

**FACT SHEET**

## **CPD policy—training for responsible managers and representatives**

Australian financial service (AFS) licensees are required to ensure their responsible managers and representatives are adequately trained and competent to provide financial services.



We have developed this continuing professional development (CPD) policy to assist financial service providers and AFS licensees meet their ongoing training requirements.

Under this policy, CPD points are allocated to various training activities. Adopting this or any other CPD point based training regime is optional.

### **WHAT ARE THE CPD REQUIREMENTS UNDER THIS POLICY?**

Under this CPD policy, responsible managers and representatives who provide financial services are required to undertake a minimum of 20 CPD points in each reporting period (12 months).

### **WHAT IF YOU ARE A MEMBER OF AN ASSOCIATION WITH PRESCRIBED TRAINING REQUIREMENTS?**

If you are a member of an association with prescribed training requirements, eg Financial Planning Association, then you need to comply with that association's CPD policy which may include a component of accredited training.

Generally, you can count some non-accredited training toward meeting the CPD requirements. However, you should check this with your association. You will need to ensure you retain

sufficient evidence of the training undertaken to establish its relevance and suitability.

### **WHO IS RESPONSIBLE FOR COLLECTING AND RECORDING EVIDENCE OF TRAINING?**

Licensees are principally responsible to ensure their representatives complete the necessary training in any reporting period. It is also the licensee's responsibility to ensure sufficient evidence and details of any training undertaken by representatives are retained and recorded.

The training register for responsible managers and representatives needs to be updated following the completion of any training. Licensees will generally review the training registers at least once a year to confirm individuals have performed a sufficient amount of training. Additional reviews may be undertaken throughout a reporting period to ensure individuals complete the required amount of training.

### **WHAT HAPPENS IF YOU ACHIEVE MORE THAN THE MINIMUM AMOUNT OF POINTS?**

Under this policy, you cannot carry forward CPD points for completed training from one reporting period to another. CPD points must be

earned in the reporting period. This is to ensure responsible managers and representatives stay up-to-date with issues relating to the provision of financial services.

### **WHAT HAPPENS IF YOU DON'T ACHIEVE THE MINIMUM AMOUNT OF POINTS?**

Under this CPD policy, you can carry over the requirement to compete up to five CPD points for any reporting period. This means you can complete as few as 15 CPD points in a reporting period. However, you are required to complete up to 25 CPD points in the following reporting period (unless five CPD points are carried over to the next reporting period).

The ability for CPD points to be carried over should be at the licensee's discretion, taking into account issues such as sickness and family matters.

### **WHAT TOPICS SHOULD THE TRAINING ENCOMPASS?**

Training undertaken by responsible managers and representatives must be relevant to their role having regard to their previous education and experience.

Training should encompass a range of subjects, including—

- financial services regime, eg conduct and disclosure requirements



CPD points are allocated based on the duration or length of the training activity and nature of the training activity. However, the training activity must be relevant to the individual's role.

- financial products, eg managed investment schemes and securities
- legislative updates
- AFS licence conditions and responsible manager requirements
- ethics and professional conduct, and
- compliance.

#### **WHAT INFORMATION SHOULD YOU RECORD AND RETAIN?**

The following records should be retained:

- Evidence of completion or attendance, such as a statement of attendance or certificate of completion.
- Details of the aims and/or objectives of the course and any assessments undertaken.
- Copies of any seminar papers, newsletters or articles.

You must also ensure the training register is continually updated after any training is completed.

#### **HOW LONG SHOULD YOU RETAIN TRAINING RECORDS?**

Documentation relating to the completion of training should be retained for seven years, to tie in with the record keeping obligations of licensees under the Corporations Act. Documentation can be stored electronically or in hard copy.

#### **HOW ARE CPD POINTS ALLOCATED?**

Under this policy, CPD points are allocated based on the duration or length of the training activity and nature of the training activity. However, the training activity must be relevant to the individual's role.

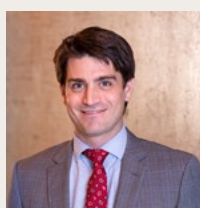
The table on page 3 summarises how CPD points are allocated to various training activities:

#### **HOW CAN WE HELP?**

Please contact a member of our Funds Management team for assistance or more information about a CPD policy.

TRAINING TYPE	EXAMPLE	CPD POINTS
<b>Newsletters and activities</b>	Newsletters or articles published by professional advisers, e.g., McMahon Clarke, CCH	0.25 CPD points per article (maximum of 1 CPD point per publication)
<b>Newspaper, magazine or periodical article</b>	Australian Financial Review; Money Management; BRW; Finance Broker	0.25 CPD points per article of 1 page or more in length (maximum of 1 CPD point per publication)
<b>DVD or recorded presentations</b>	Recorded presentations from conferences or seminars	1 CPD point per hour of speaker presentations
<b>Conference, seminar presentation, briefing or workshops</b>	ASIC seminars and updates; ADPIA, PIR or FPA conferences; seminars and briefings provided by McMahon Clarke; other inhouse training	1 CPD point per hour*
<b>Accredited training</b>	Short industry course (such as an ASIC RG146 specialist module) or a tertiary qualification (such as a diploma of financial services)  Refer to ASIC's training register for details of approved training providers and courses	10 CPD points for a short industry course and 15 CPD points for a subject of a relevant tertiary qualification

\*Events associated with a conference or seminar are not included in calculating CPD points, e.g., morning tea, lunch, dinner or networking sessions are not included. CPD points must only be awarded to conference sessions, such as speaker presentations.



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