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(CPD) Continuing Professional Development Policy v.2.

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What is CPD?

CPD stands for Continuing Professional Development. It refers to the process of tracking and documenting the skills, knowledge and experience that a person gains both formally and informally as they work, beyond any initial training. It is a record of what the person experiences, learns and then applies to their role.

Why is CPD required?

The Corporations Act 2017 (the Act) requires that all individuals identified as a 'relevant provider' are required to meet the requirements for continuing professional development set by the Standards Body (s 921B(5)).

The Act requires the Standards Body to set requirements for continuing professional development in relation to each CPD year of a financial services licensee (s 921U(2)(iv)). Additionally, it is an obligation under the FASEA Code of Ethics, that:

Standard 10: You must develop, maintain and apply a high level of relevant knowledge and skills.

The Continuing Professional Development Policy is a document that explains the collective rules and requirements of FASEA in relation to ensuring relevant providers maintain a high level of relevant knowledge and skills.

FASEA defines CPD as the complete range of learning activities which professionals maintain and develop throughout their career to ensure that they retain their capacity to competently practice.

In this regard, CPD is considered to be a career learning process and is not restricted by subject (specific topics) or time. CPD is an integral part of the professional framework. Not only is it a way of maintaining up to date technical knowledge and ensuring relevant providers remain professional; it is also a way of growing new knowledge and expanding abilities as professionals.

The summary expectation of the policy is that all relevant providers will participate in development programs and activities that are intended to ensure they maintain their professional capabilities and that they keep up to date with all regulatory, technical and other developments relevant to professional practice. It is expected that individuals will collect and maintain evidence of their continuing professional development activity and provide records of that evidence each year to the financial services licensee as part of their CPD year obligations under s922HC.

What are SPCA Financial Services annual CPD requirements?

The CPD training year runs from 1 January to 31 December each year. Authorised representative(s) and relevant support staff are required to complete CPD training each year. The licensee's training manager is responsible for making sure the authorised representative(s) and relevant support staff meet these requirements in each CPD year.

In accordance with the Corporations Act and FASEA, the licensee must:

1. maintain a CPD plan for each representative and relevant support member for each CPD year. This plan must identify areas for improvement in competence, knowledge, skills in accordance with the Corporations Act and FASE requirements.
2. complete at least 40 hours of CPD activity in each CPD Year, however, in special circumstances if the authorised representative(s) and relevant support staff are working part-time for the whole of the CPD year, with the prior written consent of the licensee, they must complete at least 36 hours of CPD activity in each CPD Year: in both cases, 70% must be approved by the licensee.

3. record and keep up to date an accurate record of the CPD activities undertaken including evidence of completion. These records must be kept for 7 years from the end of each CPD year. A digital record keeping solution is recommended by FASEA.
4. meet and be able to demonstrate competencies for ongoing professional practice in these areas:
 - a) Technical competence: *acting as a technically proficient professional*
 - b) Client care and practice: *acting as a client centric practitioner*
 - c) Regulatory compliance and consumer protection: *acting as a legally compliant practitioner*
 - d) Professionalism and Ethics: *acting as an ethical professional*

These competencies broadly align with the graduate outcomes expected of qualifying practitioners and the work and training standards. They are a framework and sufficiently broad enough to cover the full range of developing an expert practice in providing financial advice that is relevant to the licensing arrangements.

The licensee also requires:

- a) Where relevant authorised representative(s) and relevant support staff take a career break, medical leave, disability or parental leave, etc., the following standard will apply: They:
 1. must meet the existing adviser education qualification requirements;
 2. are able to return without additional requirements if the leave period is less than 2 years; and
 3. for leave periods of 2 years or more they must undertake appropriate CPD to ensure they upskill with the latest regulatory and licensee requirements.
- b) For authorised representative(s) that are transferring from another AFSL part way throughout the CPD year, the licensee will require a copy of the representative(s) CPD report which will be recorded in the licensee's CPD register. The transferring representative(s) are required to comply with the above requirements.

The following types of learning are options may be considered by the licensee to complete authorised representative(s) and relevant support staff annual CPD training:

1. Formal relevant education (provided by an Education Provider) may contribute to the CPD requirement including degree equivalent study to meet legislative requirements (such as bridging courses and approved degree studies) and any formal study towards other qualifications and designations relevant to the practice of the Relevant Provider, to a maximum of 30 CPD hours per year.
2. Non-formal education including:
 - a) Education for the purposes of achieving a relevant professional designation (e.g. CFP, FChFP, etc)
 - b) Education for the purposes of meeting requirements in specific financial advice provisions (e.g. SMSF, Superannuation, Retirement Income Streams, Aged Care, Centrelink, etc.)
 - c) Education for the purposes of accreditation in specific forms of financial products relevant to licensing arrangements (e.g. Credit)
3. Other CPD as approved by the Licensee:
 - a) Sessions and Workshops such as conferences, PD days, update sessions, which are relevant to financial advice – approved CPD. This may be undertaken through CPD training providers such as Kaplan on-track and Tax Banter, NTAA or similar.
 - b) Professional or Technical Reading to a maximum of 4 hours – approved CPD

Education that is measurable, appropriately assessed and leads to further qualification outcomes for authorised representative(s) and relevant support staff is preferred as it more likely provides structured and independent results for the participants work and training needs.

The table below addresses these skills by reference to CPD categories with minimum hours per year for each category.

The balance up to 40 hours must consist of qualifying CPD from these categories or other selected by the Licensee.

Framework category	Description	Min CPD hours required
Technical competence	The activity is designed to enhance our representative(s) technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situations and needs of different classes of retail clients.	5
Client care and practice	The activity is designed to enhance our representative(s) ability to act as a client-centric practitioner in advising retail clients.	5
Regulatory Compliance and consumer protection	The activity is designed to enhance our representative(s) understanding of applicable legal obligations and how to comply with them.	5
Professionalism and ethics	The activity is designed to enhance our representative(s) capacity to act as an ethical professional.	9
General knowledge	The activity is designed to maintain and extend our representative(s) 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 of this table.	0

As long as the minimum CPD hours for each category have been met, authorised representative(s) and relevant support staff may attribute the remaining 16 CPD hours to any of the above categories.

The licensee will support its authorised representative(s) and relevant support staff to undertaken CPD training to maintain competence at a level appropriate for the professional services (including financial product advice) relevant to its license.

The licensee will ensure they are satisfied that its authorised representative(s) and relevant support staff knowledge and skills remain up to date.

For those authorised representative(s) and relevant support staff returning after a 2 year or more career break, the licensee will ensure they will upskill with the latest regulatory and licensee requirements as soon as practicable once they return.

In authorising relevant providers who have recently completed their Professional Year, given the extent of training undertaken during the Professional Year, the licensee may choose to pro-rata the CPD hours for the period between completion of the Professional Year and the end of the licensees CPD year.

The licensee may choose to recognise the CPD undertaken with a previous licensee when authorising an existing authorised representative.

Authorised representative(s) and relevant support are required to provide their CPD training records/evidence to the licensee. The licensee records this information into its CPD training register.

The licensee will review the CPD activities and training plans to identify areas for improvement in competence, knowledge, skills in accordance with the Corporations Act and FASE requirements.

The licensee CPD policy will be reviewed and updated each year in accordance with FASEA requirements.