



Continuing Professional Development Policy

Version 2.0 | Date prepared: 2 February 2022

Overview

The purpose of this CPD Policy is to set out the information required to be in a CPD policy by the *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018 (the 2018 Determination)*. The 2018 Determination is a legislative instrument, which was previously made by the Financial Adviser Standards and Ethics Authority (FASEA) pursuant to powers under the *Corporations Act 2001*. With the introduction of the *Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Act 2021*, FASEA will no longer exist from 1 January 2022. However, section 1684M of the *Corporations Act 2001* (as inserted by *Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Act 2021*) preserves the 2018 Determination until it is repealed and remade by the relevant Minister. The *Corporations (Relevant Providers – Education and Training Standards) Determination 2021 (the 2021 Determination)* also updates the 2018 Determination with additional requirements for financial advisers who provide a tax (financial) advice service.

When we use the term, “CPD”, we mean “Continuing Professional Development”.

When we use the term “financial adviser”, we mean a person who is authorised by Arrive Capital Pty Ltd (**Arrive Capital / the Licensee**) to provide personal advice to retail clients in relation to financial products other than basic banking products, general insurance products and consumer credit insurance.

A tax (financial) adviser is a financial adviser who, as part of their advice, works out or advises the client about their tax liabilities, obligations or entitlements under a tax law, in circumstances where the client is likely to rely on the information or advice for tax purposes.

The Licensee adopted the current version of this CPD policy on 2 February 2022.

Our CPD year

We organise our CPD in 12-month stretches. Our CPD year runs from 1 July to 30 June.

Assisting financial advisers

The Licensee will make appropriate resources and opportunities available to the financial adviser to enable the financial adviser to meet all relevant CPD requirements, including those imposed by the 2018 Determination.

This includes undertaking activities to assist financial advisers to meet their CPD requirements, including maintaining CPD Plans and Registers.

The Licensee also provides CPD opportunities to financial advisers – for example, by providing CPD activities internally or funding attendance at external CPD activities. Where a financial adviser is affected by unexpected circumstances which significantly affect their work hours, the Licensee will provide additional assistance to help them meet their CPD requirements.

CPD Plans

Each financial adviser is required to record their CPD activity via their account with Kaplan Ontrack, which may also be referred to as a CPD Register. The Licensee will keep all records for seven years from the end of each CPD year.

The financial adviser’s CPD Plan will specify:

- individual overall CPD target (minimum 40 hours);
- minimum requirements in each CPD area; and
- any other specific requirements that must be met.

Each financial adviser is responsible for ensuring they complete the required hours detailed in their CPD Plan and required by the 2018 Determination by the end of the CPD year.

Before the start of each CPD year, each financial adviser is required by law to prepare a CPD Plan for themselves for the new CPD year. The CPD Plan will be prepared and recorded through their account with Kaplan Ontrack, and may be amended throughout the CPD year as required.

The Licensee will assist each financial adviser to meet this requirement. This will be done by the Responsible Manager(s) preparing a CPD Plan and Register for each financial adviser for each CPD year before the start of that CPD year.

In preparing each CPD Plan and Register, the Responsible Manager(s) will take into account:

- the minimum CPD requirements imposed by the 2018 Determination;
- performance of the financial adviser over the previous 12-month period; and
- the needs of the Licensee.

The CPD Plan and Register will also identify areas in which the financial adviser needs or would like to improve, develop and extend their competence, knowledge and skills, and will describe the qualifying CPD activities the financial adviser will complete during the CPD year in order to address these areas.

Where relevant, the CPD Plan and Register will also address specific requirements for:

- Responsible Manager(s);
- professional body requirements (CAANZ, SMSF Association, The Tax Institute, FPA, etc.);
- tax agent registration; and
- any other requirements.

The law requires the Licensee to monitor the implementation of each financial adviser's CPD Plan. On a quarterly basis, the Responsible Manager(s) will run the 'CPD Progress Report' from Kaplan Ontrack that details the CPD progress of each financial adviser. This report will be presented at each Compliance Committee meeting to ensure financial advisers are on track to complete their CPD in line with their CPD Plan.

When a person becomes a financial adviser for the first time and it is after the start of the Licensee's CPD year, whether they are joining the Licensee at that point or have been with the Licensee during their "provisional relevant provider" year, the Licensee will prepare a CPD Plan and Register for that financial adviser no later than three months after the person becomes a financial adviser.

Career breaks

Where a financial adviser has not been practising, or has not been authorised, as a financial adviser for a continuous period of two years or more, the law states that a financial adviser can only resume practice under our Australian Financial Services Licence (AFSL) once the Licensee approves their CPD Plan for the first year after them resuming practice.

We will only approve a CPD Plan in these circumstances where we are satisfied that the plan is appropriate to address gaps in the financial adviser's competence, knowledge and skills arising from the financial adviser's absence from practice.

The preparation and approval of the CPD Plan will be made by the Responsible Manager(s) of the Licensee. The Responsible Manager(s) will consider:

- an opinion from the financial adviser as to their areas of need;
- the areas in which the financial adviser previously practised, and in which they are now expected to practice; and

- the developments since the financial adviser ceased practice or ceased being authorised, in relation to products, markets, technology and regulation, in light of the financial adviser’s previous and expected areas of practice.

The CPD Plan will identify areas in which the financial adviser will improve, develop and extend their competence, knowledge and skills. It will describe the qualifying CPD activities the financial adviser will complete during the CPD year in order to address these areas.

Assessment and approval of CPD activities

An activity which a financial adviser may put towards meeting their CPD requirements is known as a “qualifying CPD activity”.

The law requires the Licensee to approve enough qualifying CPD activities to enable each financial adviser to ensure that 70 per cent of their minimum number of CPD hours are acquired from activities approved by the Licensee. In order to approve an activity, the Licensee must be satisfied that the activity is a qualifying CPD activity.

Formal relevant education provided by one of the following entities automatically amounts to a qualifying CPD activity without consideration of further criteria (**formal qualifying CPD activity**):

- an entity registered under the *Territory Education Quality and Standards Agency Act 2011*;
- a training organisation listed on the National Register as a registered training organisation, as described in the *National Vocational Education and Training Regulator Act 2011* (and corresponding State legislation); or
- a professional association.

Formal qualifying CPD activities include:

- a degree or equivalent qualification approved under the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2018*;
- education or training provided or approved by a professional association such as Chartered Accountants Australia and New Zealand (**CAANZ**) or the Financial Planning Association of Australia (**FPA**); and
- formal education, training or study towards qualifications or designations relevant to practice as a financial adviser.

An activity will also be a qualifying CPD activity if it:

- is in a CPD area set out in the 2018 Determination or, for tax (financial) advisers, the 2021 Determination;
- has sufficient intellectual or practical content;
- the activity primarily deals with matters related to the provision of financial product advice, financial advice services, and financial advice business;
- except where the activity is professional or technical reading, the activity is led or conducted by one or more persons who are appropriate and have sufficient standing, expertise, academic qualifications and/or practical experience; and
- is designed to enhance financial advisers’ knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.

Any CPD activity completed within Kaplan Ontrack is automatically approved by the Kaplan assessors. If the financial adviser would like to have an External CPD Activity considered as part of their CPD Plan, it is the financial adviser’s responsibility to upload evidence of the external training via their account with Kaplan Ontrack and email the Responsible Manager(s) with the relevant supporting documentation for approval.

When deciding whether to approve a qualifying CPD activity, the Responsible Manager(s) will consider:

- whether the activity is a formal qualifying CPD activity;
- where the activity is not a formal qualifying CPD activity, whether it is nevertheless, in the view of the Responsible Manager(s), a qualifying CPD activity pursuant to the five bullet points above (**the criteria**); and
- where the activity is, in the opinion of the Responsible Manager(s), a qualifying CPD activity, whether the Licensee should approve it.

When assessing whether an activity meets the criteria, the Responsible Manager(s) will consider:

- the qualifications and/or reputation of the provider of the CPD activity (both the individual and, where relevant, the business on behalf of which the training is provided); and
- any course outline or learning outcomes provided by the provider.

If approved, the relevant hours will be credited towards the financial adviser's CPD Plan and count towards satisfaction of the minimum 40 hours.

For financial advisers other than tax (financial) advisers, the CPD areas set out in the 2018 Determination are as follows.

CPD area	Content of CPD activity
Technical competence	The activity is designed to enhance participants' technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situation and needs of different classes of retail clients.
Client care and practice	The activity is designed to enhance participants' ability to act as a client-centric practitioner in advising retail clients.
Regulatory compliance and consumer protection	The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.
Professionalism and ethics	The activity is designed to enhance participants' capacity to act as an ethical professional.
General	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 in this table.

For tax (financial) advisers, from 1 January 2023, the CPD areas set out in the 2021 Determination are as follows.

CPD area	Content of CPD activity
Technical competence (general)	The activity is designed to enhance participants' technical proficiency (other than in relation to Australian commercial and taxation laws) and ability to develop and provide advice strategies that are appropriate to the objectives, financial situation and needs of different classes of retail clients.
Technical competence (tax-specific)	The activity is designed to enhance participants' technical proficiency relating to Australia's commercial and taxation laws and ability to develop and provide advice strategies that are appropriate to the objectives, financial situations and needs of different classes of retail clients.
Client care and practice	The activity is designed to enhance participants' ability to act as a client-centric practitioner in advising retail clients.
Regulatory compliance and consumer protection	The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.
Professionalism and ethics	The activity is designed to enhance participants' capacity to act as an ethical professional.
General	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 in this table.

When approving a qualifying CPD activity, the Licensee will specify the maximum number of hours that can be counted for that activity. If a CPD activity can count across more than one CPD area, the Licensee will count it as being in the CPD area to which it predominantly relates. The Licensee will ensure that there is no double counting of hours.

CPD hours

The law requires a financial adviser to complete at least 40 hours of qualifying CPD activities each CPD year. The law allows for this number to be reduced to 36 hours for part-time financial advisers in special circumstances, with the prior written consent of the Licensee.

In accordance with the legal requirements, the Licensee requires its financial advisers to complete at least 40 CPD hours per CPD year. Part-time financial advisers wishing to reduce their CPD hours to 36 hours per year may apply to the Licensee for consent to do so, setting out the reasons why the financial adviser's particular circumstances justify the reduction in hours. If the Licensee is satisfied that the financial adviser's circumstances justify the reduction, it will provide consent in writing to the reduction. This assessment and, if appropriate, provision of consent, will be done by the Responsible Manager(s).

At least 70 per cent of the minimum number of hours must be spent on qualifying CPD activities approved by the Licensee. In usual situations, this will amount to 28 hours. For part-time financial advisers authorised to do 36 hours per year, this amounts to 25.2 hours.

Each financial adviser's qualifying CPD activities must include:

- five hours in technical competence;
- five hours in client care and practice;
- five hours in regulatory compliance and consumer protection; and
- nine hours in professionalism and ethics.

For each tax (financial) adviser, from 1 January 2023, instead of five hours in technical competence, the tax (financial) adviser must complete:

- five hours in technical competence (general); and
- five hours in technical competence (tax-specific).

This is so, even where a financial adviser has received consent from the Licensee to complete only 36 hours for the CPD year.

A maximum of four hours may be claimed for professional or technical reading. A maximum of 30 hours may be claimed for formal qualifying CPD activities. See above under "Assessment and approval of CPD activities" for an explanation of what is meant by formal qualifying CPD activities.

A financial adviser who leads or conducts a qualifying CPD activity may count the number of hours preparing and delivering that activity.

Tax Agent Services Act 2009 (TASA)

In conjunction with the abovementioned tax specific CPD activities, all financial advisers that are registered as a tax agent with the Tax Practitioners Board (TPB) (as opposed to being registered as a qualified tax relevant provider) are required to complete a minimum of 90 hours of Continuing Professional Education (CPE) over a three-year period with a minimum number of 10 hours per year to meet their obligations under the TASA, including the Code of Professional Conduct.

The majority of learning content offered by Kaplan Ontrack is recognised as meeting the continuing professional education requirements of the TPB. As required, a financial adviser who is also a tax agent needs to make sure that they are completing the learning content available within Kaplan Ontrack to ensure they meet their TASA requirements.

An adviser's first CPD year

For the first CPD year, each financial adviser is required to complete CPD hours adjusted proportionally in accordance with the number of hours for a normal CPD year. This means that the number of hours required in the first CPD year [where M is the number of months in the first CPD year]:

- for completion will be $[40/12 \times M]$
- in each area will be:
 - $[5/12 \times M]$ in technical competence
 - $[5/12 \times M]$ in client care and practice
 - $[5/12 \times M]$ in regulatory compliance and consumer protection
 - $[9/12 \times M]$ in professionalism and ethics
- for a part-time financial adviser for whom the Licensee has given consent for a reduction in hours for the CPD year $[36/12 \times M]$
- must include 70 per cent spent on qualifying CPD activities approved by the Licensee, this being $[0.7 \times 40/12 \times M]$ hours
- for a part-time financial adviser for whom the Licensee has given consent for a reduction in hours for the CPD year, must include 70 per cent spent on qualifying CPD activities approved by the Licensee, this being $[0.7 \times 36/12 \times M]$
- can include up to $[4/12 \times M]$ hours of professional or technical reading
- can include up to $[30/12 \times M]$ hours of formal qualifying CPD activities.

Checking compliance

The law requires the Licensee to check the compliance of the:

- Licensee; and
- each financial adviser,

with this CPD policy, the 2018 Determination and the requirements set out in section 3-125(3) of the 2021 Determination. The Responsible Manager(s) will assess this quarterly and provide a report summarising their findings to the Compliance Committee in time for consideration at each quarterly Compliance Committee meeting.

This process will be assisted by the maintenance of CPD Plans and Registers by the Responsible Manager(s), and the provision of supporting documentation (such as certificates) to the Responsible Manager(s) by financial advisers upon completion of each activity, or on request by the Responsible Manager(s).

At each annual preparation of the following year's CPD Plans and Registers for financial advisers, the Responsible Manager(s) will conduct a further assessment as to whether each financial adviser has met their ongoing CPD requirements for the current CPD year.

From time to time, the Licensee may choose to engage an external service provider to conduct an assessment of the Licensee's CPD processes.

Record keeping

The law requires a financial adviser to make and maintain complete and accurate records of various aspects of their CPD. The Licensee assists each financial adviser to do this by maintaining a CPD Plan and Register for each financial adviser.

The law also requires the Licensee to retain evidence of CPD undertaken during the Licensee's CPD year by each of its financial advisers.

Each CPD Plan and Register records:

- each qualifying CPD activity the financial adviser undertakes;
- when each qualifying CPD activity is undertaken;
- the number of hours spent on each qualifying CPD activity; and
- the progress of implementation of the financial adviser's CPD Plan.

The CPD Plan and Register will be recorded in each financial adviser's Kaplan Ontrack account. In addition to this, on an annual basis the Responsible Manager(s) will ensure a copy of each financial adviser's CPD Plan and Completed Register is saved electronically.

The Responsible Manager(s) will maintain evidence of both completion of each qualifying CPD activity and the outcomes of the activity. For example, the evidence of completion may include a certificate of attendance on completion. In the absence of a certificate, copies of the financial adviser's own notes or the presenter's presentation may be required. Evidence of outcomes of an activity may include test results, an action plan developed by the financial adviser, or a list of take-outs developed by the financial adviser. This evidence will be maintained electronically.

The Licensee will keep each CPD Plan and Register and associated evidence for the longer of:

- the duration of the time that the financial adviser is a representative (of any kind) of the Licensee, or
- 12 months after the end of the relevant CPD year.

The law requires a financial adviser to keep each CPD record for seven years after the date on which the record was made. To assist each financial adviser with this obligation, when a financial adviser leaves the Licensee, the Licensee will provide a copy of the financial adviser's CPD records as held by the Licensee for the past seven years or for the duration of the financial adviser's appointment by the Licensee, whichever is shorter.