



Chancellor Portfolio Services Pty Ltd

AFSL 241429

**Continuing Professional
Development, Training and
Competency Policy**

March 2019

Contents

Chancellor Portfolio Services Pty Ltd	1
1 Policy	3
1.1 Summary	3
1.2 Commitment	3
1.3 Policy Objective	3
1.4 Who this Policy applies to	3
1.5 Consequences of breaching this Policy	3
2 Overview	4
3 Representatives and their obligations	4
3.1 Representatives in an Advisory or Dealing Role.....	4
3.2 Obligations of Representatives	5
3.2.1 Knowledge.....	5
3.2.2 Conduct	5
3.2.3 Obligations of Licence Holders.....	5
4 Skills and Knowledge Requirements	5
4.1 Responsible Managers	5
4.2 Representatives.....	5
4.3 Appointments, transfers and promotions.....	6
4.4 Annual Plans.....	6
4.5 Induction	6
4.5.1 Compliance Induction	6
4.5.2 Business Unit Induction.....	6
5 Continuing Professional Development Requirements	6
5.1 Mandatory CPD	7
5.2 Restrictions.....	7
5.3 CPD Year	7
5.4 CPD Plan	7
5.5 CPD Schedule	8
5.6 Qualifying CPD Activity.....	8
5.7 CPS approval of CPD.....	9
5.8 CPD requirements of professional membership	9
5.9 New, Promoted and Transferring Representatives.....	9
6 Compliance with CPD, Training and Competency Obligations	9
6.1 Primary responsibility for compliance.....	9
6.2 Designated Supervisors	9
7 Record Keeping and Reporting	9
7.1 Training Records.....	9
7.2 Reporting.....	10
8 Management Obligations	10
9 ASIC Reporting Obligations	10
10 Glossary	10

11	Version Control	11
11.1	Version details.....	11

1 Policy

1.1 Summary

CPS must meet certain continuing professional development, training and competency requirements in order to meet its obligations under its Australian Financial Services Licences (AFSL) and the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act). A key focus of the continuing professional development, training and competency requirements include:

- Responsible Managers (AFSL and RG105)
- Providers of personal or general financial advice (AFSL and RG146)
- Employees of AFSL holders generally (AFSL and RG104)
- All employees (AML Rules)

Some CPS employees will hold professional qualifications and registration and they will need to ensure that they continue to maintain these qualifications and registrations as required. This will be dealt with separately with their manager.

1.2 Commitment

CPS believes that a strong risk and compliance culture is one where all employees are trained and competent to do their job. This is vital to ensure CPS maintains its competence to provide financial services and maintain its right to operate under its AFSL. It requires all CPS directors, officers, employees and contractors (**Representatives**) to take training seriously and to ensure that they meet the requirements of this policy.

1.3 Policy Objective

This Policy outlines what CPS's continuing professional development, training and competency obligations are and details how it will assist its Representatives meet these obligations. Key outcomes of the policy include outlining:

- All Representatives being aware of what their training and competency obligations are and how they will meet them – including initial and ongoing requirements;
- Which roles and functions require appropriate qualifications and authorisations before they can be performed;
- How training records will be maintained and monitored; and
- Who is responsible for ensuring the Representatives have met their training and competency obligations.

1.4 Who this Policy applies to

This policy applies to all CPS employees who provide financial services. In addition, all other employees of CPS should be trained and competent to ensure CPS in turn maintains the competence to provide financial services pursuant to s912A(1)(e) of the Corporations Act. All employees should therefore undertake ongoing continue professional development and training to fulfil this requirement.

1.5 Consequences of breaching this Policy

Non-compliance with this Policy may result in disciplinary action, including dismissal.

2 Overview

The obligations under the AFSL include (amongst other things):

- Maintain competence to provide financial services;
- Ensure that Representatives are adequately trained and are competent to provide financial services;
- Ensure that financial services are provided efficiently, honestly and fairly;
- Take reasonable steps to ensure Representatives comply with financial services laws; and
- Maintain your organisational competency including appointment of Responsible Managers.

In addition under the changes enacted as part of the appointment of the Financial Advisers Standards and Ethics Authority (FASEA) as the standards further continuing professional development requirements now are in existence.

The Corporations Act 2017 (the Act) requires that all individuals identified as a ‘relevant provider’ are required to meet the requirements for continuing professional development set by the Standards Body (s 921B(5)). The Act requires the Standards Body to set requirements for continuing professional development in relation to each CPD year of a financial services licensee (s 921U(2)(iv)).

Additionally, it is an obligation under the FASEA Code of Ethics that: Standard 10: You must develop, maintain and apply a high level of relevant knowledge and skills.

This policy is based upon the regulatory requirements and guidelines, which include the following:

- Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018
- General AFSL obligations under section 912A of the Corporations Act 2001 (Cth)
- ASIC RG 104 – Licencing: Meeting the general obligations to ensure all representative are trained and competent
- ASIC RG 105 – Licencing: Organisational Competence with a specific focus on the requirements of Responsible Managers
- ASIC RG 146 – Licencing: Training of financial product advisers
- AML/CTF Laws – staff training in relation to money laundering and terrorism financing risks

3 Representatives and their obligations

3.1 Representatives in an Advisory or Dealing Role

Representatives may be required to:

- Provide financial product advice;
- Deal in a financial product; and

Where a Representative is identified as providing relevant services under the AFSL they will be issued with an Authorised Representative Letter (ARL). The ARL will indicate whether the Representative is authorised to provide financial advice (general or personal). Representatives issued with an ARL will be required to meet initial and CPD to retain their authority.

3.2 Obligations of Representatives

3.2.1 Knowledge

As a Representative, you must have adequate knowledge of:

- the Corporations Act (to the extent that it relates to your activities);
- any other rules and regulations, legislation or policies or procedures affecting the conduct of the particular business in which you are involved (e.g. AML/CTF Laws); and
- the conditions attached to the AFSL.

You must, therefore, keep abreast of developments within your business area and attend relevant training courses as they arise.

3.2.2 Conduct

As a Representative your conduct must:

- comply with all rules, regulation legislation and policies affecting the conduct of the business;
- within the context to which the activity relates, be efficient, fair and honest; and
- meet reasonable standards of performance that clients are entitled to expect.

3.2.3 Obligations of Licence Holders

CPS is required to:

- supervise and monitor its Representatives in the performance of their duties;
- ensure that each Representative is competent to perform their duties; and
- ensure that each Representative is adequately trained and keeps up to date on regulatory developments by means of continuing training.

You must, therefore:

- be aware of new developments affecting your business area; and
- attend the appropriate training and development courses from time to time.

4 Skills and Knowledge Requirements

All Representatives of CPS are required to meet initial training and competency requirements as appropriate for the licensed activities they will undertake on behalf of CPS. Representatives must also hold the knowledge and skills required for their role and function. It is the responsibility of management to identify what knowledge and skills may be required, depending on the role and function of employees.

4.1 Responsible Managers

Responsible Managers must meet the educational and experience requirements as set out by ASIC RG 105.

4.2 Representatives

CPS must assess what qualifications and experience are required for the duties the Representative is to undertake under the licence or their role and assess each new Representative for competency in light of those requirements (**Skills Assessment**). This Skills Assessment should be undertaken prior to the commencement of employment and should be maintained in the Representative's Human Resources file.

In determining knowledge and skill requirements for Representatives who are authorised to provide financial product advice, CPS will have regard to generic knowledge, specialist knowledge and skill requirements as set out in RG146.

There are no minimum initial training requirements for Operations staff that have been assessed as providing financial services, however they will be required to undertake CPD as described in Section 5.1 below.

4.3 Appointments, transfers and promotions

All new, transferred or promoted RG146 in scope Representatives must have a Skills Assessment. This Skills Assessment must be completed by Management.

Management must complete the Skills Assessment by identifying and assessing the Representative's knowledge, skills and accreditation, having regard to the role and function to be performed by the Representative.

Where a minor gap in competencies is identified, the applicant/Representative may be suitable for appointment, subject to CEO's discretion and the implementation of a remediation action plan which includes timeframes for the employee to obtain the required competencies. The Representative will not be permitted to engage in authorised activities until these required competencies have been obtained. Management should also put in place additional supervisory arrangements, if required.

Management shall ensure that a record of the Representative's skills assessment and any action plan developed at the time of appointment is made and that a copy of the record is provided to Human Resources to be retained on the employee's Human Resources file.

4.4 Annual Plans

The Representative, together with Management, is responsible for enrolling and undertaking relevant courses needed to attain or maintain authorisations.

4.5 Induction

4.5.1 Compliance Induction

Management will coordinate a session on risk and compliance during the CPS Induction Training Program for all new employees (including transferring and promoted employees), as appropriate. All CPS employees must attend any Compliance Induction sessions they are invited to. Compliance Induction outlines the key policies and procedures relevant to the new joiner/transferee and explains the regulatory framework of CPS.

4.5.2 Business Unit Induction

Management will coordinate business unit induction for all new employees (including transferring and promoted employees) as appropriate.

5 Continuing Professional Development Requirements

All Representatives of CPS are required to undertake CPD to ensure that their knowledge, skills and accreditations are maintained and kept up to date.

Management with the Representatives will develop Annual CPD Plans:

- the Representative's functions, including any roles contemplated for the near future;
- current authorisations;

- current knowledge and skills (which should be kept up to date, even if they are not being used in the current role);
- any gaps or weaknesses in existing knowledge; and
- any special requirements.

Completion of CPD is linked to a Representative's annual performance assessment.

5.1 Mandatory CPD

As a minimum all Representatives who have been assessed as providing financial services (defined by FASEA and legislation as relevant providers) must complete a minimum of 40 hours of CPD per CPD Training Year:

- 16 Hours Technical Competence
- 5 Hours Client Care and Practice
- 5 Hours Regulatory Compliance and Consumer Protection
- 9 Hours Professionalism and Ethics
- 5 Hours General

In addition, there is some mandatory regulatory training that must be completed on an annual basis by all Representatives. This includes training in relation to topics such as:

- AML/CTF Laws
- Anti-Bribery and Corruption
- Privacy laws
- Discrimination laws
- Anti-Bullying and Harassment laws
- Workplace Health and Safety
- Corporations Act
- AFSL requirements

5.2 Restrictions

No more than 4 hours of professional or technical reading may be counted towards CPD. No more than 30 hours of formal relevant education (i.e. further course studies) may be counted towards CPD.

5.3 CPD Year

The CPS CPD Year runs from 1 July to 30 June.

5.4 CPD Plan

Each Representative, who is defined as a relevant provider, must have a CPD Plan that identifies areas for improvement in, and development and extension of, the provider's competence, knowledge and skills and describe the qualifying CPD activities the provider will complete during the CPD year to achieve those improvements.

CPS works with each Relevant to develop and document the CPD plan. Each representative is required to have a training plan completed prior to the start of the CPD Year. The initial training plan must be completed prior to 31 March 2019. It is the responsibility of the Representative to ensure that they have a CPD plan. Management will provide supervision over this process to ensure all Representatives have a CPD Plan.

5.5 CPD Schedule

All CPD must be completed by May 31 for each CPD Year. To support the achievement of this goal for each Representative, defined as a relevant provider, they must complete a minimum number of hours within the following periods:

1. June- September – 10 hours
2. October-December – Cumulative 20 hours
3. January- March – Cumulative 30 hours
4. April – May – Balance of hours

Where the Representative, defined as a relevant provider, does not meet these minimum requirements during the period then they may have their ARL withdrawn until they have completed the training.

5.6 Qualifying CPD Activity

All CPD must be deemed to meet the qualifying CPD activity.

A CPD activity must meet and provide evidence of the following requirements to be approved as a ‘qualifying CPD activity’:

- Clearly defined aims and learning outcomes
- Clearly defined, logical structure that follows adult learning principles
- Is current, accurate and up-to-date
- Relates to one of the FASEA CPD areas
- Is the appropriate learning level and has appropriate technical or practical content
- Deals primarily with matters related to the provision of financial product advice, financial advice services and financial advice business
- Is led or conducted by one or more persons with appropriate expertise, academic qualifications and practical experience
- Enhances advisers’ knowledge and skills, and/or contributes to the maintenance of knowledge and skills in areas relevant to the provision of financial product advice and financial advice services
- Includes one or more of the following: workshop, face-face presentation, multimedia, worked examples, activities, case studies, tips, warnings, and if appropriate, reference to relevant legislation
- Proof of attendance/completion (e.g. certificate, digital record, transcript), which includes as a minimum:
 - The name of the activity and the provider
 - The date the activity was undertaken
 - An overview of the activity
 - A bio or CV of person(s) who developed or presented the activity including academic qualifications and experience
 - The CPD area to which it relates
 - The duration in minutes/hours of the activity
 - The letterhead and/or signature of the provider or an appropriate authorised person
- Preference is given to activities with a structured assessment component. Evidence of the successful completion of the assessment is required.

5.7 CPS approval of CPD

At least 70% of CPD must be approved by CPS. Any CPD completed through Kaplan Ontrack is deemed to be approved by CPS.

In practice this means that CPS expects at least 70% of the ongoing CPD to be completed using the Ontrack content.

5.8 CPD requirements of professional membership

Representatives should have regard to ensure that the CPD requirements of any professional memberships they have are considered in the development of Annual Training Plans. This information can be obtained directly from the organisation in which the membership is held.

5.9 New, Promoted and Transferring Representatives

New, promoted and transferring Representatives will need to undertake pro-rata training hours for their first Annual CPD Plan. Where a Representative has been out of the industry for more than 2 years they will not be provided with a ARL until an Annual CPD plan as been created and Management has signed off to confirm that they are comfortable the Representative has completed appropriate CPD to cover the period out of the industry.

6 Compliance with CPD, Training and Competency Obligations

6.1 Primary responsibility for compliance

Primary responsibility for CPD and other requirements lies with each Representative. The supervisory responsibility for ensuring compliance with initial and ongoing training and registration obligations rests with Management. Management has the responsibility to determine whether an employee needs to be qualified or authorised given the nature of the employee's duties, and to ensure all relevant qualifications and authorisations are obtained.

6.2 Designated Supervisors

It is an ASIC regulatory requirement that all Employees must be adequately supervised. Employees must at all times be supervised by a person who is suitably qualified and registered. Representatives must have a designated supervisor and must be aware of the identity of his or her supervisor. Supervisors should regularly ensure that their Representatives understand the financial products and services they provide and identify any deficiencies in knowledge; should a deficiency be identified, training should be identified and promptly remedied.

7 Record Keeping and Reporting

7.1 Training Records

It is an AFSL condition that CPS retains proof of qualifications and competencies of all Representatives who provide financial services under an AFSL.

CPS has engaged Kaplan, a third party vendor, to record the CPD of its Representatives and act as the CPS Training Register.. All eligible CPD must be added to Kaplan.

Where evidence is incomplete, it is the responsibility of the Representative to seek this from the CPD provider. Representatives will need to provide evidence in support of all CPD attended externally or arranged by the Business so as to support the upload into the training register of associated attendance records. To ensure timely and accurate update of the training register, the evidence should be provided as soon as practicable after the event has been attended and proof of attendance has been obtained.

7.2 Reporting

Management will run a quarterly report to confirm the progress of Representatives against fulfilling their required compliance CPD requirements against the requirements of this Policy.

8 Management Obligations

Management will be directly responsible for:

- providing an appropriate Skills Assessment for Representatives and reporting any change in competencies and/or role and responsibilities to Compliance
- determining and completing the Representatives training objectives and Annual Training/CPD Plan; and
- monitoring the progress of Representatives against their Annual Training/CPD Plan, including providing any feedback, or remedial and/or disciplinary action if required.

Management shall report to the CEO any remedial and/or disciplinary action resulting from the administration of this Policy, as soon as practicable.

Representatives who fail to undertake CPD as described in this Policy may have their authorisation suspended until the annual training requirement has been completed.

9 ASIC Reporting Obligations

CPS will monitor the completion of CPD for each representative defined as a relevant provider during the CPD year. Where a representative defined as a relevant provider does not complete the required CPD within the CPD year then CPS will notify ASIC.

10 Glossary

Term	Definition
AFSL	Australian Financial Services Licence
Annual CPD Plan	The individually tailored training plan for each Representative, defined as a relevant provider, which includes a minimum of 40 hours of Continuing Professional Development training.
Authorised Representative Letter (ARL)	A certificate issued to an employee who has been identified as providing services or financial products advice under the CPS AFSL.
CPD	Continuing Professional Development
CPS	Chancellor Portfolio Services
Employee	Includes full time and part time employees.

Term	Definition
Relevant Provider	A person issued with a current Authorised Representative Letter issued under CPS's AFSL to provide financial product advice to retail clients.
Representative	For the purposes of this policy any Director, employee or contractor of CPS.
Responsible Manager	A person on whose competencies our AFSL depends, as set out in RG105.
We, us, our	CPS and its affiliates
You, your	CPS employee

11 Version Control

11.1 Version details

Item	Description
Version	31/03/2019
Title	Continuing Professional Development, Training and Competency Policy
Category	Policy
Owner	Board
Current Status	Final
Next review date	31/2/2020
Location	CPS intranet page