with FASEA requirements:

QUALIFYING CPD ACTIVITIES	MINIMUM HOURS
Technical Competence	5
Client Care and Practice	5
Regulatory Compliance and Consumer Protection	5
Professionalism and Ethics	9
<b>Total</b>	<b>24</b>

The balance of CPD hours must consist of qualifying CPD activities covering the activities listed in FASEA’s CPD Legislative Instrument.

If the Licensee’s first CPD year starts on a date after 1 January 2019, the minimum number of CPD hours to be completed between 1 January 2019 and the end of the Licensee’s first CPD year is increased on a proportionate basis.

For example, where the Licensee’s first CPD year commences on 1 July 2019, the representative will be required to complete 60 hours of CPD between 1 January 2019 and 30 June 2020.

#### 5. Approval of Qualifying CPD Activities

The Licensee will either:

- provide in-house CPD approved by the Licensee; or

- select qualifying CPD activities provided by external providers approved by the Licensee.

A representative may request the Licensee's approval for a qualifying CPD activity.

The Licensee will approve a minimum of 70% of the representative's minimum CPD requirement (i.e. 28 hours of a full time representative's CPD activities and 26 hours of a part time representative's CPD activities) per CPD year.

#### *Criteria for approval*

The Licensee may approve a proposed CPD activity if it is satisfied that the proposed CPD activity meets the following criteria, in accordance with FASEA's CPD Legislative Instrument:

- the activity covers one of the areas listed in section 6;
- the activity consists of one of the types of CPD listed in section 7;
- the activity (other than technical or professional reading) is conducted or lead by persons who have sufficient standing, expertise, academic qualifications and practical experience;
- the content of the activity is of sufficient intellectual and/or practical content;
- the activity primarily addresses matters related to the provision of financial product advice; and
- the activity is designed to enhance the representative's knowledge and skills in areas relevant to the Licensee's authorisations to provide financial product advice.

The Licensee must also take into account FASEA's guidelines on CPD when approving a proposed CPD activity.

#### *New representatives*

A new representative may not be authorised to provide financial product advice on behalf of the Licensee until the Licensee has approved the representative's CPD plan for the first CPD year after the representative's appointment.

The Licensee will also require a new representative to produce CPD records prior to appointing the representative to provide financial product advice on behalf of the Licensee.

In addition to the criteria above, if the representative has not practised as a financial advisor for a continuous period of 2 or more years prior to its appointment, the Licensee may only approve the representative's CPD plan if the Licensee has satisfied itself that the CPD plan appropriately addresses gaps in the representative's competence, knowledge and skills.

Please also refer to the Appointing, Supervising and Monitoring Representatives Policy.

## **6. Qualifying CPD activities**

CPD in the following areas will be counted towards a representatives' CPD requirements:

- *technical competence* – improving the representative's technical ability to develop and provide advice strategies appropriate to retail clients' objectives, financial situation and needs;
- *client care and practice* – covering the representative's ability to act as a client-centric financial advisor;
- *regulatory compliance and consumer protection* – improving the representative's understanding of its legal obligations and how it complies with those obligations;
- *professionalism and ethics* – acting as an ethical professional; and
- *general* – covering activities designed to maintain and extend professional capacity, knowledge and skill not otherwise covered by the specific CPD areas listed above.

If a CPD activity covers more than one of the above areas, the CPD activity may be counted towards all the areas covered. However, the representative may not "double count" the CPD hours for the purposes of total CPD hours.

## 7. Types of CPD

### *CPD sessions*

Sessions and workshops at conferences and Professional Development days may be counted towards the representative's CPD requirements.

### *Professional or technical reading*

A representative may count professional or technical reading towards meeting the CPD requirement, to a maximum of 4 CPD hours per CPD year.

### *Formal education*

Formal relevant education towards qualifications and designations relevant to the financial services the representative is authorised to provide may be counted towards the representative's CPD requirement, to a maximum of 30 CPD hours per year.

Formal relevant education can include study undertaken by the representative to meet statutory education requirements, such as a degree in a relevant discipline or bridging courses.

### *Non-formal education*

The representative may count hours spent in education that the representative has undertaken in order to:

- achieve a relevant professional designation (e.g. Certified Financial Planner, Fellow Chartered Financial Practitioner);
- meet requirements in specific financial advice provisions; and
- achieve accreditation in a specific financial product that the Licensee is authorised.

### *Leading or conducting a qualifying CPD activity*

A representative may count hours spent leading or conducting a qualifying CPD activity.

## 8. Provisional Financial Advisors

This Policy does not apply to provisional financial advisors whilst undertaking their professional year.

If a provisional financial advisor completes his or her professional year and is subsequently appointed as the Licensee's representative part way through the Licensee's CPD year, the provisional financial advisor will be required to complete CPD on a pro-rata basis.

Please refer to the Licensee's Provisional Financial Advisor Policy for education to be completed by a provisional financial advisor during the professional year.

## 9. Training records

A representative must maintain records of:

- the qualifying CPD activities the representative undertakes;
- when the qualifying CPD activities were undertaken;
- how many hours were spent on each qualifying CPD activity;
- evidence of completion of and outcome of each qualifying CPD activity; and
- the progress of implementation of the representative's CPD plan.

The representative must make those records available to the Licensee at the Licensee's request.

The Licensee will maintain a record of training, including qualifying CPD activities, that each of its representatives has undertaken after that person became a representative, and any training undertaken before that person became a representative to the extent that the Licensee can obtain that information after reasonable inquiry.

To demonstrate compliance with the CPD standards, the Licensee will:

- keep written records of each representative's CPD plan. The CPD plan must be updated at least annually and address the elements contained in section 3 of this Policy;
- keep evidence of their representatives' CPD activities, including Certificates of Completion, receipts, enrolment records, attendance lists, detailed diary notes; and
- maintain the Licensee's Training Register.

All written records will be kept for a period at least 7 years after the representative ceases to provide financial services on behalf of the Licensee.

## **10. Monitoring compliance with the CPD standards**

It is the responsibility of the representative to ensure that it satisfies its CPD obligations.

The Licensee will periodically review the representatives' ongoing CPD status.

Depending on the location of the representative, this may be performed by a meeting or telephone conversation between the representative and Compliance Officer. The Licensee may require the representative to produce documents and records in support of its CPD performance.

The Licensee will:

- assess whether the representative is meeting the objectives of the CPD plan; and
- provide feedback sessions with the representative about their performance.

The Licensee will also undertake an annual review immediately following the end of the CPD year to assess whether the representative has complied with its CPD plan and determine whether the representative has complied with the CPD standard during the CPD year.

If a representative fails to comply with its CPD plan or meet the minimum number of CPD hours, the Compliance Officer must report such failure to the Responsible Managers. This report should include any rectification plan that will remedy the failure.

### *Reporting non-compliance to ASIC*

If, at the end of the Licensee's CPD year, the Licensee determines that a representative has not complied with the CPD standard during the Licensee's CPD year, the Licensee must lodge a report with ASIC within 30 business days of the last day of the Licensee's CPD year.