

Continuing Professional Development (CPD) Policy

Version 1.0

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Description: This policy sets out an adviser's obligations and requirements regarding their ongoing and continuing professional development in relation to each CPD year specified by their Licensee, in line with the requirements set by the Financial Advisers Standards and Ethics Authority (FASEA) in the following:

- Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018; and
- FASEA Continuing Professional Development Policy (FPS004)

Key Principles: An individual relevant provider (i.e. adviser) must complete the following within the CPD year specified by their Licensee:

- Maintain and adhere to the Continuing Professional Development (CPD) Plan set by their Licensee on an ongoing and continuing basis. The CPD Plan will identify areas where competence needs to be maintained at an appropriate level and will align to the professional services provided by the Representative;
- Complete at least 40 hours of CPD activity in each CPD year, regardless of whether they work part-time or full-time;
- Maintain a continuous, up-to-date and accurate record of their CPD activities, including evidence of completion of any CPD activity that is intended to be relied on to meet the requirements and keep records for 7 years from the end of each CPD year; and
- Provide these records to their Licensee, in order for their Licensee to meet its compliance with the CPD Year requirements.

Tools and References:

- Professional Reading Log

Further Assistance: **Millenium3**
Professional Standards Team
E: professionalstandards@ioof.com.au
T: 1300 722 923

Adviser Development Team
E: adviserdevelopment@ioof.com.au
T: 1300 768 841

**Regulatory
References:**

- Corporations Act 2001 – Sect 912A (General Obligations)
- ASIC Regulatory Guide 146 – Licensing: Training of financial product advisers (RG146)
- Tax Agent Services Act (2009)
- Corporations Amendment (Professional Standards of Financial Advisers) Act 2017
- FASEA Continuing Professional Development Policy (FPS004)
- Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018
- 18-378MR ASIC advice to AFS licensees about upcoming changes to education and training requirements
- Tax Practitioners Board (EP) 06/2014

Version control

Version	Effective Date	Owner	Approved by	Summary of changes	Next review
1.0	31 March 2019	Professional Standards	Licensee CEO	New adviser standard	March 2021

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Continuing Professional Development

The Corporations Act 2017 (the Act) requires that all individuals identified as a ‘relevant provider’ meet the requirements for continuing professional development set by the Standards Body, FASEA (s 921B (5)).

The Act requires that FASEA 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 advisers develop, maintain and apply a high level of relevant knowledge and skills.

Licensee CPD Year

All IOOF Licensees will set their adviser’s CPD training plans on a “financial” year basis, i.e. 1 July – 30 June.

Transitional arrangements – 2019

The FASEA CPD requirements became effective on 1st January 2019. Due to the tight timeframes that FASEA have provided Licensees in order to comply with the requirements, (in particular, the tight timeframes for Licensees who are currently applying a “financial” year CPD period), Licensees 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.

As a result, a decision has been made that the following CPD years will be applied for all of the relevant providers of the IOOF Licensees, between 1 January 2019 and 30 June 2024:

CPD Year	CPD hours
1 January 2019 – 30 June 2020 <i>(18-month pro-rata training plan)</i>	60 hours
01 July 2020 – 30 June 2021	40 hours
01 July 2021 – 30 June 2022	40 hours
01 July 2022 – 30 June 2023	40 hours
01 July 2023 – 30 June 2024	40 hours

As per the table above, a decision has been made to apply an 18-month pro-rata training plan in the first year, with a 12-month training plan to apply in the subsequent years.

Responsibilities for Continuing Professional Development (CPD)

The responsibilities for Continuing Professional Development differ between Individuals (Relevant Providers) and Financial Service Licensees. A Relevant Provider is an individual who has been registered on the Financial Advice Register between 01 January 2016 and 01 January 2019.

All existing advisers and new entrants are classified as Individuals (Relevant Providers) and are therefore required to meet the requirements outlined in the FASEA Continuing Professional Development Policy for Individuals (Relevant Providers).

Individuals (Relevant Providers)

All existing advisers and new entrants are required to meet the requirements outlined in the FASEA Continuing Professional Development Policy for Individuals (Relevant Providers) as per the Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018.

As a result, advisers must undertake sufficient continuing professional training to maintain competence at a level appropriate for the professional services (including financial product advice) that they provide, or intend to provide, and keep up to date with developments relevant to their practice.

Individuals (Relevant Providers) requirements

An individual relevant provider (i.e. adviser) must complete the following within the CPD year specified by their Licensee:

- Maintain and adhere to the Continuing Professional Development (CPD) Plan set by their Licensee on an ongoing and continuing basis. The CPD Plan will identify areas where competence needs to be maintained at an appropriate level and will align to the professional services provided by the Representative;
- Complete at least 40 hours of CPD activity in each CPD year, regardless of whether they work part-time or full-time;
- Maintain a continuous, up-to-date and accurate record of their CPD activities, including evidence of completion of any CPD activity that is intended to be relied on to meet the requirements and keep records for 7 years from the end of each CPD year; and
- Provide these records to their Licensee, in order for their Licensee to meet its compliance with the CPD Year requirements.

CPD Plan minimum requirements

Subject to the individual training plan targets allocated by the Licensees for each Representative, all Representatives must meet the following minimum requirements when it comes to CPD content and quantity:

Minimum CPD requirements	40 hours
Minimum CPD hours (by area)	
- Technical Competence – <i>advisers must demonstrate that they are acting as technically proficient professionals</i>	5 hours
- Client Care and Practice – <i>advisers must demonstrate that they are acting as client centric practitioners</i>	5 hours
- Regulatory Compliance and Consumer Protection – <i>advisers must demonstrate that they are acting as legally compliant practitioners</i>	5 hours
- Professionalism and Ethics – <i>advisers must demonstrate that they are acting as an ethical professional</i>	9 hours
CPD limitations (by type)	
- Formal relevant education	Up to 30 hours
- Professional or technical reading	Up to 4 hours
- Approved by AFSL	At least 70%

! Please note, an adviser may also be required to complete additional CPD activities which are above and beyond the minimum requirements outlined in the above table by the Code Monitory Body, under the FASEA Code of Ethics, as an outcome of an Ethics investigation and disciplinary hearing.

! Formal relevant education is education and training provided by an accredited education provider. This may include 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 adviser.

! Professional or technical reading must be relevant to the provision of financial advice and be allocated to one of the categories of CPD as described above. Refer to 'Appendix 1 – Examples of CPD activities' of this Standard for examples of CPD activity.

📖 A professional Reading Register which can be used to track your Professional Reading will be available via your Kaplan Ontrack account.

Qualifying CPD activities

Financial Service Licensees are required to approve a selection of qualifying CPD activities, which are sufficient to assist and enable advisers to meet their CPD requirements.

A qualifying CPD activity, is one which satisfies all the following requirements:

- a) the activity is in one of the CPD areas described in the *Individuals (Relevant Providers) CPD content and quantity* table above;
- b) the activity has sufficient intellectual or practical content;
- c) the activity primarily deals with matters related to the provision of financial product advice;
- d) the activity is led or conducted by a somebody who, given reference to the content, has sufficient standing, expertise, academic qualifications and practical experience (Note – this requirement does not apply to professional or technical reading);
- e) the activity is designed to enhance the representative's knowledge and skills in areas that are relevant to the provision of financial product advice.

Representatives who lead or conduct CPD activities

Where an adviser leads or conducts qualifying CPD activities, and these activities are approved by the Licensee, the number of hours spent in preparing, and its first delivery of, the activity may be counted towards meeting the adviser's CPD requirements.

Licensee approach to approving CPD

All IOOF Licensees will have CPD Assessors who will be responsible for assessing educational events or activities on behalf of the Licensee.

CPD content provided to Representatives by the Licensee, including mandatory training

As appropriate, the IOOF Licensees may determine that certain CPD activities (for example, Induction days, Professional Development days, adviser workshops and or specific online training modules) are compulsory.

As a result, completion of, or participation in, these mandatory activities will be automatically recorded in the Representative's CPD register, i.e. Kaplan Ontrack.

All content provided by the Licensee will be accredited by the Licensee CPD Assessors.

External CPD activities

Where a Representative has completed other / external CPD activities, Licensee approval will take place via a self-assessment process. Where a Representative has completed other / external CPD activities, they are required to complete the following, in order to have this assessed:

1. Collate relevant materials of the completed CPD activity; and
2. Email a copy of the evidence of attendance/completion to the Licensee's training team

The appropriate evidence will be determined by the activity being undertaken, but should include details of the activities undertaken, evidence of completion and outcomes obtained. Once validated by the Licensee, these activities will be recorded in the Representative's CPD register, i.e. Kaplan Ontrack account.

! Where required, please speak with your Licensee's training team first, in the event you wish to attend non-endorsed CPD activities. Doing this will ensure that your Licensee has approved or deemed this to be appropriate.

📖 Refer to Appendix 1 – Examples of CPD activities for examples of acceptable CPD activities

Licensee approach to setting Representative CPD Plans

CPD Plans allocated will outline the knowledge areas the Representatives are required to cover, and set minimum training hours for each advice area. Advice areas allocated will reflect the scope of authority provided by the Licensee and the activities undertaken by the adviser.

In addition, the allocated CPD Plan will focus on FASEA minimum requirements and general and specific knowledge areas as outlined in ASIC RG 146.

CPD when working part-time

If an adviser works part-time during their Licensee's CPD year, they will be required to meet the same CPD requirements of their Licensee's representatives who are working full-time.

CPD in first year of authority – 'Existing Advisers'

As part of the appointment process of a Representative, qualification and historical CPD information will be requested from the applicant. The Licensee will then allocate a respective CPD Plan upon appointment.

In addition, the Representative will also be required to complete mandatory induction training.

CPD in first year of authority – ‘Representatives who have recently completed their Professional Year’

As per the above requirements for ‘existing advisers’, Representatives who have recently completed their Professional Year will be allocated a CPD Plan upon appointment as a Representative. The plan will allocate advice areas, set minimums and focus on FASEA and RG146 requirements.

The total hours required will be pro-rated from the date the ‘relevant provider’ status was achieved until the end of the CPD Year.

Meeting the Continuing Professional Development requirements under extenuating circumstances

There will be instances where an adviser will be required to take a leave of absence due to extenuating circumstances (e.g. medical, disability, parental leave etc.) or take a career break. In these instances, the following CPD requirements apply:

CPD after a leave of absence due to extenuating circumstances (e.g. medical, disability, parental leave etc.)

A leave of absence is defined as a period of more than 3 months during which an adviser has not been practising or authorised to provide financial advice.

Upon returning from a leave of absence, the Licensee Head, in conjunction with the Licensee’s Training team will assess the circumstance upon which the adviser took the leave of absence and determine the next course of action relating to the adviser meeting their CPD requirements.

CPD after a career break

A career break is defined as a period of 2 years or more, during which an adviser has not been practising or authorised to provide financial advice.

Before returning to practice after a career break, an adviser’s Continuing Professional Development (CPD) Plan must be approved by the Licensee. The Continuing Professional Development (CPD) Plan will only be approved where the Licensee can be satisfied that it appropriately addresses gaps in the representative’s competence, knowledge and skills arising from their absence from practice.

! If you are an adviser who falls under any of the above categories of extenuating circumstances, please contact your Licensee’s training team for further details in relation to your Continuing Professional Development (CPD) Plan.

Ongoing maintenance of CPD Plans

All CPD Plans will be reviewed on an annual basis by the Licensees to ensure that all advisers are meeting their pre-determined training goals.

! All IOOF Licensees will allocate an individual CPD Plan to each of their advisers, and these plans can be accessed via the adviser's **Kaplan Ontrack** account.

CPD record keeping

All advisers (along with the Licensee), must maintain evidence of all of the CPD activities they have completed in the CPD year, and keep these records for a period of 7 years.

These records will be maintained via the adviser's individual Kaplan Ontrack account.

Monitoring and supervision of adviser completion of CPD requirements

All IOOF Licensees will review the adviser's progress towards the completion of their CPD Plan every quarter throughout the CPD year. They will do this by referring to the CPD Plan recorded in the adviser's Kaplan Ontrack account.

The Licensees will also provide general reminders for advisers to check their CPD progress on a regular basis.

Where a Licensee has concerns about the progress being made by an adviser, the Licensee will provide the adviser with appropriate reminders.

Ultimately, advisers are responsible for checking their own progress throughout the CPD year and are solely responsible for meeting all of their individual CPD requirements.

! The Licensee will monitor and supervise your progress towards the completion of your CPD Plan via your Kaplan Ontrack account. It is therefore important that you keep this up to date with all CPD activities that you complete within the CPD year.

Outcomes of non-compliance

Where the Licensee identifies areas of deficiency in the CPD Plan undertaken by an adviser, remedial and/or punitive outcomes may be applied as required by this policy and by statute.

Where advisers do not comply with their CPD requirements, the Licensee will implement the following actions:

Issue	Outcome
Pro-rated CPD points not met for the first 2 quarters of the CPD year	A reminder email will be sent to the representative, and the representative's supervisor will be notified if the CPD points completed by the adviser are <25% of the Continuing Professional Development (CPD) plan.
Pro-rated CPD points not met at the end of Quarter 3 of the CPD year	A reminder email will be sent to the representative and issue escalated to Licensee Management.
CPD points not met for the CPD year OR Mandatory training not completed within required time frame	Issue of non-completion will be escalated to the Consequence Management Forum for deliberation and remediation, which may include cancellation or suspension of the representative's status.

Responsibilities for Continuing Professional Education (CPE)

Further to the CPD requirements, all Representatives who are registered tax (financial) advisers or tax agents with the Tax Practitioners Board (TPB) have the responsibility of meeting their CPE requirements on an ongoing basis, in order to maintain competency, and to ensure that their knowledge and skills remain current and correct.

- ✓ In addition, if you are a member of any Professional Association (FPA, AFA, SMSF Association etc.), you will need to meet the CPD member requirements as per the association's policy.

CPE for registered tax (financial) advisers

Registered tax (financial) advisers should complete a minimum of **60 hours** of CPE **over a three (3) year** period, with a **minimum of 7 hours** of CPE completed each year. In addition, the CPE completed should be relevant to the tax (financial) advice services provided by the registered tax (financial) adviser.

CPE for tax agents

A tax agent should complete a minimum of **90 hours** of CPE **over a three (3) year** period, with a **minimum of 10 hours** of CPE completed each year. In addition, the CPE completed should be relevant to the tax (financial) advice services provided by the tax agent.

CPE Training Plans

As per the TPB's policy statement issued in April 2018, the TPB has confirmed that they will accept any CPD completed by a registered tax (financial) adviser and tax agent as being completed CPE (providing the completed CPD is relevant to the tax (financial) advice services provided by the registered tax (financial) adviser or tax agent.

As a result, all Representatives who are registered tax (financial) advisers and tax agents will include as part of their CPD Training Plans activities which will assist them in meeting their CPE requirements.

Qualifying CPE activities

The TPB considers relevant CPE to be the maintenance of contemporary and relevant knowledge and skills.

A qualifying CPE activity is one which satisfies all the following requirements:

- a) the activity is relevant to the tax (financial advice) service provided by the registered tax (financial) adviser and tax agent;
- b) the activity is relevant to the development of registered tax (financial) adviser, and tax agent's relevant personal knowledge and skills;
- c) the activity is provided by persons or organisations with suitable qualifications and/or practical experience in the relevant subject areas.

! The TPB has not been prescriptive regarding the particular topics for CPE activities which should be completed. Licensees, registered tax (financial) advisers and tax agents should exercise their professional judgement in selecting relevant CPE activities to be completed.

! Professional or technical reading must be relevant to the provision of tax (financial) advice services. **The TPB however, expects that no more than 25% of CPE over a registered tax (financial) adviser's or tax agent's CPE period should be completed through relevant professional or technical reading.** Refer to 'Appendix 3 – Examples of CPE activities' of this Standard for examples of CPE activities.

! The provision of a tax (financial) advice, tax agent or BAS service will not, of itself, constitute a CPE activity.

Appendix 1 – Examples of CPD activities

Below are examples of typical events and the CPD activities that may be involved in these events:

Event	CPD Activity
Face to Face	<ul style="list-style-type: none"> • Conferences • PD Days • Seminars • Workshops • Specialist Advice workshops • Training courses
Online Licensee of industry training	<ul style="list-style-type: none"> • Webinars • Online training modules
Formal education	<ul style="list-style-type: none"> • Relevant degrees or equivalent qualifications approved under the Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2018 • Formal education or study towards a relevant qualification or designation
Professional reading	<ul style="list-style-type: none"> • Up to 4 hours per year may be allocated to an individual upon completion of a Professional Reading register. The reading register will require specific information to be provided including the author, subject, source and the learning outcome. Professional reading can include the following materials: <ul style="list-style-type: none"> • Technical bulletins • Industry related articles • Industry academic papers

✓ All of the above CPD activities may be delivered by the Licensee, an external provider or an industry association, or industry regulators.

Appendix 2 – Licensee process for approving CPD activities

The below table provides further detail in relation to the CPD assessment process that each IOOF Licensee will be adopting:

Step	Action
Collect	<p>It is important all records of CPD assessments are maintained and recorded in a central register including the evidence collected to validate the assessment.</p> <p>Where the event is organised internally, this information will be supplied by the Team or Licensee responsible for the event.</p> <p>Where an Adviser is requesting CPD be allocated to an external training event or course sourced themselves, sufficient evidence is required for an appropriate assessment to be made. The Adviser must provide the following documents:</p> <ul style="list-style-type: none"> • Copies of presentations, handouts or materials provided as part of the training or event • Agenda and overview defining the training objectives • Speaker information including biographies • Copies of any assessments or activities where appropriate • Evidence of attendance <p>Sufficient supporting information is required to make an appropriate CPD assessment. At a minimum, the following documents must be supplied</p> <ul style="list-style-type: none"> • Presentation or adequate notes detailing a session from a keynote speaker • Speaker or author biography • Learning outcomes or overview • Agenda <p>Any other information and supporting documents should be retained in the file on the shared drive.</p>
Evaluate	<p>The amount of CPD allocated is based upon the time taken to complete the activity. This may include attendance at a session or the time taken to review materials and/or complete an</p>

	<p>assessment. In considering assessments, we expect that each question may take up to 2.5 minutes.</p> <p>As a guide, an online learning module that takes 45 minutes to review with a 6-question multiple choice quiz should be assessed as 45 minutes + 2.5 minutes per question = 60 mins or 1 point.</p>
<p>Accredit</p>	<p>CPD Assessors should follow the process below when completing an assessment.</p> <ol style="list-style-type: none"> 1. Collect all material for assessment e.g. presentations, worksheets, handouts, attendance registers, presenter biographies, facilitator guides. 2. Create a new folder on a shared accessible drive and save all relevant materials in the respective folder. 3. Open the 'CPD Assessment Register' 4. Fill in details across the columns, keeping titles and naming conventions uniform. 5. Save the file. 6. To create the CPD certificate: copy (Ctrl+C) the session title from Column A of the '<i>CPD Assessment Register</i>' 7. Open the worksheet titled template '<i>CPD Assessment Template 2019</i>' and paste (Ctrl+V) the session title into the <i>Program Name</i> cell highlighted in yellow on the '<i>Submission</i>' tab. This will pre-populate the '<i>Certificate</i>' tab. 8. Save this file with the same naming convention used for the program name in the folder set up in step 1. 9. Send a response to the assessment requestor advising of the results using the approved template.

Appendix 3 – Examples of CPE activities

Below are examples of relevant CPE activities, as advised by the TPB:

CPE Activity
<p>CPE activities considered appropriate by the TPB include:</p> <ul style="list-style-type: none"> • seminars, workshops, webinars, courses* and lectures • structured conferences and discussion groups (including by phone or video conference) • tertiary courses provided by universities, registered training organisations (RTOs), other registered higher education institutions or other approved course providers • other education activities, provided by an appropriate organisation • research, writing and presentation by a registered tax (financial) adviser, tax or BAS agent of technical publications or structured training • peer review of research and writing submitted for publication or presentation in structured training • computer/internet-assisted courses, audiotape or videotape packages • attendance at structured in-house training on tax related subjects by persons or organisations with suitable qualifications and/or practical experience in the subject area covered • attendance at appropriate Australian Taxation Office (ATO) seminars and presentations • relevant CPE activities provided to members and non-members by a recognised professional association • a unit of study or other CPE activity on the Tax Agent Services Act 2009 (TASA) including the Code of Professional Conduct (Code) • cyber security awareness training

** A course that has been completed to obtain registration or renew registration will not generally constitute a CPE activity. However, a subsequent or higher level course relevant to the tax (financial) advice, tax agent or BAS services provided may be acceptable.*

! Professional or technical reading must be relevant to the provision of tax (financial) advice services. **The TPB however, expects that no more than 25% of CPE over a registered tax (financial) adviser's CPE period should be completed through relevant professional or technical reading.**

! The provision of a tax (financial) advice, tax agent or BAS service will not, of itself, constitute a CPE activity.