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## CPD POLICY

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### Overview

The purpose of this CPD Policy is to set out the information required to be in a CPD policy by *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018* ("the Determination"). The Determination is a legislative instrument made by the Financial Adviser Standards and Ethics Authority ("FASEA") pursuant to powers under the *Corporations Act 2001*.

When we use the term "CPD", we mean "continuing professional development".

When we use the term "financial adviser", we mean a person who is authorised to provide personal advice to retail clients in relation to financial products other than basic banking products, general insurance products and consumer credit insurance.

The licensee adopted the current version of this CPD policy on 31 March 2019.

### Our CPD year

We organise our CPD in 12 month stretches. Our CPD year runs from 1 January to 31 December.

### Assisting financial advisers

The licensee will make appropriate resources and opportunities available to the financial adviser to enable the financial adviser to meet the CPD requirements imposed by FASEA.

This includes undertaking activities to assist financial advisers to meet their CPD requirements. An example of such an activity is maintaining CPD plans and registers.

It also includes providing CPD opportunities to financial advisers – for example, by providing CPD activities internally or funding attendance at external CPD activities. Where a financial adviser is affected by unexpected circumstances which significantly affect their work hours, the licensee will provide additional assistance to help them meet their CPD requirements.

### CPD Plans

Each financial adviser is required by law to prepare a CPD plan for themselves for each CPD year, before the start of each CPD year. The CPD plan may be amended at any time.

The licensee will assist each financial adviser to meet this requirement. This will be done by the Training Manager preparing a CPD plan and register for each financial adviser for each CPD year, before the start of that CPD year.

In preparing each CPD plan and register, the Training Manager will take into account:

- the minimum CPD requirements imposed by FASEA;
- performance of the financial adviser over the previous 12-month period; and
- the needs of the licensee.

The CPD plan and register will identify areas in which the financial adviser will improve, develop and extend their competence, knowledge and skills. It will describe the qualifying CPD activities the financial adviser will complete during the CPD year in order to address these areas.

Where relevant, the CPD plan and register will also address requirements for:

- Responsible Managers
- Professional body requirements (FPA, CPA Australia, CA ANZ etc)
- Tax agent registration
- SMSF auditors

The law requires the licensee to monitor implementation of each financial adviser's CPD plan. To this end, the CPD plan and register will also act as a register of the training activities undertaken by the financial adviser. The Training Manager will update the CPD plan and register after each activity is completed to reflect that the activity has been completed.

When a person becomes a financial adviser for the first time, whether they are joining the licensee at that point or have previously been with the licensee during their "provisional relevant provider" year, and it is after the start of the licensee's CPD year, the licensee will prepare a CPD plan and register for that financial adviser no later than three months after the person becomes a financial adviser.

## Career breaks

Where a financial adviser has not been practising, or has not been authorised, as a financial adviser for a continuous period of two years or more, the law states that a financial adviser can only resume practice under our Australian financial services licence ("AFSL") once the licensee approves their CPD plan for the first year after them resuming practice.

We will only approve a CPD plan in these circumstances where we are satisfied that the plan is appropriate to address gaps in the financial adviser's competence, knowledge and skills arising from the financial adviser's absence from practice.

The preparation and approval of the CPD plan will be made by the Training Manager of the licensee. The Training Manager will consider:

- an opinion from the financial adviser as to their areas of need
- the proposed areas in which the financial adviser previously practised and in which they are now expected to practice

- developments since the financial adviser ceased practice or ceased being authorised, in relation to products, markets, technology and regulation, in light of the financial adviser’s previous and expected areas of practice.

The CPD plan will identify areas in which the financial adviser will improve, develop and extend their competence, knowledge and skills. It will describe the qualifying CPD activities the financial adviser will complete during the CPD year in order to address these areas.

## Assessment and approval of CPD activities

An activity which a financial adviser may put towards meeting their CPD requirements is known as a “qualifying CPD activity”.

The law requires the licensee to approve enough qualifying CPD activities to enable each financial adviser to ensure that 70 per cent of their minimum number of CPD hours are acquired from activities approved by the licensee. In order to approve an activity, the licensee must be satisfied that the activity is a qualifying CPD activity.

Formal relevant education provided by one of the following entities automatically amounts to a qualifying CPD activity without consideration of further criteria (“formal qualifying CPD activity”):

- an entity registered under the Territory Education Quality and Standards Agency Act 2011
- a training organisation listed on the National Register as a registered training organisation, as described in the National Vocational Education and Training Regulator Act 2011 (and corresponding State legislation)
- a professional association.

Formal qualifying CPD activities include:

- a degree or equivalent qualification approved under the Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2018 education or training provided or approved by a professional association such as Chartered Accountants Australia and New Zealand, CPA Australia, SMSF Association, Tax Agents Board.
- formal education or training study towards qualifications or designations relevant to practice as a financial adviser.
- an activity will also be a qualifying CPD activity if it:
  - is in a CPD area set by FASEA;
  - has sufficient intellectual or practical content;
  - the activity primarily deals with matters related to the provision of financial product advice, financial advice services and financial advice business;
  - except where the activity is professional or technical reading, the activity is led or conducted by one or more persons who are appropriate and have sufficient standing, expertise, academic qualifications and/or practical experience; and
  - is designed to enhance financial advisers’ knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.

When deciding whether to approve a qualifying CPD activity, the Training Manager will consider:

- whether the activity is a formal qualifying CPD activity;
- where the activity is not a formal qualifying CPD activity, whether it is nevertheless, in the view of the Training Manager, a qualifying CPD activity pursuant to the five bullet points above (“the criteria”); and
- where the activity is, in the opinion of the Training Manager, a qualifying CPD activity, whether the licensee should approve it.

When assessing whether an activity meets the criteria, the Training Manager will consider

- the qualifications and/or reputation of the provider of the CPD activity (both the individual and, where relevant, the business on behalf of which the training is provided);
- any course outline or learning outcomes provided by the provider; and
- cost and location of the training.

CPD areas set by FASEA are as follows.

CPD area	Content of CPD activity
Technical competence	The activity is designed to enhance participants’ technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situation and needs of different classes of retail clients.
Client care and practice	The activity is designed to enhance participants’ ability to act as a client-centric practitioner in advising retail clients.
Regulatory compliance and consumer protection	The activity is designed to enhance participants’ understanding of applicable legal obligations and how to comply with them.
Professionalism and ethics	The activity is designed to enhance participants’ capacity to act as an ethical professional.
General	The activity is designed to maintain and extend participants’ professional capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other relevant developments, but is not in an area referred to in another item in this table.

When approving a qualifying CPD activity, the licensee will specify the maximum number of hours that can be counted for that activity. If a CPD activity is able to count across more than one CPD area, the licensee will count it as being in the CPD area to which it predominantly relates. The licensee will ensure that there is no double counting of hours.

## CPD hours

The law requires a financial adviser to complete at least 40 hours of qualifying CPD activities each CPD year. The law allows for this number to be reduced to 36 hours for part-time financial advisers in special circumstances with the prior written consent of the licensee.

In accordance with the legal requirements, the licensee requires its financial advisers to complete at least 40 CPD hours per CPD year. Part-time financial advisers wishing to reduce their CPD hours to 36 hours per year may apply to the licensee for consent to do so, setting out the reasons why the financial adviser's particular circumstances justify the reduction in hours. If the licensee is satisfied that the financial adviser's circumstances justify the reduction, it will provide consent in writing to the reduction. This assessment and, if appropriate, provision of consent will be done by the Training Manager.

At least 70 per cent of the minimum number of hours must be spent on qualifying CPD activities approved by the licensee. In usual situations, this will amount to 28 hours. For part-time financial advisers authorised to do 36 hours per year, this amounts to 25.2 hours.

Each financial adviser's qualifying CPD activities must include:

- five hours in technical competence
- five hours in client care and practice
- five hours in regulatory compliance and consumer protection
- nine hours in professionalism and ethics.

This is so, even where a financial adviser has received consent from the licensee to complete only 36 hours for the CPD year.

A maximum of four hours may be claimed for professional or technical reading. A maximum of 30 hours may be claimed for formal qualifying CPD activities. See above under "Assessment and approval of CPD activities" for an explanation of what is meant by formal qualifying CPD activities.

A financial adviser who leads or conducts a qualifying CPD activity may count the number of hours preparing and delivering that activity.

## Checking compliance

The law requires the licensee to check the compliance of the:

- licensee; and
- each financial adviser

with this CPD policy and the Determination. The Training Manager will assess this quarterly and provide a report summarising their findings to the Compliance Committee in time for consideration at each quarterly Compliance Committee meeting.

This process will be assisted by the maintenance of CPD plans and registers by the Training Manager and the provision of supporting documentation (such as certificates) to the Training Manager by financial advisers upon completion of each activity or on request by the Training Manager.

At each annual preparation of the following year's CPD plans and registers for financial advisers, the Training Manager will conduct a further assessment as to whether each financial adviser has met their ongoing CPD requirements for the current CPD year.

## Record keeping

The law requires a financial adviser to make and maintain complete and accurate records of various aspects of their CPD. The licensee assists each financial adviser to do this by maintaining a CPD plan and register for each financial adviser.

The law also requires the licensee to retain evidence of CPD undertaken during the licensee's CPD year by each of its financial advisers.

Each CPD plan and register records:

- each qualifying CPD activity the financial adviser undertakes
- when each qualifying CPD activity is undertaken
- the number of hours spent on each qualifying CPD activity
- the progress of implementation of the financial adviser's CPD plan.

The CPD plan and register is in the form of a spreadsheet with built-in formulas identifying where an activity may or may not be counted for the purposes of meeting requirements for CPD hours. The CPD plan and register will be maintained electronically by the Training Manager.

The Training Manager will maintain evidence of both completion of each qualifying CPD activity and the outcomes of the activity. Evidence of completion may include a certificate of attendance or completion. In the absence of a certificate, copies of the financial adviser's own notes or the presenter's presentation may be required. Evidence of outcomes of an activity may include test results, an action plan developed by the financial adviser or a list of take-outs developed by the financial adviser. This evidence will be maintained in hard copy, electronically, or both.

The licensee will keep each CPD plan and register and associated evidence for the longer of:

- the duration of the time that the financial adviser is a representative (of any kind) of the licensee
- 12 months after the end of the relevant CPD year.

The law requires a financial adviser to keep each CPD record for seven years after the date on which the record was made. To assist each financial adviser with this obligation, when a financial adviser leaves the licensee, the licensee will provide a copy of the financial adviser's CPD records as held by the licensee for the past seven years or for the duration of the financial adviser's appointment by the licensee, whichever is shorter.