



CONTINUING PROFESSIONAL DEVELOPMENT STANDARDS Interpreting FASEA Qualifying CPD

As organisations involved in the delivery and accreditation of Continuing Professional Development learning activities within the Financial Planning sector we have come together to agree a shared interpretation of the FASEA CPD legislative instrument.

We have done this in order to provide clarity and consistency in the treatment of CPD across the sector and to ensure that licensees and their relevant providers are able to easily identify and consume high quality CPD.

We have focused on the definition of Qualifying CPD as this was the area where the greatest inconsistency in application amongst providers, licensees, and associations was seen.

Continuing professional development (CPD) standards are an important component of the financial planning profession. Well developed and qualifying CPD education activities ensure, relevant providers are equipped with the technical competence, up-to-date knowledge and skills, regulatory and professional standards to develop strategic solutions to achieve their clients' goals and needs.

FASEA's CPD areas support industry associations' historic CPD policies to encourage broader professional development and recognition of education activities that provide the holistic skills and knowledge required to be a well-rounded professional who can think critically and respond to a client's goals and needs.

In developing this interpretation we have aimed for simplicity and to broadly address the core issues at the heart of CPD provision, without creating additional complexities or compliance burdens. We will seek endorsement from FASEA and other relevant regulatory bodies for our interpretation.

Is the learning activity Qualifying CPD?

Our understanding of the legislation is that there are three main points that must be addressed when determining whether a learning activity falls within the qualifying CPD definition supplied by FASEA:

1. Does the activity have sufficient intellectual or practical content?
 2. Is it led or conducted by someone with appropriate standing, expertise, and qualifications / experience?
 3. Is the subject matter suitable? - i.e. is it in one of the CPD Areas, on a matter primarily related to the provision of financial product advice, financial advice services, and financial advice business, and does it enhance practitioner knowledge and skills?
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We expect that, moving forward, learning activities will have clearly stated outcomes (whether a purpose statement, learning outcome(s), or participant outcomes) that can be used to guide this determination.

Generally we would expect to see CPD in the sector delivered at a level that builds on existing advisor knowledge. A possible framework for deciding whether CPD is at an appropriate level is to assess whether CPD meets the higher order thinking skills outlined in Blooms taxonomy - CPD should move beyond understanding and recall to application, analysis, and evaluation of the information being taught. There are some exceptions to this - especially where an advisor is taking on introductory training in a new area of expertise - however, this is subject to the specific learning needs of an individual. When identifying whether training is at an appropriate level look for the language used in the outcomes and any assessments.

We would also expect CPD to have an educational focus, to be evidenced based, and without bias. Activities that are primarily marketing, promotional, and sales presentations are not considered to be CPD.

The phrase “led or conducted by” has caused confusion – for example with relation to the distinction between professional reading and online CPD delivery. Based on clarification from FASEA we do not interpret this as limiting qualifying CPD to face to face training. Online reading, podcasts, or static modes of content delivery can be considered to be “led or conducted” when they are developed in order to meet specific outcomes, and have a robust and independent assessment to confirm participant achievement against these outcomes. The same criteria that would be applied to determine the appropriateness of presenter qualifications and subject matter expertise for face to face training would apply to the individual who developed the online / reading based learning activity.

When identifying whether the subject matter is suitable, it is our opinion that the training or learning outcomes can be used as a guide. If these will ensure that client outcomes are ultimately enhanced then it is likely that the subject matter meets this criteria, however, there may be some qualifying CPD topics that do not directly benefit client outcomes. Further discussion around what is included within each of the FASEA CPD Areas is provided below.

It should be noted that without appropriate records captured by the individual to validate training, a determination of achievement against CPD targets will not be able to be made by the licensee on their behalf.

FASEA CPD Areas -

1. Technical competence - Minimum five hours per CPD year

PURPOSE STATEMENT

The Purpose of this section of the standard is to reflect the FASEA professional development requirement that individuals must demonstrate with respect to how they maintain:

- technical competence in the areas they provide advice or intend to provide advice
- current knowledge of developments in the relevant areas in the table below.

Technical competence is the foundation CPD area. It is the minimum requirement for capable participation in the financial planning profession. Typically all ASIC's RG146 Knowledge Requirements and the Tax Practitioner's Board requirements would fall within this CPD area. A CPD plan should include qualifying education activities covering technical subjects to assist relevant providers to competently perform their role.

The Corporations Act (Relevant Providers Continuing Professional Development Standard) Determination 2018, states:

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.

To act as a technically proficient activity areas include, but are not limited to:

Any investment, product, or facility on which an adviser is authorised to provide advice	Cash flow management and advice on debt instruments	Specific product and fund manager knowledge
Philanthropy	Aged care	Estate planning
Taxation (gearing, salary packaging, small business, partnership, company, unit trust, joint ventures, CGT, PAYG)	Taxation treatment of any investment, financial product, platform or structure, i.e. Trusts, Superannuation/SMSFs	All or any of the ASIC RG 146 Generic and Specialist Knowledge areas
Economic variables that can affect investments and markets	Effects of taxation on a client's financial strategies	Departments of Social Services and Veteran Affairs
Life insurance / Risk Advice	Behavioural finance theory	Knowledge of the six step financial planning process

Government Budget	Understanding SMSF Trustees	Portfolio management and construction, asset allocation theory
Self-Managed Superannuation Funds and SMSF specialist knowledge areas	SMSF Trust Deeds	Investment Risk analysis
SMSF strategies	Interest, exchange, inflation rates	Transaction execution and settlement
Characteristics and impact of economic and business cycles	Structure and inter-relationships within the financial markets	Government monetary and fiscal policy
The role of intermediaries and issuers	Client disability and mental health	Inter-relationship between industry sectors
Understanding audit and the application within an SMSF	Product analysis and selection	Performance reporting

2. Client care and practice – Minimum five hours per CPD year

PURPOSE STATEMENT

The Purpose of this section of the standard is to reflect the FASEA professional development requirement that individuals must demonstrate how they maintain:

- their expertise as a client-centric practitioner
- their ability to manage / lead a practice from a client-centric perspective
- current knowledge of developments in the relevant areas outlined in the table below.

For example, the Client care and practice CPD area, is about providing a proper and respectful standard of service. It includes providing clients with the information they need to make informed decisions, how your services will be delivered and how much they will cost. Client care ensures you and your client understand each other's expectations and responsibilities. Client care is also about managing the relationship fairly and promptly if a client is not happy with the service they have received.

Client care and practice also encompasses the specialist knowledge and cognitive skills of decision making and reflective problem solving when developing strategies to achieve your clients' goals.

This CPD area 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.

The Corporations Act (Relevant Providers Continuing Professional Development Standard) Determination 2018, states:

The activity is designed to enhance participants' ability to act as a client-centric practitioner in advising retail clients

To act as a client centric practitioner, activity areas include, but are not limited to:

Positioning yourself and your services	Goals-based advice/goals discovery	Wealth management/generational transfer conversations
Active listening	Behavioural finance application	Client data collection techniques
Building resilience	Interview skills	Research techniques
Dealing with client concerns	Interpersonal skills	Problem solving
Building rapport	Verbal and written communication skills	Practice management technology and software tools
Building trust	Decision making skills	Dealing with ambiguity
Analysis and articulation of advantages, disadvantages, and risks of each strategy	Identification and analysis of clients' objectives, goals, financial situation and risk profile	Considering and developing strategy alternatives that link to client goals
Managing ongoing client service	Forming recommendations	Leadership
Financial literacy initiatives	Coordinating and implementing a financial plan	Establishing relationships with the client
Examining evidence	Mentoring	Analysing bias and assumptions
Understanding your client, their needs and goals	Value propositions for clients	Well trained support staff

Practice management in relation to client care	Practice pricing/business revenue models	Succession Planning (business owner, investor, adviser)
Information security management for your practice (cybersecurity)	Marketing based activities inc social media	Influencing Skills
Negotiation Skills	Dealing with difficult people/difficult conversations	Time Management Skills
Coaching skills	Client capacity and well-being	Informed Client Consent
Objection handling		

3. Regulatory compliance and consumer protection – Minimum five hours per CPD year

PURPOSE STATEMENT

The Purpose of this section of the standard is to reflect the FASEA professional development requirement that individuals must demonstrate how they maintain:

- Understanding of, and compliance with, applicable legal obligations.

The Regulatory compliance and consumer protection CPD area, covers the relevant laws, policies and regulations that protect or impact your clients, the financial health of practices and the reputation of the financial services profession and relevant providers.

The goal of this CPD area is to ensure relevant providers are aware of and take steps to comply with the relevant laws, policies and regulations, and any amendments to these.

The Corporations Act (Relevant Providers Continuing Professional Development Standard) Determination 2018, states:

The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.

To act as a legally compliant practitioner activity areas include, but are not limited to the areas as outlined above.

4. Professionalism and Ethics - Minimum nine hours per CPD year

PURPOSE STATEMENT

The Purpose of this section of the standard is to reflect the FASEA professional development requirement that individuals must demonstrate how they maintain :

- Their capacity to act as an ethical individual

The professionalism and ethics CPD area covers the skills, capacity and clarity of purpose, values and principles to ensure ethical behaviour as the core of how relevant providers conduct a practice, serve the interests of clients and make better decisions.

This CPD area reinforces the ethical framework of purpose (clarity of purpose, strategy, structure, process, people and outputs), values (honesty, competence, diligence, client interest, trust and integrity) and principles (subordinating self interest to the fulfilment of duties to others). A CPD plan should include qualifying education activities that focus on building the skills and capacity to act according to these values and principles, as the core of professional and personal behavior.

The Corporations Act (Relevant Providers Continuing Professional Development Standard) Determination 2018, states:

The activity is designed to enhance participants' capacity to act as an ethical professional.

To act as an ethical professional, activity areas include, but are not limited to:

Proactive risk management and compliance	Sound and effective corporate governance framework	Fairness and transparency of transactions
Effective identification of confidential information and appropriately limit access	Professional codes of practice and conduct	TPB Code of Professional Conduct
Honesty, fairness, equality, dignity, diversity and individual rights	FASEA Code of Ethics	Ethical theory
Ethical practices	Ethical crisis management	Building trust and legitimacy
Good decision making pathways	Serving interests rather than wants	Making better decisions
Ethical leadership	Managing ethical dilemmas	Overcoming biases and stereotypes

Conducting open, clear and honest conversations/interviews	Dispute resolution	
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5. General

PURPOSE STATEMENT

The Purpose of this section of the standard is to allow advisers to undertake learning activities that will enhance Individual professional capabilities in the areas of financial advice, and financial advice services and financial advice business, but are not captured in the other CPD areas.

The General CPD area is purposefully broad and covers the range and variation of education activities that provide up-to-date knowledge, technical and developmental skills required by relevant providers to effectively operate.

The Corporations Act (Relevant Providers Continuing Professional Development Standard) Determination 2018, states:

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.

Activity areas include, but are not limited to:

Specialisations that do not fall under technical	Fintech/big data/technology	Demographics
Adviser well being and crisis management	General economic market updates	Business management
