

Grove Securities Pty Ltd Continuous Professional Development Policy

Contents

1	Background and purpose of document	1
1.1	Background	1
1.2	Purpose	1
1.3	Scope	1
1.4	Access	1
2	Licensee's overall approach to CPD	2
2.1	Overall approach	2
2.2	Licensee monitoring and supervision of compliance against this policy	2
2.3	Licensee notification obligations	2
3	Advisers' CPD obligations	3
3.1	Finalise CPD Plan for the next 12 months	3
4	CPD Plans	3
4.1	Approach for creating CPD Plans for advisers	3
4.2	What must be covered in the CPD Plan?	3
4.3	Limitations	4
5	Qualifying CPD activities	5
5.1	What is a qualifying CPD activity?	5
5.2	Process for approving CPD activities and allocating hours	5
5.3	Licensee assessment and approval if the CPD activity has not been approved or accepted	5
5.4	Types of CPD activity learning	6
5.5	If you are presenting a qualifying CPD activity	6
6	CPD requirements for provisional financial advisers in the Professional Year	7
6.1	If you are 'Provisional relevant provider'	7
7	Circumstances impacting CPD	8
7.1	Career break of less than 2 years	8
7.2	Career break of 2 years or more	8
7.3	Extenuating circumstances	8
8	If a new adviser joins the licensee	8
8.1	New advisers joining the licensee during the CPD year	8
8.2	Recognition of CPD completed for new advisers who have joined the licensee	8
9	Outcomes, evidence and record keeping	8
9.1	Advisers must keep evidence of CPD	8
Appendix A – Template CPD Record		1
Appendix B - List of approved industry associations		2

Version 1 – 5 March 2019

1 Background and purpose of document

1.1 Background

- (a) The Corporations Act 2001 requires that all individuals identified as a 'relevant provider' (**adviser**) for the purposes of providing personal advice to retail clients are required to meet the requirements for continuing professional development (**CPD**) set by the standards body, *Financial Adviser Standards and Ethics Authority*.
- (b) It is also an obligation under the FASEA Code of Ethics (Standard 10) that an adviser must develop, maintain and apply a high level of relevant knowledge and skills.

1.2 Purpose

This Continuous Professional Development Policy (**CPD Policy**) is developed by Grove Securities Pty Ltd (**licensee**) for the purposes of:

- (a) enabling the licensee to support its advisers in maintaining their competence and meeting their CPD requirements under FASEA; and
- (b) providing guidance to its advisers on the licensee's expectations and approach to CPD.

1.3 Scope

This Policy does not address other matters required by FASEA which include:

- (a) Adviser education and qualification
- (b) Examination
- (c) Provisional relevant adviser work and training in their professional year
- (d) Code of ethics
- (e) Foreign qualifications

1.4 Access

This Policy shall be published on the licensee's website and will be made accessible to all advisers who are authorised to provide financial product advice to retail clients under the licensee.

2 Grove Securities Pty Ltd's overall approach to CPD

2.1 Overall approach

- (a) The licensee takes a facilitative approach to CPD.
- (b) The licensee recognises that in many instances, an adviser may also need to meet CPD requirements of their respective industry associations to maintain professional accreditation.
- (c) If an adviser is required to complete additional CPD points or hours under other professional bodies or industry associations (e.g. FPA, AFA, TASA) the adviser must ensure that those additional requirements are also met in addition to the CPD Plan (Section 4).
- (d) Advisers must prioritise the completion of the CPD Plan ahead of any additional requirements of the other professional bodies or industry associations.
- (e) The licensee will take reasonable steps to provide access to resources and opportunities so that the adviser is able to meet the requirements of the CPD Plan.
- (f) Any amendments to the CPD Policy after it has been approved by the licensee can only be made in writing with approval from the licensee.

2.2 Licensee monitoring and supervision of compliance against this policy

- (a) The licensee will, before the end of the CPD year, ensure that the adviser has complied with their CPD Plan.
- (b) The licensee may periodically conduct checks to monitor the adviser's progress against his or her CPD Plan. If requested, the adviser must give the licensee information and evidence relating to the progress of the CPD Plan.
- (c) The licensee reserves the right to impose sanctions or restrictions until the requests have been met by the adviser. This may include:
 - (i) suspension of authorisation until the CPD requirements are met; or
 - (ii) in more extreme cases the termination of the employment contract due to inability to perform the role as an adviser in compliance with the law.
- (d) The licensee is also obliged to notify ASIC where an adviser has not met the professional development standards.

2.3 Licensee notification obligations

- (a) The licensee will notify ASIC (in the form required by ASIC) when it has knowledge of the following:
 - (i) when an adviser becomes a 'relevant provider';
 - (ii) where there is a change in the particulars that were previously notified to ASIC, the licensee will update ASIC with the new information when the licensee becomes aware of such change;
 - (iii) The licensee's CPD year, or a change in its CPD year;
 - (iv) When an adviser has not complied with the CPD Plan or other continuous professional development requirement standards;
 - (v) When a person has (or ceases to have) control of a body corporate that is the licensee;

- (vi) An adviser has failed to comply with the Code of Ethics
- (vii) a sanction imposed on an adviser for failing to comply with the Code of Ethics.
- (b) If the licensee is required to notify ASIC in relation to the above, the adviser is required under s922N of the Corporations Act to provide the information to the licensee.
- (c) Failure to meet the notification obligations may result in civil penalty liability for the licensee.

3 Advisers' CPD obligations

3.1 Finalise CPD Plan for the next 12 months

- (a) The relevant CPD year for the licensee is the 12-month period between 1 July to 30 June.
- (b) For the purposes of transitioning to the FASEA standards, all advisers must have their CPD Plan approved by the licensee by 31 March 2019.
- (c) Any amendments to the CPD Plan after it has been approved by the licensee can only be made in writing with approval from the licensee.
- (d) The licensee may also set a timeframe by which a specific qualifying CPD activity must be completed.

4 CPD Plans

4.1 Approach for creating CPD Plans for advisers

- (a) A CPD Plan is a plan specifically tailored for an adviser to develop and maintain their professional experience and knowledge. Therefore, the focus of the CPD Plan is on areas in which there is room for improvement and development of the adviser's competence, knowledge and skills.
- (b) A CPD Plan for an adviser must be submitted for approval by the responsible managers 3 weeks before the start of the new CPD year.
- (c) The CPD Plan submitted to the licensee must set out how the adviser will meet the requirements set out in 4.2(b) below. The licensee will work with the adviser to determine the focus areas when formulating the CPD Plan.

4.2 What must be covered in the CPD Plan?

- (a) In identifying specific areas for focus, the licensee may have regard to the following:
 - (i) the areas of practice for the adviser;
 - (ii) recent industry developments;
 - (iii) the audit results of the adviser; and
- (b) Advisers are required to complete a minimum of **40 hours** of qualifying CPD activities (Section 5)
- (c) However, in special circumstances if the adviser is working part-time for the whole of the CPD year, with the prior written consent of the licensee, the adviser must complete **at least 36 hours** of CPD activity in each CPD Year.

- (d) **Licensee approval** - At least 70% of the minimum number of CPD hours spent by advisers (i.e. 28 hours) must be spent on qualifying CPD activities approved by the licensee.
- (e) Of the 40 hours, advisers must complete the minimum hours in each CPD area specified below:

CPD Area	Description	Minimum hours
Technical competence	The activity is designed to enhance the adviser's 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.	5
Client care and practice	The activity is designed to enhance the adviser's ability to act as a client-centric practitioner in advising retail clients.	5
Regulatory compliance and consumer protection	The activity is designed to enhance the adviser's understanding of applicable legal obligations and how to comply with them.	5
Professionalism and ethics	The activity is designed to enhance the adviser's capacity to act as an ethical professional.	9

4.3 Limitations

In any CPD year:

- (a) no more than 4 hours of professional or technical reading may be counted towards an adviser's compliance with their CPD Plan; and
- (b) no more than 30 hours of the activity specified below may be counted towards an adviser's compliance with their CPD Plan:
- (i) A degree or equivalent qualification;
 - (ii) A course specified by FASEA;
 - (iii) Education or training provided or approved by a professional association;
 - (iv) Formal education or training study towards qualifications or designations relevant to practice as an adviser.
- (c) **No double counting** - If a CPD activity is able to count across more than 1 CPD area, it may be counted as being in the CPD area to which it predominantly relates, as long as there is no double counting of hours.

5 Qualifying CPD activities

5.1 What is a qualifying CPD activity?

- (a) Only a qualifying CPD activity can count towards meeting the CPD Plan.
- (b) An activity is a qualifying CPD activity if all the following requirements are satisfied. The licensee will carry out the CPD activity approval process having regard to the criteria below:
 - (i) the activity is in one of the CPD areas set out in 4.2(b);
 - (ii) the activity has sufficient intellectual or practical content;
 - (iii) the activity primarily deals with matters related to the provision of financial product advice, financial advice services and financial advice business;
 - (iv) the activity is led or conducted by 1 or more persons who are appropriate, and have sufficient standing, expertise, academic qualifications and/or practical experience;
 - (v) the activity is designed to enhance advisers' knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.

5.2 Process for approving CPD activities and allocating hours

- (a) The licensee will generally approve a CPD activity as a qualifying CPD activity if that CPD activity has been:
 - (i) approved or accepted by an industry professional association (see Appendix B for relevant industry associations) as meeting one of the CPD Areas;
 - (ii) approved or accepted by an industry body as meeting one of the CPD Areas; and
 - (iii) provided by a registered training organisation (RTO) as meeting one of the CPD Areas.
- (b) In general, the licensee will accept the allocated number of CPD hours indicated by the industry association, professional association or RTO for completion of the relevant CPD activity.
- (c) However, it is at first instance the responsibility of the adviser to ensure that the CPD activities undertaken or proposed to be undertaken qualifies as a qualifying CPD activity for the purposes of this policy (i.e. FASEA requirements).

5.3 Licensee assessment and approval if the CPD activity has not been approved or accepted

- (a) If the adviser wishes to undertake a CPD activity that has not been approved or accepted by an industry professional association, industry body or RTO, the adviser may still apply to the licensee for the proposed CPD activity to be assessed by the licensee as a qualifying CPD activity.
- (b) In order for the licensee to assess the proposed CPD activity, the adviser must provide details and information about the proposed CPD activity to allow the licensee to assess whether the proposed CPD meets the requirements of a qualifying CPD activity set out in 5.1.
- (c) In making such assessment, the licensee will also consider whether the CPD activity:

- (i) will meet a CPD areas set out in 4.2(e);
 - (ii) has sufficient intellectual or practical content (including learning objectives, learning outcomes and practical application);
 - (iii) primarily deals with matters related to the provision of financial product advice, financial advice services and financial advice business;
 - (iv) is led or conducted by 1 or more persons who are appropriate, and have sufficient standing, expertise, academic qualifications and/or practical experience;
 - (v) will enhance the adviser's knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.
- (d) The licensee may from time to time on its own initiative, engage or appoint third party industry experts to present seminars/webinars or workshops on certain topics or matters which may qualify as a CPD activity (e.g. compliance).

5.4 Types of CPD activity learning

The following types of learning are options that may be considered by an adviser and licensee in terms of the CPD that the adviser undertakes:

- (a) **Formal relevant education** (provided by an Education Provider) may contribute to the CPD requirement including 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, to a maximum of 30 CPD hours per year.
- (b) **Non-formal education** including:
 - (i) education for the purposes of achieving a relevant professional designation (e.g. CFP, FChFP, etc)
 - (ii) education for the purposes of meeting requirements in specific financial advice provisions (e.g. stockbroking, SMSF, aged care, etc.)
 - (iii) education for the purposes of accreditation in specific forms of financial products relevant to licensing arrangements (e.g. credit)
- (c) **Other CPD as approved by the licensee:**

This may include:

 - (i) Sessions/workshops such as conferences, PD days, update sessions, which are relevant to financial advice and financial services
 - (ii) Professional or technical reading (maximum of 4 hours)

5.5 If you are presenting a qualifying CPD activity

In some circumstances, the licensee may approve an adviser to lead or conduct a qualifying CPD activity (i.e. presenting) for the benefit of other advisers. If the licensee approves of this, the presenting adviser may count the number of hours spent in the preparation and first delivery of the qualifying activity. However, the licensee, before approving the presenting adviser, shall have regard to the presenting adviser's competency, experience and expertise in delivering the CPD activity.

6 CPD requirements for provisional financial advisers in the Professional Year

6.1 If you are 'Provisional relevant provider'

- (a) If an adviser is a provisional relevant provider (**adviser in training**), the adviser in training is not required to meet the continuing professional development standard in the year of his or her training.
- (b) When an adviser in training completes the professional year, that adviser will become an existing adviser and will be subject to the same CPD requirements as the existing advisers.
- (c) Depending on the time the adviser in training completes their Professional Year and the extent of training undertaken during the Professional Year, the licensee may choose to pro-rata the CPD hours for the period between completion of the Professional Year and the end of the CPD year.

7 Circumstances impacting CPD

7.1 Career break of less than 2 years

If an adviser takes a career break that is less than 2 years, the adviser may return without additional requirements.

7.2 Career break of 2 years or more

If an adviser takes a career break that is more than 2 years, the adviser must:

- (a) have a CPD Plan approved by the licensee before they recommence providing financial services; and
- (b) undertake appropriate CPD training as agreed with the licensee to ensure they upskill with the latest regulatory and licensee requirements.

7.3 Extenuating circumstances

- (a) Adviser must prioritise their CPD training and CPD planning to ensure they meet their regulatory and legal obligations. Failing to meet the CPD requirements may result in suspension of authorisation from the licensee.
- (b) The licensee expects that the adviser to manage their calendar and leave actively so that the CPD Plans are developed and the CPD Plans are completed.
- (c) In the event there are extenuating circumstances which may cause an adviser to not comply with this policy (e.g. medical, disability, unexpected situations), the adviser must notify the licensee as soon as possible. Depending on the nature of the circumstances, the licensee and the adviser will agree on an action plan to assist the adviser to manage their CPD obligations.

8 If a new adviser joins the licensee

8.1 New advisers joining the licensee during the CPD year

- (a) If an adviser joins the licensee during a CPD year, the CPD Plan for the new adviser must be prepared within 3 months of the adviser joining the licensee.
- (b) The preparation of the CPD Plan shall be consistent with the licensee's approach set out in section 4.

8.2 Recognition of CPD completed for new advisers who have joined the licensee

- (a) If an adviser has completed some CPD activities prior to joining the licensee, the licensee may, at its sole discretion determine whether to recognise the CPD activities completed by the adviser.
- (b) The licensee's assessment process will be consistent as those set out in 5.3.

9 Outcomes, evidence and record keeping

9.1 Advisers must keep evidence of CPD

- (a) The adviser must 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 their CPD Plan. A template CPD Record to document compliance with the CPD Plan is set out in Appendix A.
- (b) This includes complete and accurate records of:
 - (i) the name of qualifying CPD activities the adviser has undertaken;

- (ii) the CPD area in which the qualifying CPD activity counts towards;
 - (iii) when the qualifying CPD activity was undertaken;
 - (iv) the mode of delivery of the qualifying CPD activity;
 - (v) the number of hours spent on each qualifying CPD activity;
 - (vi) evidence of completion and outcomes of the qualifying CPD activity; and
 - (vii) the person or entity who delivered the qualifying CPD; and
 - (viii) the progress of implementation of the provider's CPD plan.
- (c) The adviser must keep records of their CPD activities for 7 years from the end of each CPD year. The licensee encourages records to be kept electronically to facilitate ease of tracking of CPD activities, evidence and outcomes, while providing portability and accountability.
- (d) If requested, the adviser must provide those records to the licensee in order for the licensee to meet its compliance with the CPD Year requirements.

Appendix A – Template CPD Record

Date	Name / Description of course	Subject matter of CPD activity	CPD activity provider	Number of hours	CPD Area	Mode of delivery
Area specific training (e.g. SMSF)						
Area specific training (e.g. margin lending)						
Area specific training (e.g. derivatives)						
Area specific training (e.g. securities)						

Appendix B - List of approved industry associations

1. Financial Planning Association of Australia (FPA)
2. Association of Financial Advisers (AFA)
3. Association of Independently Owned Financial Professionals (AOIFP)
4. Boutique Financial Planners (BFP)
5. Financial Services Institute of Australasia (FINSIA)
6. Self-Managed Super Fund Association (SMSF Association)
7. Stockbrokers and Financial Advisers Association (SAFAA)]