



CPD Policy

Dated: March 2019

Overview

Pursuant to section 5 of the Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018, Crystal Wealth Partners Ltd (ASL 41226) (the Licensee) is required to develop and adopt a Continuing Professional Development Policy (Policy).

In this Policy a reference to 'Advisers' means the Licensee's:

- employees and directors who provide financial services on behalf of the Licensee; and
- Authorised Representatives.

The Licensee's CPD Year

The CWP CPD year is 1 January to 31 December.

The Licensee will notify ASIC of the day on which the Licensee's CPD year begins as required by law.

The Licensee may decide to change the Licensee's CPD year if it has not previously notified ASIC of its CPD year within the preceding 12 months.

If the Licensee changes its CPD year it will:

- notify its Advisers in writing;
- notify ASIC of the new day on which the Licensee's CPD year begins within 30 business days of the day that the Licensee made the determination; and
- update this Policy.

CPD Plan

An Adviser will prepare a CPD plan prior to the start of each CPD year and lodge the plan with the Licensee's Compliance Manager. The Licensee may assist the Adviser to prepare the CPD plan.

The CPD plan may be amended at any time, subject to the Licensee's approval of any amendments.

The CPD plan will:

- assess the Adviser's training needs, having regard to the specific financial services and products that are relevant, particularly if the representative's functions change;
- identify areas for improvement, including any training gaps or weaknesses in the preceding year, in the Adviser's competence, knowledge and skills;
- set objectives to be met (being, the desired changes in the adviser's knowledge, skills and/or performance at the end of the training year); and
- describe the CPD activities the provider will complete during the CPD year to achieve those improvements and objectives.

If the Adviser has not been practising or authorised as a representative for a continuous period greater than two years, the Licensee must not approve a CPD plan unless it is satisfied that it is appropriate to address gaps in the adviser competence, knowledge and skills arising from the provider's absence from practice. The Adviser will not be permitted to provide financial product advice on behalf of the Licensee until the CPD plan has been approved by the Licensee.

If the Adviser is appointed as an authorised representative of CWP after the start of the year , the CPD plan must be prepared within 3 months of the appointment.

A CPD plan and any following amendments must be in writing and must identify areas for improvement in, and development and extension of, the Adviser’s competence, knowledge and skills and describe the CPD activities the Adviser will complete during the CPD year to achieve those improvements.

Who is responsible for the CPD Plan?

The Adviser is responsible for completing the agreed CPD activities throughout the year and record the completion of each activity into the CWP Training Register template and provide evidence of completion.

The Executive Directors are responsible to discuss the progress with the CPD plan in monthly one-on-one or quarterly meetings with Advisers and report any Adviser that requires assistance to the Compliance Manager.

The Compliance Manager is responsible for following up the progress mid-year and assist Advisers to meet their CPD requirements by end of the CPD year.

Minimum number of hours

FASEA requirements

Representatives must complete a minimum of **40 hours** of qualifying CPD activities during a CPD year. At least 70% of a representative’s minimum CPD hours must be approved in writing by the Licensee in accordance with FASEA requirements.

In special circumstances, **part-time representatives** may reduce their CPD requirement to a minimum of **36 hours** of qualifying CPD activities with the Licensee’s prior written consent.

The CPD hours during the CPD year will be allocated to the following five qualifying CPD activities:

Qualifying CPD activities	Minimum Hours
Technical Competence	15
Client Care and Practice	5
Regulatory Compliance and Consumer Protection	5
Professionalism and Ethics	9
General	6
Total	40

The balance of CPD hours must consist of qualifying CPD activities covering the activities listed in FASEA’s CPD Legislative Instrument. There are however certain legal CPD limitations (by type) that can count towards the 40 hours as follows:

- Formal relevant education up to 30 hours
- Professional or technical reading up to 4 hours

- Approved by Licensee at least 70%

Tax Practitioners Board requirements

The FASEA minimum hours would also cover the Advisers who are registered tax (financial) advisers and have the responsibility of meeting their Continuing Professional Education (CPE) requirements on an ongoing basis, in order to maintain competency, and to ensure that their knowledge and skills remain current and correct. 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.

Any CPD for FASEA purposes can double count for CPE TPB requirements, as long as these are relevant to the tax (financial) advice services provided by the registered tax (financial) adviser.

Other Professional membership requirements

In addition, the Advisers who are members of any Professional Association (FPA, CPA, AFA, SMSF Association etc.), need to meet the CPD member requirements as per the association's policy.

Qualifying CPD Activities

CPD in the following areas will be counted towards Advisers' FASEA CPD requirements:

- *technical competence* – improving the Adviser's technical ability to develop and provide advice strategies appropriate to retail clients' objectives, financial situation and needs;
- *client care and practice* – covering the Adviser's ability to act as a client centric financial adviser;
- *regulatory compliance and consumer protection* – improving the Adviser's understanding of its legal obligations and how it complies with those obligations;
- *professionalism and ethics* – acting as an ethical professional; and
- *general* – covering activities designed to maintain and extend professional capacity, knowledge and skill not otherwise covered by the specific CPD areas listed above.

If a CPD activity covers more than one of the above areas, the CPD activity may be counted towards all the areas covered. However, the Adviser may not "double count" the CPD hours for the purposes of total CPD hours.

Approval of Qualifying CPD Activities

The Licensee will either:

- provide in-house CPD approved by the Licensee; or
- select qualifying CPD activities provided by external providers approved by the Licensee.

The Adviser may request the Licensee's approval for a qualifying CPD activity.

The Licensee will approve a minimum of 70% of Adviser's minimum CPD requirement (i.e. 28 hours of a full time Adviser's CPD activities and 26 hours of a part time Adviser's CPD activities) per CPD year.

Criteria for approval

The Licensee may approve a proposed CPD activity if it is satisfied that the proposed CPD activity meets the following criteria, in accordance with FASEA's CPD Legislative Instrument:

- the activity covers one of the five areas listed above;
- the activity consists of one of the types of CPD listed below;
- the activity (other than technical or professional reading) is conducted or lead by persons who have sufficient standing, expertise, academic qualifications and practical experience;
- the content of the activity is of sufficient intellectual and/or practical content;
- the activity primarily addresses matters related to the provision of financial product advice; and
- the activity is designed to enhance the representative's knowledge and skills in areas relevant to the Licensee's authorisations to provide financial product advice.

The Licensee must also take into account FASEA's guidelines on CPD when approving a proposed CPD activity.

New Advisers

A new Adviser may not be authorised to provide financial product advice on behalf of the Licensee until the Licensee has approved the representative's CPD plan for the first CPD year after the representative's appointment.

The Licensee will also require a new representative to produce CPD records prior to appointing the representative to provide financial product advice on behalf of the Licensee.

In addition to the criteria above, if the Adviser has not practised as a financial adviser for a continuous period of 2 or more years prior to its appointment, the Licensee may only approve the representative's CPD plan if the Licensee has satisfied itself that the CPD plan appropriately addresses gaps in the Adviser's competence, knowledge and skills.

Please also refer to the Adviser Representatives Policy & Procedures.

Types of CPD

CPD sessions

Sessions and workshops at conferences and Professional Development days may be counted towards the representative's CPD requirements.

Professional or technical reading

A representative may count professional or technical reading towards meeting the CPD requirement, to a maximum of 4 CPD hours per CPD year.

Formal education

Formal relevant education towards qualifications and designations relevant to the financial services the representative is authorised to provide may be counted towards the representative's CPD requirement, to a maximum of 30 CPD hours per year.

Formal relevant education can include study undertaken by the Adviser to meet statutory education requirements, such as a degree in a relevant discipline or bridging courses.

Non-formal education

The Adviser may count hours spent in education that the Adviser has undertaken in order to:

- achieve a relevant professional designation (e.g. Certified Financial Planner, Fellow Chartered Financial Practitioner);
- meet requirements in specific financial advice provisions; and
- achieve accreditation in a specific financial product that the Licensee is authorised.

Leading or conducting a qualifying CPD activity

Adviser may count hours spent leading or conducting a qualifying CPD activity.

Provisional Financial Advisers

This Policy does not apply to provisional financial advisers whilst undertaking their professional year.

If a provisional financial adviser completes his or her professional year and is subsequently appointed as the Licensee's representative part way through the Licensee's CPD year, the provisional financial adviser will be required to complete CPD on a pro-rata basis.

Training records

Adviser must maintain records of:

- the qualifying CPD activities the representative undertakes;
- when the qualifying CPD activities were undertaken;
- how many hours were spent on each qualifying CPD activity;
- evidence of completion of and outcome of each qualifying CPD activity; and
- the progress of implementation of the representative's CPD plan.

The Adviser must make those records available to the Licensee at the Licensee's request, at least annually in the Licensee's template.

The Licensee will maintain record of training, including qualifying CPD activities, that each of its representatives has undertaken after that person became an Adviser, and any training undertaken before that person became an Adviser to the extent that the Licensee can obtain that information after reasonable inquiry.

To demonstrate compliance with the CPD standards, the Licensee will:

- keep written records of each Adviser's CPD Plan, updated at least annually;
- keep evidence of their representatives' CPD activities, including Certificates of Completion, receipts, enrolment records, attendance lists, detailed diary notes; and
- maintain the Licensee's Training Register.

All written records will be kept for a period at least 7 years after the representative ceases to provide financial services on behalf of the Licensee.

Monitoring compliance with the CPD standards

It is the responsibility of the Adviser to ensure that it satisfies its CPD obligations.

The Licensee will periodically review the Advisers' ongoing CPD status through feedback from the Executive Director from regular meetings with Advisers and Compliance Manager 30 June and 31 December progress followup.

Depending on the location of the Adviser, this may be performed by a meeting or telephone conversation between the Adviser and Compliance Manager. The Licensee may require the representative to produce documents and records in support of its CPD performance.

The Licensee will:

- assess whether the Adviser is meeting the objectives of the CPD plan; and
- provide feedback sessions with the representative about their performance.

The Licensee will also undertake an annual review immediately following the end of the CPD year to assess whether the representative has complied with its CPD plan and determine whether the representative has complied with the CPD standard during the CPD year.

If the Adviser fails to comply with its CPD plan or meet the minimum number of CPD hours, the Compliance Manager must report such failure to the Compliance Committee. This report should include any rectification plan that will remedy the failure.

Reporting non-compliance to ASIC

If, at the end of the Licensee's CPD year, the Licensee determines that the Adviser has not complied with the CPD standard during the Licensee's CPD year, the Licensee must lodge a report with ASIC within 30 business days of the last day of the Licensee's CPD year.