

# Continuing Professional Development

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## 1. Overview

This Continuing Professional Development (CPD) Policy provides information about:

- (a) The licensee's CPD Year
- (b) The CPD obligations of its advisers
- (c) Setting CPD plans and required CPD activities
- (d) How the licensee approves, monitors and records CPD

Laws, Regulations, and Industry Standards applicable to this Policy include:

- (a) Section 912A of the Corporations Act 2001, which requires licensees to ensure that its representatives are adequately trained and competent to provide financial services.
- (b) Sections 921B – 921F of the Corporations Act 2001, which addresses education and training standards, authorisations, professional development and Code of Ethics.
- (c) Corporations (Work and Training Professional Year Standard) Determination 2018
- (d) Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018
- (e) Corporations (Relevant Providers – Education and Training Standards) Determination 2021
- (f) ASIC Regulatory Guide 146: Licensing: Training of financial product advisers (RG146)

## 2. To whom does this Policy apply

This Policy applies to all advisers authorised by the licensee, including employee representatives.

## 3. CPD Year

The CPD year adopted is 1 July to 30 June.

## 4. Obligations

### 4.1 Licensee obligations

Licensees are required to:

- (a) Develop and adopt a CPD Policy.
- (b) Publish the CPD Policy and ensure it is accessible to advisers.
- (c) Ensure advisers prepare a CPD plan for each CPD year
- (d) Assess and approve qualifying CPD activities undertaken by advisers
- (e) Make appropriate resources and opportunities available for advisers to meet their CPD requirements
- (f) Monitor CPD Plans and ensure compliance with the CPD Policy
- (g) Make and maintain relevant records

### 4.2 Adviser obligations

Advisers are required to:

- (a) Comply with this Policy
- (b) Prepare a CPD plan for each CPD year
- (c) Complete their CPD plan by participating in development programs and activities that ensure they maintain and extend their professional capabilities, knowledge and skills



including keeping up to date with all regulatory, technical and other developments relevant to professional financial advice.

- (d) Adhere to Standard 10 of the Code of Ethics to develop, maintain and apply a high level of relevant knowledge and skills.
- (e) Additionally (where relevant) members of professional associations must meet the requirements as defined by the relevant association. To understand the requirements advisers should contact their professional association directly.

## **5. CPD plans**

Each adviser must prepare a written CPD plan prior to the start to the CPD year, or if applicable no later than 3 months after becoming an adviser.

The plan must identify areas for improvement, development and extension of the adviser's competence, knowledge and skills and describe the CPD activities the adviser will complete.

### **5.1 Setting the CPD plan**

Advisers will be assigned a CPD plan prior to the start of the CPD year that includes:

- (a) Minimum total hours
- (b) Minimum hours per CPD areas
- (c) Minimum hours per specialist accreditation

Advisers will then be asked to tailor the plan (if required) to:

- (a) Include specific areas they wish to develop, improve or extend
- (b) Nominate the type of CPD activities they intend to complete

*See Appendix A.1 – Setting CPD Plans*

### **5.2 CPD plans for new advisers**

Advisers who are appointed by the licensee during a CPD year (other than those completing the professional year) will:

- (a) Continue with their current CPD plan provided it meets the minimum hours and CPD areas. If the adviser does not have a suitable CPD Plan, the plan will be amended or a new plan will be prepared. This may include aligning with the licensee's CPD year and the adviser's authorisations.
- (b) Have their completed CPD recognised, provided there are records and evidence of completion, and the activities are qualified and approved CPD activities.

### **5.3 CPD plans for provisional advisers**

Provisional advisers are required to complete structured training as part of their professional year requirements and are therefore not required to meet the CPD requirements during this period.

Where an adviser completes the program during a CPD year they will be required to complete a CPD plan on a pro rata basis for the remainder of the CPD year.

### **5.4 Resuming after a break**

Advisers who have not been practicing or authorised for an extended period, and are returning from a break must meet the following requirements:

- (a) A CPD plan must be prepared and approved before resuming as an adviser.
- (b) If the adviser has not been practicing for a continuous period of 2 years or more, the licensee must ensure that the CPD plan addresses gaps in the adviser's knowledge, competence and skills arising due to their absence.
- (c) If the adviser is returning after a break of less than 2 years, no additional CPD is required.



**5.5 Suspension of CPD plans**

Suspension of CPD plans for a period will be considered on a case by case basis. Application can be made to the licensee with any supporting documentation.

Examples may include:

- (a) Maternity or parental leave
- (b) Bereavement, illness or incapacity
- (c) Career break

Suspension may not be provided due to workload or holidays.

**6. Number of hours for each CPD year**

**6.1 Minimum hours and CPD areas**

Advisers are required to complete 40 hours of qualifying CPD activities each CPD year, including the minimum hours in each mandatory CPD area as follows:

CPD Area	Minimum Hours
Technical competence	5
Client care and practice	5
Regulatory compliance and consumer protection	5
Professionalism and ethics	9
Tax (Financial) Advice	5

After completing the minimum hours in each mandatory CPD area (a total of 29 hours), the balance of the 40 hours must consist of additional CPD in the mandatory areas or in the General area. Note that CPD for specialist knowledge areas will fall within one of the other CPD areas.

*Advisers who work part-time (and will do so for the whole of a CPD year) can apply in writing to the licensee for a reduction in the minimum total CPD hours (to 36 hours) to be completed. This option does not apply to advisers who work part time as an adviser and part time in another role e.g. accountant or mortgage broker.*

**6.2 Tax (financial) advice hours**

Advisers who provide tax (financial) advice must complete five hours each year of CPD<sup>1</sup>. This includes advisers who are also Tax Agents.

Advisers who are registered Tax Agents must also meet the requirements to maintain their knowledge and skills as defined by the Tax Practitioners Board (TPB) continuing professional education (CPE) requirements.

Advisers must notify the licensee if their tax agent registration ceases.

**6.3 Specialist knowledge areas**

In addition to minimum hours and CPD areas, up to 2 hours of CPD **may be** assigned for each specialist area in which the adviser provides advice, including:

(a) Aged Care	(b) Securities
(c) Derivatives	(d) Self-Managed Superannuation Funds
(e) Margin Lending	(f) Estate Planning

**7. Qualifying CPD activities**

To be counted towards a CPD plan, the activity must meet certain requirements. Additionally, some activities have caps on the number of hours that may be counted.

<sup>1</sup> Requirements apply to CPD years that begin on or after 1 January 2023.



- (a) Meets all the following requirements:
- (i) Relates primarily to the provision of financial product advice, financial services, or financial advice business
  - (ii) Has sufficient intellectual or practical content
  - (iii) Is led or conducted by a person(s) with appropriate expertise, qualifications, experience and standing (This requirement is not applicable if the activity is professional or technical reading)
  - (iv) Is designed to enhance the adviser's knowledge and skills in areas relevant to providing financial product advice or services.
  - (v) Is one of the following CPD areas:

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 situations 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 of this table.
Tax (Financial) Advice	The activity is designed to maintain, extend or enhance a participants' professional or technical capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other developments, relevant to providing tax (financial) advice services.

- (b) Formal education up to 30 hours each CPD year which may include:
- (i) An approved degree or equivalent qualification
  - (ii) Education or training provided by a professional association
  - (iii) Formal education or training towards relevant qualifications or designations
- (c) Professional or technical reading, although encouraged, does not count towards qualifying CPD.

**8. Approval of CPD activities by the licensee**

All CPD must be spent on qualifying CPD activities that are approved by the licensee.

**8.1 Submission and approval process**

CPD activities must be submitted to the licensee and include a CPD certificate or evidence that includes:

- (a) Confirmation/evidence of attendance or completion



- (b) Activity date or course completion date
- (c) Details of the type of activity and length of time in hours; and
- (d) Confirmation that the activity was a qualifying CPD activity; and
- (e) CPD accreditation details from an approved professional association (where available) showing CPD areas
- (f) Evidence of the learning outcomes achieved.

The licensee will review the evidence submitted to determine if the CPD activity meets the requirements of a qualifying CPD activity and will, if satisfied, approve the activity. The licensee will advise if the CPD activity is approved and record it on the adviser's CPD records.

## **8.2** Approved activities

Activities that are generally suitable for approval include:

- (a) Centrepoint Alliance Professional Development (**PD**) Days or Masterclasses
- (b) Centrepoint Alliance conferences, workshops or roadshows
- (c) Centrepoint Alliance live webinars
- (d) Formal education by a registered education provider
- (e) Education by an approved training provider for accreditation in complex advice areas (e.g. SMSF, Aged Care)
- (f) Online Kaplan Ontrack content
- (g) Activities assessed and accredited by a recognised professional association e.g. FPA, AFA, SMSFA, TPB
- (h) Conferences, workshops, roadshows or live webinars conducted by product providers (if not accredited by a recognised professional association)

## **9.** Monitoring the implementation of CPD

### **9.1** Progress requirements and reporting

The licensee will generally provide advisers with monthly progress reports showing:

- (a) Completed total hours
- (b) Completed hours per CPD area
- (c) Completed tax specific CPD hours
- (d) The hours and percentage of licensee approved qualifying CPD activities

### **9.2** End of CPD year monitoring and reporting

The licensee will check that advisers have completed their CPD plans. Advisers must achieve each of the following:

- (a) Minimum total hours
- (b) Minimum hours per CPD area
- (c) Minimum tax specific CPD hours
- (d) All training is licensee approved

### **9.3** ASIC notification

Licensees are required to update the Financial Adviser Register if an adviser fails to comply with the CPD requirements. Advisers who have not completed their CPD plan on the last day of the CPD year will to be notified to ASIC.

The licensee will update ASIC Connect within 30 days after the end of the CPD year.



#### 9.4 Non compliance

Advisers who fail to complete their CPD plan will be escalated to the Compliance & Risk management Committee (CRMC) to determine action to be taken. Actions may include:

- (a) Assigning catch up CPD activities to be completed within a set timeframe e.g. 30 days
- (b) Additional monitoring or supervision e.g. Prevet
- (c) Termination or restriction of authorisation

#### 10. Record keeping

The licensee will maintain the following CPD records:

- (a) The qualifying CPD activities the adviser completed and when
- (b) The number of hours spent on each activity
- (c) Evidence of completion of the activity and the outcomes of the activity
- (d) The progress of the provider's CPD plan.

The licensee will retain records for a minimum of seven (7) years from the end of the relevant CPD year.

Kaplan Ontrack is used as both a delivery solution for online learning and the mechanism to record, track and report on the implementation of the CPD plans for our advisers.

#### 11. Review and reporting

The licensee will review compliance with this Policy and the relevant Determinations annually. A report will be provided to the CRMC including:

- (a) Confirming that CPD plans have been set prior to the start of the CPD year
- (b) Progress reporting completed and outcomes
- (c) Completion of, and any failure to complete CPD plans, at the end of the CPD year
- (d) That notification of any CPD plan non completion has been completed i.e. Financial Adviser Register has been updated within 30 days of the end of the CPD year
- (e) Annual review of the Policy and relevant Determinations has been completed

#### 12. Contacting the licensee

Advisers should contact the licensee via [compliance@pfpgroup.com.au](mailto:compliance@pfpgroup.com.au) for any CPD matters or queries.

#### Changes to this statement

PFPFG may make changes to our CPD Policy from time to time. We will publish those changes on our web sites.

#### Contacting us about CPD

If you would like further information regarding our CPD Policy, or if you think we have breached any aspect of this CPD Statement, please contact our Compliance Officer by:

Tel: 1300 969 737 | Email: [compliance@pfpgroup.com.au](mailto:compliance@pfpgroup.com.au) | Post: PO Box 6010 East Perth WA 6892.

#### Issued by:

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