



# The INVESTMENT COLLECTIVE

## Continuing Professional Development Policy

GEN-POL-029

Version Control Table

Version	Action	Document Owner	Approval Authority	Action date
1.0	New document developed from FPS004 Continuing Professional Development Policy. FASEA	Training Manager	Compliance Manager	6th March 2019

# Introduction

## Purpose

The Investment Collective (CIP Licensing Limited) holds an Australian Financial Services Licence with a range of authorisations to provide financial advice and deal in financial products. The Investment Collective has both employed financial advisers and authorised representatives who provide financial advice under the authorisations of this license. Australian financial services law places certain responsibilities on both the adviser and licensee. One of those responsibilities is to monitor and supervise its advisers and authorised representatives to ensure compliance towards annual continuing professional development.

The purpose of this policy is to outline the structure of how the monitoring and supervisory function is executed and how the advisers meet the requirements for continuing professional development set by FASEA, Standards Body (s 921B (5)).

## Scope

This policy applies to all internal financial advisers and authorised representatives operating under CIP Licensing Limited AFSL.

## Owner

The Document owner of this document is the Training Manager.

## Reference Documents

- Corporations Act 2001
- Corporations (Standards Body) (s 921B (5)) (s 921U(2)(iv)) 921U (2) (a) (i)
- FASEA Code of Ethics
- FPS004 Continuing Professional Development Policy - FASEA
- Licensing: Training of financial product adviser – Update to RG 146
- Australian Financial Services Licence CIP Licence Limited - 471728
- (Work and Training Professional Year Standard Determination 2018) Corps Act.

## Review

The review period for this document is 24 months. Ad-hoc reviews will occur when changes to the regulatory environment are announced.

## Glossary

CPD	Continuing Professional Development
Relevant Provider	Individual/Adviser/Authorised Representative
CIPLL	CIP Licensing Limited
AFSL	Australian Financial Services Licence
FASEA	Financial Adviser Standards and Ethics Authority
TIC	The Investment Collective
PY	Professional Year

## Definitions

**CPD year:** The 12-month period beginning on the day of the year included in the most recent notice given by the licensee under section 922HA of the Act.

**Relevant provider:** a person is a *relevant provider* if the person:

- is an individual
- a financial services licensee; or
- an authorised representative of a financial services licensee; or
- an employee or director of a financial services licensee; or
- an employee or director of a related body corporate of a financial services licensee; and
- is authorised to provide personal advice to retail clients, as the licensee or on behalf of the licensee, in relation to relevant financial products

For ease of understanding the relevant provider will be referred to in this document as the adviser, which includes the authorised representatives.

**Formal relevant education:** includes any of the following

- a degree or equivalent qualification approved under the *Corporations (Adviser Degrees, Qualifications and Courses Standard) Determination 2018*
- a course determined in a legislative instrument under paragraph 1546B(1)(b) of the Act
- education or training provided or approved by a professional association
- formal education, training or study towards qualifications or designations relevant to practice as an adviser.

**Professional or technical reading:** a reading of relevant magazines, academic readings or journal articles that is unstructured and does not contain an assessment.

## Responsibility

Training Manager	Report any information of interest or non-compliance to the Compliance Manager and ASIC.
Financial Adviser and Authorised Representatives	Report any breaches to the Compliance Manager, complete Continuing Professional Development plans training in accordance with FPS0004 Continuing Professional Development Policy. Provide documents and other evidence data at request from the licensee.
Compliance Manager	Ensure the elements of this policy are carried out and adhered to.

# Policy

## Background

The Financial Adviser Standards and Ethics Authority (FASEA) was established in April 2017 to set the education, training and ethical standards of licensed financial adviser in Australia. In June 2017, FASEA was declared as the standards body under the Corporations Act 2001. Under this act, FASEA is responsible for determining the continuing professional development in relation to a licensee's CPD years with various other responsibilities not limited to CPD.

This document describes the policy approach for continuing professional development in the Investment Collective and by doing so supports our compliance with legislation and regulation.

## CPD Year

The CIPLL CPD Year is from the 1<sup>st</sup> of July to 30<sup>th</sup> of June each financial year as per the most recent notice provided to ASIC under section 922HA of the Corporations Act 2001.

## Adviser Responsibilities and Obligations

All advisers must develop and maintain a continuing professional development (CDP) Plan. The purpose of the plan is to identify areas for improvement in competence, knowledge, and skills and must include a professional development proposal for making stated improvements. Advisers employed by TIC will liaise with the Head of Financial Planning when documenting their plan to ensure it is in line with their previously stated CPD plan. Authorised representatives will liaise with their supervisor when documenting their plan to ensure it meets the regulated requirements.

## Qualifying CPD

FASEA have mandated that advisers must complete a minimum of 40 hours of qualifying CPD activity in Qualifying CPD activities must include minimum hours in the following areas:

CPD Area	Minimum requirement
Technical Competence	5 hours
Client Care and Practice	5 hours
Regulatory Compliance and Consumer Protection	5 hours
Professionalism and Ethics	9 hours
General	No set minimum hours

The remaining 16 hours can consist of any other qualifying CPD activity (including those listed above).

An adviser cannot claim any more than 30 hours of activity towards formal relevant education provided by an education provider.

CIPLL will approve at a minimum as many activities as possible that will enable an adviser to comply with their CPD requirements. However, CIPLL will not approve an activity unless the activity meets the qualifying CPD activity requirements and evidence set out in this policy.

## Record Keeping

Upon completion of CPD activity, an adviser must submit their certificate of completion to Kaplan as soon as it is practical to do so for review and approval. This will ensure that up-to-date and accurate records of CPD activities are kept. If an adviser cannot provide evidence of completion of any CPD activity, the hours will not count towards the required 40 hours minimum.

Proof of attendance/completion (e.g. certificate, digital record, transcript), which includes as a minimum:

- The name of the activity and the provider
- The date the activity was undertaken
- An overview of the activity
- Name and qualifications of who presented the activity, including academic qualifications and experience
- The CPD area to which it relates
- The duration in minutes/hours of the activity
- The letterhead and/or signature of the provider or an appropriate authorised person.

Advisers will need to keep records for 7 years from the end of each CPD year; CIPLL encourages a digital solution. The Kaplan Professional Ontrack platform will be used to record the completion of CPD activities. The platform will monitor individual progress and provide reporting.

For CPD activities undertaken and completed outside the Ontrack platform, each adviser is required to upload details into Ontrack Kaplan and submit evidence for assessment and approval to the CIPLL Training Manager.

It is the adviser responsibility to maintain complete and accurate records within Ontrack.

## Licensee Responsibilities

CIPLL as the licensee will support its authorised representatives, employees and advisers in their undertaking of CPD to maintain competence at a level appropriate for the professional services (including financial product advice). CIPLL will maintain and publish a CPD policy and review and make changes as applicable to regulatory requirements.

Ongoing annual provision to report to ASIC by the licensee:

- The Licensee CPD year,
- Details of any failures to meet CPD requirements, and
- Any new appointments of adviser and their CPD year.

## Ongoing support

### *Kaplan*

All advisers will be registered with Kaplan Professional Ontrack platform. Through this platform Kaplan Professional delivers a premium CPD solution for advisers who are obligated to meet FASEA's CPD requirements. Ontrack will provide advisers with the required content to meet their ongoing CPD responsibilities and to stay abreast of complex regulatory requirements and the dynamic industry landscape.

In addition to a Kaplan subscription, CIPLL will offer the following support:

- Advisers will be given the opportunity to undertake CPD activities within working hours
- The Training Manager will assess each individual CPD activity where requested by an adviser to ensure appropriateness of the CPD activity
- The Training Manager will be made available to all advisers who require one on one support to meet their CPD requirements

- The Training Manager will provide quarterly and as necessary status reports to each adviser outlining the CPD points accrued in the current CPD year
- Training materials developed in house will be tailored to ensure it falls into the correct categories to gain CPD points this extends to Annual training seminars for authorised representatives.

## Training Plans

As noted above, advisers employed directly by TIC will develop their plans in conjunction with the Head of Financial Planning on an annual basis. Once developed, CIPLL will be responsible for adding each annual CPD plan to Kaplan.

Additionally, CIPLL will offer services to ensure that the adviser's knowledge and skills are up to date by offering pathway support towards adviser degrees, Qualifications and Courses Legislative Instrument, section 921U (2) (a) (i) of the Corporations Act 2001.

## Breaks From the workForce

CIPLL will set requirements for those returning after a two year or more career break to ensure they will upskill with the latest regulatory and licensee requirements as soon as practicable once they return to work. CIPLL will not approve a CPD plan after the adviser returns from a career break unless satisfied that it is appropriate to address gaps in the adviser's competence, knowledge and skills arising from the adviser's absence from practice.

## The Professional Year

To authorise advisers 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 licensee's CPD year. Each adviser will need to supply their PY transcripts and mentor notes to allow CIPLL to ensure compliance towards the CPD requirements within the adviser PY.

## Continuing Professional Development requirements

When considering the merit of CPD activities, advisers should qualify the following in relation to the activity:

- Clearly defined aims and learning outcomes
- Clearly defined, logical structure that follows adult learning principles
- Is current, accurate and up-to-date
- Relates to one of the FASEA CPD areas
- Is the appropriate learning level and has appropriate technical or practical content
- Deals primarily with matters related to the provision of financial product advice, financial advisory services, and financial advice business
- Is led or conducted by one or more persons with appropriate expertise, academic qualifications, and practical experience
- Enhances adviser knowledge and skills, and/or contributes to the maintenance of knowledge and skills in areas relevant to the provision of financial product advice and financial advice services
- Includes one or more of the following; workshop, face-face presentation, multimedia, worked examples, activities, case studies, tips, warnings and if appropriate, reference to relevant legislation

- Preference is given to activities with a structured assessment component. Evidence of the successful completion of the assessment is required

If you cannot validate the above reconsider the CPD activity. If an adviser is unsure of a CPD activity meeting the appropriate requirements they must seek approval from the Training Manager prior to taking on the activity.

The balance of 40 hours must consist of qualifying CPD from the below categories:

Item	CPD area	Definition
1.	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 situations and needs of different classes of retail clients.
2.	Client Care and Practice	The activity is designed to enhance participants’ ability to act as a client-centric practitioner in advising retail clients.
3.	Regulatory Compliance and Consumer Protection	The activity is designed to enhance participants’ understanding of applicable legal obligations and how to comply with them.
4.	Professionalism and Ethics	The activity is designed to enhance participants’ capacity to act as an ethical professional.
5.	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 of this table.

### Extenuating circumstances

CIPLL will consider those affected by special circumstances such as medical, disability or parental leave on a case by case basis. Submission are to be made to Training Manager for consideration.

### Existing adviser changing their licensee

CIPLL may choose to recognise the CPD undertaken with a previous licensee when authorising an existing adviser outside of CIPLL, dependant on quality and compliance of plan. A new adviser to CIPLL will need to provide completeness of records and any current CPD plan and submit this evidence and plan to the Training Manager for review and approval. CIPLL will use our CPD plan template as a guide to allow comparison to the new adviser's existing plan.

### Professional Year

The licensee approach for the advisers professional year will consist of the period of 1 year and will work in with the Corporations Act 2001 ref – (Work and Training Professional Year Standard Determination 2018). If a person is undertaking work on a part-time basis, the period will be increased to the extent necessary to ensure that the work activities, structured training, and CPD plan can be completed.

### Part-time adviser

In special circumstances, if the adviser is working part-time for the whole of the CPD year, with the prior written consent of the licensee, the adviser must complete at least 36 hours of CPD activity in each CPD Year.

### Audit and compliance

The Compliance Manager will conduct six-monthly compliance checks on CPD completion for each adviser provided by Training Manager. The Training Manager will complete checks throughout the CPD Year on the status of plans. The Licensee will maintain appropriate records.

## Non-Compliance

All advisers *must* comply with the CPD obligations specified in this policy. Failure to meet the specified requirements requires CIPL to notify ASIC of the adviser's non-compliance with the continuing professional development standard. (922HB, *Corporations Amendment (Professional Standards of Financial Adviser) Act 2017*).

### **922HB** Obligation to notify ASIC of noncompliance with a continuing professional development standard

- (1) A notice must be lodged under this section, in accordance with section 922L, in relation to a person if, at the end of a financial services licensee's CPD year:
  - (a) the person:
    - (i) is the licensee; or
    - (ii) is authorised to provide personal advice to retail clients, on behalf of the licensee, in relation to relevant financial products; and
  - (b) the person is a relevant provider; and
  - (c) the relevant provider has not complied with section 921D during the licensee's CPD year.

**Note 1:** A financial services licensee may obtain information from a relevant provider under section 922N for the purposes of determining whether to lodge a notice under this section.

**Note 2:** Subsection 921D(1) requires certain adviser to meet the continuing professional development standard in subsection 921B(5).
- (2) The notice must state that the relevant provider has not complied with section 921D during the licensee's CPD year.

*Corporations Amendment  
(Professional Standards of Financial Adviser) Act of 2017*