FPA’s Continuing Professional Development Policy

Updated: February 2015
# Table of Contents

Preface: The FPA’s view of Continuing Professional Development ............................................. 3

SECTION 1: INTRODUCTION ........................................................................................................... 6
   1.1 Scope .................................................................................................................................. 6
   1.2 Definitions ............................................................................................................................ 7
   1.3 Summary of Requirements ................................................................................................... 8

SECTION 2: ACCEPTABLE CPD CONTENT .................................................................................. 9
   2.1 Professional Dimensions Model ............................................................................................ 9
   2.2 Professional Development Plan ........................................................................................... 10
   2.3 Professional Dimensions Components ................................................................................. 10

SECTION 3: CPD ACTIVITIES ..................................................................................................... 14
   3.1 Capping of CPD Activities .................................................................................................. 14
   3.2 Non Accredited CPD Activities .......................................................................................... 15
   3.3 FPA Accredited CPD .......................................................................................................... 15
   3.4 Relevant University Study ................................................................................................... 15

SECTION 4: FPA ACCREDITED CPD ASSESSORS ................................................................. 16
   4.1 CPD Assessor Qualifications ............................................................................................... 16
   4.2 Audit of CPD Assessors ....................................................................................................... 16

SECTION 5: FPA REQUIREMENTS .............................................................................................. 17
   5.1 CPD Point Requirements .................................................................................................... 17
   5.2 New Members ..................................................................................................................... 17
   5.3 Membership Categories ....................................................................................................... 17
   5.4 CPD Triennium Period ...................................................................................................... 18
   5.5 Transferring CPD Hours .................................................................................................... 18
   5.6 Averaging CPD Hours ........................................................................................................ 18
   5.7 Non Accredited CPD Activities .......................................................................................... 18
   5.8 CPD Activities by Other Membership Bodies ................................................................... 18
   5.9 Record Keeping and Reporting .......................................................................................... 19
   5.10 Suspension of CPD Requirements ..................................................................................... 19
   5.11 CPD Requirements on Return from Leave of Absence or After Termination/Resignation ........ 20

SECTION 6: AUDITS AND PENALTIES .................................................................................. 21
   6.1 Audit Procedure .................................................................................................................. 21
   6.2 Rectifying CPD Deficits ..................................................................................................... 22
   6.3 Penalties for Non Compliance – Financial Planner AFP® and CFP® Professionals ............ 22

SECTION 7: LINKS TO RELATED POLICIES, DOCUMENTS AND TEMPLATES .............. 22
   CPD Recording Templates and Support Tools ......................................................................... 22
   Related Policies ...................................................................................................................... 22
Preface: The FPA’s view of Continuing Professional Development

This policy has been designed to offer FPA members both a more rewarding and a wider range of educational options that will assist them to maintain their professional proficiency and status.

The Financial Planning Association (FPA) professionalism framework demonstrates the financial planning profession’s commitment to best practice.

It’s a framework that’s designed to continue to build the trust and respect of all stakeholders including FPA members, regulators and the community.

The framework has three pillars:

**Professional membership** – ensuring that only the right people can become members of the FPA.

**Professional conduct** – ensuring members adhere to the high standards set for the profession and that they are supported in following professional ideals.

**Professional accountability** – protecting the reputation of all members by putting in place an independent, peer-driven disciplinary mechanism.

Continuing Professional Development (CPD)

CPD is an integral part of the professional framework. Not only is it a way of maintaining currency of technical knowledge and ensuring members remain professional; it is also a way of growing new knowledge and expanding members’ abilities as professionals. The FPA has been concerned for some time that CPD is viewed by many in the industry as a compliance obligation and that quality and choice in the range of CPD available has been too limited for too long.

The FPA’s view is that the profession of financial planning is bigger than the limiting and narrow focus of regulatory compliance (or RG146 and Tax Practitioners Board requirements) and that our members deserve professional development that encourages them to perform better and grow in their professional life.
Purpose of the Policy

In 2009, the FPA’s CPD Policy purposely moved beyond the competency areas identified in ASIC’s RG146 and instead broadened its definition of professional development to encapsulate a more complete and multi-dimensional model of what it means to be a professional.

The Professional Dimensions model was developed by the FPA and released to FPA members, regulators, licensees and the community in 2009 to encourage broader development and recognition of activities for FPA members that aligned to and supported their journey to being a well rounded professional no matter what stage they may be at in their career.

This Policy specifically aims to encourage members to:

- consider that CPD is not a compliance challenge but an opportunity to maintain personal and professional confidence and proficiency;
- broaden the range and type of acceptable CPD activities undertaken;
- take opportunities to reflect upon their own professional practice;
- participate in learning activities which meet the legal and ethical obligations of the profession; and
- pursue opportunities for engagement with the profession and the wider community.

For the 2015-2018 triennium, the policy acknowledges the Tax Practitioners Board requirements, and documents the changes to the CPD audit process and aligns measurement of CPD to hours instead of points.

FPA’s CPD Policy encourages members to undertake CPD across all professional dimensions, thereby developing characteristics and skills beyond the technical competencies and aligned to their professional and personal goals.
The Professional Dimensions Model

Being a professional is more than being technically competent. It’s about being a rounded individual with ability to think critically and respond to client needs in a professional way. The Professional Dimensions describe the holistic **SKILLS** and **KNOWLEDGE** that it takes to be a professional.

FPA’s CPD Policy encourages members to identify development opportunities across the 6 professional dimensions. In our view any and all educational activity can fall under one or more of the dimensions.

<table>
<thead>
<tr>
<th>Capability</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Conduct</td>
<td>All the skills and knowledge that go into making good, informed and client centred decisions</td>
</tr>
<tr>
<td>Critical Thinking</td>
<td>The skills of how to process complex information and create new solutions</td>
</tr>
<tr>
<td>Reflective Practice</td>
<td>Skills in developing others and yourself - thinking about the professional and personal needs of others as well as your own</td>
</tr>
<tr>
<td>Interdependence</td>
<td>Engagement with the profession, the industry and peers in ways that instil consumer confidence</td>
</tr>
<tr>
<td>Attributes and Performance</td>
<td>Skills in building professional relationships and improving professional performance</td>
</tr>
</tbody>
</table>
SECTION 1: INTRODUCTION

The FPA exists to give consumers, regulators and members clarity and confidence about the ethics and professional practice of those who commit to the professional expectations of the FPA.

Membership of the FPA says that you are part of the premier financial planning professional body, committed to the highest operating and ethical standards and accountable for your actions. It’s a statement about your professionalism – for your clients, peers and for the regulators who monitor the financial services industry.

A commitment to CPD is critical in building regulator and community trust. The FPA’s CPD policy and program aims to encourage genuine professional growth, providing members with the opportunity to seek out a broader range of educational activities and experiences appropriate to their professional development.

Specifically, it challenges members to:

- take more opportunities to reflect their own professional practice;
- establish in conjunction with their licensee a professional development plan appropriate to their experience and career development goals;
- participate in a wider range of learning activities that meet the legal and ethical obligations of the profession; and
- pursue more opportunities for engagement with the profession and the wider community.

1.1 Scope

This CPD Policy impacts:

- Practitioner members of the FPA (Financial Planner AFP® and CFP® Professional members);
- FPA Professional Practices;
- Education service providers; and
- The broader financial services community.

The Policy directly applies to practitioner members of the FPA.
1.2 Definitions

Continuing Professional Development (PD and CPD)

The FPA definition of Professional Development is

“Professional Development is about engaging in activities which systematically assist professionals to enhance their knowledge, skills and general life attributes so as to achieve professional and organisational goals.

Professional Development is not an end in itself; it is continuous and directed towards maintaining the knowledge, skills and competence necessary for the diligent and competent practice of the profession of financial planning as well as encouraging acceptance of its status as a profession by the communities it relates to.”

Continuing Professional Education (CPE)

The Tax Practitioners Board uses the term CPE for Continuing Professional Education.

CPD Hours

The FPA requires members to earn CPD hours, in line with TPB requirements and current practice with other professional associations. While the terms “points” and “hours” can be used interchangeable, accredited programs no longer have the potential to earn additional points.

Professional Development Plan

A Professional Development Plan (PDP) sets out the identified learning activities that support the development of technical competencies, professional skills and personal attributes required for effective performance and participation within the financial services industry.

Professional Dimensions Model

The FPA has used a dimensional model to show that professionalism is a holistic combination of many components operating in concert to create a unique whole that describes specific types of professionalism.

Professional Development Record

A Professional Development Record (PDR) captures the evidence of CPD activity. It can be tailored to suit individual needs. At a minimum it should show the name, date, CPD value, provider, delivery type and dimensions of the education you have engaged in.

Triennium

The FPA measures CPD hours over a set 3 year period called a triennium. The triennium dates are as follows:

<table>
<thead>
<tr>
<th>Start Date</th>
<th>July 1, 2012</th>
<th>July 1, 2015</th>
<th>July 1, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>End Date</td>
<td>June 30, 2015</td>
<td>June 30, 2018</td>
<td>June 30, 2021</td>
</tr>
</tbody>
</table>

Authorised CPD Assessor

The FPA has empowered agents of Professional Partners, referred to as CPD Assessors, to undertake the accreditation of their internal training courses.

In order to become registered, CPD Assessors will need to undertake the FPA's Accredited Assessor training program, which outlines the CPD Policy, accreditation and audit processes.
Regulatory Guide 146 (RG146)
Australian Securities and Investments Commission (ASIC) guide to the Training of Financial Product Advisers. This guide sets out the minimum training standards that apply to advisers and how advisers can meet these training standards.

TPB(EP) 06/2014
The Tax Practitioners Board released TPB(EP) 06/2014 Continuing Professional education policy requirements for tax (financial) advisers in June 2014.

1.3 Summary of Requirements

The following table summarises the key CPD requirements for practitioner members of the FPA.

<table>
<thead>
<tr>
<th>CPD Hours</th>
<th>CFP® Professional 120 hours/triennium with a minimum of 35 hours each year</th>
<th>Financial Planner AFP® 90 hours/triennium with a minimum of 25 hours each year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Accredited CPD</td>
<td>Capped at 60 hours per triennium</td>
<td>Capped at 45 hours per triennium</td>
</tr>
<tr>
<td>Ethics Hours Requirement</td>
<td>Minimum of 3 hours per triennium in the Professional Conduct Dimension specifically covering Ethics</td>
<td></td>
</tr>
</tbody>
</table>
| Content Requirements             | - CPD activities undertaken *must* be captured in a Professional Development Record  
                                 | - Members are encouraged to take a holistic approach to CPD and as such should look to include CPD activities across all professional dimensions |
| Record Keeping                   | The following records must be kept for 5 years  
                                 | - Professional Development Record (or CPD register)  
                                 | - Professional Development Plan  
                                 | - Additional Evidence for non accredited activity |
| Declaration                       | Each practitioner member must affirm that they have satisfied the annual CPD hours each year through a declaration. (See section 5.10 re extenuating circumstances.) |
| Audit                             | Practitioner members selected for audit must comply with audit requests. (See section 6.) |
SECTION 2: ACCEPTABLE CPD CONTENT

The FPA has a dimensional approach to Continuing Professional Development which encourages members to broaden their development activities.

As planners grow in experience and capability, these professional dimensions will assist in the development of additional and appropriate skills and qualities required for career success.

2.1 Professional Dimensions Model

The ultimate aim of a dimensional model of CPD and professional definition is to allow and encourage a broader range of education and professional activity to be recognised for professional identity.

The Professional Development Plan sits at the centre of the model and it is an FPA requirement that any CPD undertaken in order to meet professional obligations is captured in this plan.
2.2 Professional Development Plan

A Professional Development Plan and Professional Development Record are central to good professional development.

It is an FPA requirement that each member develops a Professional Development Plan and maintains a record of the Professional Development they undertake.

2.2.1 Identification of Professional Development Needs

Professional Partners and Professional Practices are encouraged to work in consultation with practitioner members to identify appropriate CPD opportunities. The plan should be comprehensive and development opportunities considered from each professional dimension. Practitioner members should look to the FPA’s Professional Development Plan template for guidance.

2.3 Professional Dimensions Components

The following are descriptions of each of the professional dimensions and examples of the types of CPD activities that can be undertaken.

To help members identify CPD opportunities the FPA has provided examples of the sorts of CPD activities available in the market that relate to each professional dimension.

This is not an exhaustive list and it is expected that members will be able to identify many more examples within their own organisation.

| Capability | The technical, legal, product and industry knowledge that it takes to advise clients and run a business |

Description

Capability is the foundation dimension for CPD. It is the minimum requirement for capable participation in the financial planning industry. Typically all ASIC’s RG146 knowledge competencies and the Tax Practitioner’s Board requirements would fall within this category.

A Planner’s Professional Development Plan should include appropriate programs covering required technical subjects to effectively perform their role and meet their regulatory obligations.

This dimension can also include CPD related to effectively running a financial planning practice.
Examples of Capability CPD Content Areas

Theoretical knowledge and practice areas (including but not limited to):

<table>
<thead>
<tr>
<th>Advice Capabilities</th>
<th>Practice Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any investment, product or facility that an adviser is authorised to provide advice on</td>
<td>Appropriate practice management or CPD activities that can contribute to an individual’s ability to effectively manage a financial planning practice</td>
</tr>
<tr>
<td>All or any of the generic and specialist Knowledge and Skill areas defined in ASIC RG146</td>
<td>Equal Employment Opportunity</td>
</tr>
<tr>
<td>Specific product knowledge</td>
<td>OH&amp;S</td>
</tr>
<tr>
<td>Economic variables that can affect investments</td>
<td>Privacy and Information Security</td>
</tr>
<tr>
<td>Cash flow management and advice on debt instruments</td>
<td>Trade Practices Act</td>
</tr>
<tr>
<td>Knowledge of the 6 step financial planning process</td>
<td></td>
</tr>
<tr>
<td>Taxation treatment of any investment or facility</td>
<td></td>
</tr>
<tr>
<td>Effects of taxation on a client’s financial strategies</td>
<td></td>
</tr>
<tr>
<td>Gearing</td>
<td></td>
</tr>
<tr>
<td>Appropriate client investment structures (e.g. Trusts)</td>
<td></td>
</tr>
<tr>
<td>Client risk assessment</td>
<td></td>
</tr>
<tr>
<td>Salary Packaging</td>
<td></td>
</tr>
<tr>
<td>Aged Care</td>
<td></td>
</tr>
</tbody>
</table>

Professional Conduct

All the skills and knowledge that go into making good, informed and client centred decisions

Description

This dimension is concerned with the integrating of professional values and social awareness into the culture of professional practice of FPA members.

Education covering ethics, compliance and practice standards enables members to deal with moral and conflict of interest issues that can arise when providing a specialist service to the general public.

Examples of Professional Conduct CPD Content Areas

Theoretical knowledge and practice areas (including but not limited to):

<table>
<thead>
<tr>
<th>Ethics (3 pts per triennium)</th>
<th>Professional Conduct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Frameworks including FPA Code of Ethics</td>
<td>Compliance activity</td>
</tr>
<tr>
<td>FPA’s Rules of Professional Conduct</td>
<td>Knowledge and application of ASIC regulatory guidelines and TPB Explanatory Papers</td>
</tr>
<tr>
<td>Ethical Theory</td>
<td>Disclosure requirements (FSG, SoA and PDS)</td>
</tr>
<tr>
<td>Ethical Decision Making</td>
<td>SoA requirements</td>
</tr>
<tr>
<td>Ethical Dilemmas</td>
<td>Professional Standards</td>
</tr>
<tr>
<td>Ethical Practices</td>
<td>Conflicts of Interest</td>
</tr>
<tr>
<td>Dispute Resolution</td>
<td>Complaints Management</td>
</tr>
<tr>
<td>Managing Conflicts Ethically</td>
<td></td>
</tr>
</tbody>
</table>

Note:

The Capability Dimension covers appropriate CPD activities on any investment, facility or related area an adviser is authorised to deal in or give advice on.

All Practitioner members are required to earn a minimum of 3 hours per triennium in this dimension specifically covering Ethics.
Critical Thinking

The skills of how to process complex information and create new solutions

Description

Critical thinking is the application of specialist knowledge and cognitive skills of decision making and reflective problem solving. It is a skill used by financial planners when creating strategy options and solutions for clients.

CPD activities in this category reflect the member’s application of specialist knowledge to a client’s unique circumstance demonstrating observation, reflection and analytical skills.

Examples of Critical Thinking CPD Content Areas

Theoretical knowledge and practice areas (including but not limited to):

<table>
<thead>
<tr>
<th>The Planning Process</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identification and analysis of clients’ objectives, needs, financial situation and risk profile</td>
<td>• Client data collection techniques</td>
</tr>
<tr>
<td>• Considering and devising strategy alternatives that link to client needs</td>
<td>• Research techniques</td>
</tr>
<tr>
<td>• Analysis and articulation of advantages, disadvantages and risks of each strategy</td>
<td>• Problem solving</td>
</tr>
<tr>
<td>• Forming recommendations</td>
<td>• Examining evidence</td>
</tr>
<tr>
<td>• Product analysis and selection</td>
<td>• Analysing bias and assumptions</td>
</tr>
<tr>
<td>• Demonstrate and document basis for advice</td>
<td>• Dealing with ambiguity</td>
</tr>
<tr>
<td>• Coordinating and implementing a financial plan</td>
<td>• Identifying potential conflicts</td>
</tr>
</tbody>
</table>

Reflective Practice

Skills in developing others and yourself - thinking about the professional and personal needs of others as well as your own

Description

This dimension is concerned with integrating critical self awareness of personal capacity, development needs and the demonstrated commitment to improving professional practice.

Examples of Reflective Practice CPD Content Areas

<table>
<thead>
<tr>
<th>Reflective Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Integrating critical self awareness of one’s own capacity and development needs and the demonstrated commitment to development activity and improving professional practice</td>
</tr>
<tr>
<td>• Completion of the Reflective Practice Journal</td>
</tr>
<tr>
<td>• Reflection on professional and practice performance</td>
</tr>
<tr>
<td>• Undertaking work style diagnostics</td>
</tr>
<tr>
<td>• Undertaking 360 degree feedback (including client feedback)</td>
</tr>
<tr>
<td>• The development and execution of a comprehensive Professional Development Plan</td>
</tr>
</tbody>
</table>
Interdependence

Engagement with the profession, the industry and peers in ways that instil consumer confidence

Description

This dimension covers activities a practitioner may engage in on behalf of the industry which are dependent for the industry's recognition as a profession. It involves an intrinsic connection to society, clients, the professional community, related advisers and the FPA as a professional association.

Examples of Interdependence CPD Content Areas

Theoretical knowledge and practice areas (including but not limited to):

- Involvement in FPA committees and chapters
- Acting as a mentor in a formal and structured capacity
- Lecturing, teaching and developing education programs
- Community involvement (for example Financial Planning Week activities)
- Completion of the Committee Meeting Recording template
- Involvement in pro bono initiatives (Future2)
- Community education (e.g. Financial literacy initiatives)
- Representing the FPA in Government lobbying

Attributes and Performance

Skills in building professional relationships and improving professional performance

Description

This dimension focuses on the development and application of interpersonal, social and emotional skills necessary to form successful professional relationships with clients, colleagues, other professionals and the broader community.

Examples of Performance and Attributes CPD Content Areas

Theoretical knowledge and practice areas (including but not limited to):

- Building rapport
- Positioning self and services
- Establishing relationships with the client
- Dealing with client concerns
- Managing ongoing client service
- Sales skills
- Influencing skills
- Verbal and written communication skills
- Providing feedback
- Negotiation skills
- Interpersonal communication skills
- Business communication skills
- Conflict management
- Active listening
- Networking skills
- Leadership skills
- Team management
- Dealing with difficult people
SECTION 3: CPD ACTIVITIES

3.1 Capping of CPD Activities

Members are able to undertake CPD in any of the following categories, but are required to restrict the accumulation of hours in any one category as shown in Table 1 below. Members are strongly encouraged to undertake CPD that has been accredited and recognition of non accredited activities will be capped.

Table 1: CPD Content Categories and Restrictions

<table>
<thead>
<tr>
<th>Cat</th>
<th>Content</th>
<th>Description</th>
<th>Max Hours/Triennium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>CFP® Professional</td>
</tr>
<tr>
<td>1</td>
<td>FPA Accredited</td>
<td>A program that has been accredited by the FPA or an Authorised FPA CPD Assessor.</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>
| 2   | Non Accredited Training | • Any relevant non accredited CPD activity including participation at training presentations, seminars or discussion groups that are not FPA accredited or accredited by an FPA CPD assessor.  
• Preparation of lectures, course materials or presentations to discussion groups.  
• Facilitation or presentation of seminars, training programs, conferences. | 50% or 60 hours (including non accredited reading) | 50% or 45 hours (including non accredited reading) |
| 3   | Non Accredited Professional Reading | Any professional reading which has not been accredited. These hours also contribute to a member’s ‘non accredited training’ cap. | 20 hours | 15 hours |
3.2 Non Accredited CPD Activities

Members can undertake CPD activities that are not FPA accredited or accredited by an FPA CPD Assessor. However, if audited, members must be able justify participation in relation to the professional dimensions and the Professional Development Plan.

It is the member’s responsibility to keep a record of the following information or documents:

- Program content
- Program structure
- Proof of completion
- Evidence any assessments undertaken

Inclusion of non accredited CPD on the Professional Development Record has been capped at 60 hours for CFP® Professionals and 45 hours for Financial Planner AFP® members.

3.3 FPA Accredited CPD

The FPA assesses CPD products and programs according to how they fit with the desired outcomes embodied in this policy.

Programs that are FPA Accredited will be entitled to promote their programs as FPA Accredited together with the specific approval code.

More information on FPA Accreditation and the quality accreditation criteria can be found in the document CPD Accreditation Guidelines.

3.4 Relevant University Study

The FPA recognises the value of relevant formal study with a higher education provider as part of a Professional Development Plan.

Members may include *relevant study at a Bachelors degree or higher for any relevant subject that has been passed. Where there has been no formal FPA assessment, each subject passed can be claimed as accredited CPD at a level of 20 hours for each subject passed. Other hours (with documentation) can be claimed as unaccredited CPD.

*Relevant study is study identified in the Professional Development Plan.
SECTION 4: FPA ACCREDITED CPD ASSESSORS

The FPA has empowered agents of Professional Partners who hold their own AFSL, referred to as CPD Assessors, to undertake the accreditation of their internal training courses.

In order to become registered, CPD Assessors will need to undertake the FPA’s Accredited Assessor training program, which outlines the CPD Policy, accreditation and audit processes.

**CPD Assessors cannot accredit CPD activities for any organisation but their own**, unless the organisation is a subsidiary of a Professional Partner parent company. The FPA should be approached in instances where this is not clear.

All CPD activities designed and developed with the intent of marketing to people outside the organisation e.g. road shows, conferences, etc must be forwarded to, and accredited by, the FPA. This will ensure that all CPD activities branded as ‘FPA Accredited’ and available to the general financial services community meet FPA quality accreditation standards.

**Programs accredited by CPD Assessors are included under ‘Accredited Programs’ on a Professional Development Record, and as such there is no cap on the inclusion of these activities for FPA practitioner members.**

4.1 **CPD Assessor Qualifications**

To become a CPD Assessor, candidates must successfully complete the FPA CPD Assessor training program\(^1\), **AND** be an agent of a Professional Partner of the FPA.

Professional Partners who hold their own AFSL, can nominate as many agents as they feel necessary to become CPD Assessors. If a CPD Assessor moves from one organisation to another they maintain their CPD Assessor status provided the new organisation is a Professional. However they must notify FPA of their new details.

This program need only be completed once to gain CPD Assessor status, however annual renewals, update sessions and skills development will be introduced to ensure that standards are maintained in the event of major CPD Policy Changes.

4.2 **Audit of CPD Assessors**

A random audit of CPD Assessors may be conducted at any time. If audited, assessors will be required to supply examples of CPD Accreditations conducted within the audit period.

Failure to comply with the audit may result in CPD Assessor Status being revoked.

\(^1\) The CPD Assessor training program is offered online. - Contact cpd@fpa.asn.au for further details.
SECTION 5: FPA REQUIREMENTS

5.1 CPD Point Requirements

Financial Planner AFP® members are required, as a condition of FPA membership, to accrue a minimum of 90 hours of CPD over any three year (triennium) period. Financial Planner AFP® members must earn a minimum of 25 hours each financial year.

CFP® Professionals are required to accrue no less than 120 CPD hours per triennium period. CFP® Professionals must earn a minimum of 35 hours each financial year.

All Practitioner Members must complete a Professional Development Plan and need to track their activity on a Professional Development Record, in order to comply.

Whilst minimum CPD requirements have been set by the FPA, it is possible that a licensee will identify that a greater amount of CPD is required for Practitioner Members to maintain or ensure competence.

FPA Practitioner Members are required to complete at least 3 CPD hours per triennium on Ethics.

5.2 New Members

CPD requirements of a new FPA practitioner member are effective immediately upon membership acceptance.

The initial CPD requirements for new practitioner members will be prorated from the date of membership acceptance.

5.3 Membership Categories

There are 3 levels of individual membership – CFP® Professional, Financial Planner AFP® and Associate.

<table>
<thead>
<tr>
<th>A. CFP® Professional</th>
<th>120 CPD hours per triennium (minimum of 35 hours per financial year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CFP practitioner designation is the global symbol of excellence in financial planning. It is awarded to practitioners who complete the CFP certification program Examination and highest standards of education, experience and ethics.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Financial Planner AFP®</th>
<th>90 CPD hours per triennium (minimum of 25 hours per financial year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This level of membership shows a commitment to professional attainment through completion of mid-tier educational programs and at least one year of approved practitioner experience.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Associate</th>
<th>No CPD requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates are affiliates of the FPA with no voting rights and no voting professional obligations. This category is for students, paraprofessionals, future or new planners and others who do not meet the Financial Planner AFP® criteria.</td>
<td></td>
</tr>
</tbody>
</table>
5.4 CPD Triennium Period

CPD hours shall be accrued by FPA members on a financial year basis from July 1 to June 30. FPA CPD requirements are calculated on set triennium periods, as follows:

<table>
<thead>
<tr>
<th>Start Date:</th>
<th>July 1, 2012</th>
<th>July 1, 2015</th>
<th>July 1, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>End Date:</td>
<td>June 30, 2015</td>
<td>June 30, 2018</td>
<td>June 30, 2021</td>
</tr>
</tbody>
</table>

5.5 Transferring CPD Hours

CPD hours in excess of the required number cannot be transferred into the next CPD triennium.

5.6 Averaging CPD Hours

Members can allow a 5 hour leeway per year, within a triennium. For example, Financial Planner AFP® members could obtain 25 CPD hours in the first year, 35 CPD hours in the second year and 30 CPD hours in the third year of their triennium period.

5.7 Non Accredited CPD Activities

Members can undertake activities that do not have a FPA CPD accreditation number attached to them; however the content of the activity must be directly related to the adviser’s Professional Development Plan and be mapped to the Professional Dimensions.

If audited, members must be able to explain how any non accredited activities included were relevant to their current role. The documentation to be retained is outlined in Section 5.9 of this policy.

It is strongly recommended that Practitioner members undertake accredited programs to ensure they meet minimum FPA CPD criteria. The inclusion of non accredited CPD has been capped at 60 hours for CFP® Professionals and 45 hours for Financial Planners, i.e. there must be 60 hours and 45 hours respectively of accredited hours.

5.8 CPD Activities by Other Membership Bodies

CPD activities offered by other membership bodies can be included on a member’s FPA Professional Development Record.

The FPA works with other professions and associations to consider recognition for Professional Development and offers discounted rates and support to those organisations. In the first instance the FPA encourages members to suggest that the organisation seek to have their programs accredited for CPD hours by the FPA to ensure quality across the industry. Where the body does not have their programs FPA accredited, members will need to maintain evidence of completion, an outline of course aims and/or objectives and any assessments undertaken in order to justify the inclusion of such programs on their record.
5.9 Record Keeping and Reporting

Practitioner members must retain the following:

- Evidence of CPD activities undertaken, eg. FPA Professional Development Record or internal CPD tracking report, including records of attendance;
- A Professional Development Plan; and
- Evidence for non accredited activities.

Documentation must be kept for five (5) years after the relevant triennium.

5.9.1 Professional Reading

To claim CPD hours for Professional Reading, the following information needs to be recorded in a Professional Reading Journal:

1. List in chronological order the author’s name, title of book, journal or newspaper, name of publication, place of publication, year of publication and page numbers;
2. Document how your professional reading has enhanced your knowledge and skills;
3. Document the date you completed professional reading relating to one or more of the professional dimensions;
4. Record the approximate number of hours spent on professional reading; and
5. Document the number of CPD hours claimed per year for engaging in Professional Reading on financial planning issues.

Inclusion of professional reading has been capped at 20 CPD hours for CFP® Professionals and 15 hours for Financial Planners and is subject to approval by the licensee.

5.9.2 Declaration

Each member is asked to make a declaration of compliance with the annual CPD obligations at membership renewal. Records and supporting documents should be maintained as random audits will be made (See Section 6.1). Members unable to make the declaration should contact the FPA to prepare a plan to rectify the issues.

5.10 Suspension of CPD Requirements

Members affected by extenuating circumstances such as medical, disability or parental leave may apply for a suspension of their CPD requirements.

Practitioner members of the FPA are obliged to contact the FPA in writing, along with supporting documentation.

On returning to work, the Australian Financial Services Licensee (AFSL) must certify that they are satisfied that the member’s knowledge and skills are up to date.

Alternatively members may elect to continue to meet their CPD requirements whilst on leave.
Application for suspension of CPD requirements cannot be sought due to age or workload.

5.11 CPD Requirements on Return from Leave of Absence or After Termination/Resignation

The FPA adopts the following policy regarding CPD completion/verification for a return from Leave of Absence

<table>
<thead>
<tr>
<th>Reinstatement of CFP® designation after Leave of absence</th>
<th>Reinstatement of CFP® designation after termination or resignation</th>
<th>Reinstatement for Financial Planner AFP®</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave of absence of less than one year</td>
<td>Termination less than 1 year prior</td>
<td>All reinstatement after less than one year</td>
</tr>
<tr>
<td>• all CPD hours in arrears</td>
<td>• all CPD hours in arrears</td>
<td>• all CPD hours in arrears</td>
</tr>
<tr>
<td>Leave of absence of more than one year and less than three years</td>
<td>Termination more than 1 year prior and less than three years</td>
<td>All reinstatement after more than one year and less than three years</td>
</tr>
<tr>
<td>• 40 CPD hours within the last two years or</td>
<td>• 40 CPD hours within the last two years or</td>
<td>• 30 CPD hours within the last two years</td>
</tr>
<tr>
<td>pass CFP Certification examination (3-hour multiple-choice question examination).</td>
<td>pass CFP Certification examination (3-hour multiple-choice question examination).</td>
<td>Complete current online training on the FPA’s Professional Code</td>
</tr>
<tr>
<td>Leave of absence of more than three years</td>
<td>Termination more than 3 years prior and less than five years</td>
<td>All reinstatement after more than three years</td>
</tr>
<tr>
<td>• pass the CFP Certification examination (3-hour multiple-choice question examination).</td>
<td>• Pass the CFP Certification examination (3-hour multiple-choice question examination).</td>
<td>• 30 CPD hours within the last two years</td>
</tr>
<tr>
<td></td>
<td>• CFP1 (if not previously completed)</td>
<td>Complete current online training on the FPA’s Code of Professional Practice</td>
</tr>
<tr>
<td></td>
<td>• CFP1 (if not previously completed)</td>
<td></td>
</tr>
</tbody>
</table>

To return to practising status, the member requires representative status with an AFSL for a period of 3 months.
SECTION 6: AUDITS AND PENALTIES

Adherence to the CPD Policy is a practitioner member requirement and failure to comply may ultimately result in suspension of membership.

6.1 Audit Procedure

Members are asked for declarations of completion of CPD within the annual renewal process.

The FPA will conduct two audits each year with random samples of Professional Development Records of practitioner members. If audited, members will be required to produce the following:

- An up-to-date Professional Development Plan
- A copy of their Professional Development Record
- Supporting materials for non accredited CPD (if requested)

During the first year of any triennium, members will be asked for their Professional Development Record for the previous triennium.

During the second year of any triennium, members will be asked for the record of the completed year of the triennium.

During the final year of any triennium, members will be asked for the record of the two completed years.

6.1.1 Audit Requirements of Financial Planner AFP®

To comply, the Professional Development Record should show evidence of CPD activity that:

- Links to the Professional Development Plan;
- Includes 3 hours in the Professional Conduct Dimension specifically on Ethics (by the end of the triennium)
- A minimum of 25 hours annually\(^2\) with a minimum of 90 hours over the triennium;
- No more than 45 hours accumulated through non accredited activities; and
- No more than 15 hours accumulated through non accredited professional reading.

6.1.2 Audit Requirements for CFP® Practitioners

To comply, the Professional Development Record should show evidence of CPD activity that:

- Links to the Professional Development Plan
- Includes 3 hours in the Professional Conduct Dimension specifically on Ethics (by the end of the triennium)
- A minimum of 35 hours annually with a minimum of 120 hours over the triennium
- No more than 60 hours accumulated through non accredited activities.
- No more than 20 hours accumulated through non accredited Professional Reading

\(^2\) The FPA measures CPD over financial years, from 1 July to 30 June.
6.2 Rectifying CPD Deficits
Where a member fails to respond to an audit, they will be selected automatically for the next audit.

If a member’s CPD record is found to be in deficit, the member will be asked to prepare a plan to rectify the deficit and the member will be audited again in the next available audit.

6.3 Penalties for Non Compliance – Financial Planner AFP® and CFP® Professionals
Failure to cooperate with the audit process will result in disciplinary proceedings being brought against the member which may lead to fines, cancellation of CFP Professional status or cancellation of membership. Members should refer to the FPA Disciplinary Regulations 2011 for further information on this process.

SECTION 7: LINKS TO RELATED POLICIES, DOCUMENTS AND TEMPLATES

CPD Recording Templates and Support Tools
- Professional Development Plan
- Professional Development Record (revised 2015)

Related Policies
- Australian Securities and Investments Commission – Regulatory Guide 146 (ASIC RG146)
- FPA Disciplinary Regulations 2011
- FPA Code of Professional Practice
- TPB Explanatory paper 06/2014 CPE for tax (financial) advisers