



IMB Financial Planning CPD and Training Policy

Policy Statement

IMB Financial Planning Pty Limited ('IMBFP') recognises the importance of training and developing its staff. IMBFP understands that its employees are key to its success as an organisation. It therefore encourages its staff to be continually improving their skills and abilities.

IMBFP acknowledges that training and development of staff provides benefits both to its employees in terms of their overall career and prospects for advancement within the organisation, as well as being central to the success it is able to achieve as a business.

This Policy sets out IMBFP's CPD and Training requirements which will result in IMBFP financial adviser's ongoing development as well as complying with current legislative standards and employer requirements.

IMBFP Practice Manager and staff are expected to comply with this Policy and undertake continuing professional development in accordance with this policy.

Key Definitions

CPD is short for continuous professional development.

CPD Year means the 12 month period beginning 1 January 2019 and ending 31 December 2019 and continuing for each calendar year thereafter.

FASEA Financial Advisers Standards and Ethics Authority

Relevant Provider means a financial adviser of IMBFP who is authorised to provide personal advice to retail clients, on behalf of IMBFP, in relation to relevant financial products.

Relevant Financial Products means financial products other than (a) basic banking products; or (b) general insurance products; or (c) consumer credit insurance; or (d) any combination of any of those products.

Responsible Licensee means IMB Financial Planning Pty Limited ABN 23 094 730 195 (AFSL 234660).

1. Purpose of CPD and training policy

The following policy and procedures address the on-going CPD and training requirements of IMBFP's relevant providers (**financial advisers**). These requirements are designed to ensure that IMBFP's financial advisers:

- Meet the new Education and Professional Standards contained with the Corporations Act, 2001 (the **Act**);
- Maintain and update knowledge and skills that are appropriate for their activities and responsibilities;
- Are up to date in their knowledge and skills, particularly in the areas subject to continual change in particular:
 - Legislation;
 - Regulatory policies and standards;
 - Economic and financial developments;
 - Technical knowledge;
 - Professionalism and Ethics;
 - New products and market practices;
- Develop new knowledge and skills to assist with their current role or roles contemplated in the near future.

2. CPD Standard

All IMBFP financial advisers must undertake sufficient continuing professional development and training to maintain competence at a level appropriate for the professional services (including financial product advice) that the financial adviser provides, or intends to provide, and to keep up to date with developments relevant to their practice.

IMBFP must publish this Policy on its website and IMBFP's Practice Manager must ensure that this Policy is accessible by all IMBFP's financial advisers.

3. CPD hours and qualifying activity

IMBFP financial advisers must complete at least 40 hours* of qualifying CPD activity during a CPD year. 28 hours, of the mandatory 40 hours, must be undertaken on qualifying CPD activities as set out in table 3.1 below.

IMBFP must not approve an activity unless it is satisfied that the activity is a CPD qualifying activity.

A qualifying CPD activity is one that meets the following requirements:

- is activity that is one of the CPD areas in the table below;
- the activity has sufficient intellectual and practical content;

* Part-time employees of IMBFP may, after obtaining written consent from IMBFP, be entitled to a 10% reduction to 36 hours of qualifying CPD activity each year. The part-time employee's CPD activities must still cover the minimum requirements as set out in table 3.1

- the activity primarily deals with matters related to the provision of financial product advice;
- the activity is led by 1 or more persons who are appropriate and have sufficient standing, expertise, academic qualifications and practical experience;
- the activity is designed to enhance the financial adviser's knowledge and skills in areas that are relevant to the provision of financial product advice.

3.1 IMBFP approved qualifying CPD activity

Qualifying CPD activity per year		Minimum CPD Hours
1	Technical Competence	5
2	Client Care and Practice	5
3	Regulatory Compliance and consumer protection	5
4	Professionalism and Ethics	9
5	Other: specific to IMBFP requirements i.e aged care, taxation	4

IMBFP financial advisers must not complete more than 4 hours of activity that consists of professional or technical reading.

For the purposes of this policy, a financial adviser who leads or conducts a qualifying CPD activity, may count the numbers of hours spent in leading or conducting the activity.

4. CPD Plan

IMBFP financial advisers, under the supervision and guidance of IMBFP's Practice Manager, must before the start of each CPD year prepare a CPD Plan. A CPD Plan (and any amendment to it) must be in writing. IMBFP's Practice Manager is responsible for overseeing the implementation of the CPD plan for each financial adviser employed by IMBFP.

A CPD Plan must identify areas for improvement in a financial adviser's competence, knowledge and skills and describe the qualifying activity the financial adviser will complete during the CPD year to achieve those improvements. IMBFP will monitor the implementation of the CPD Plan through the use of annual checklists to be completed by IMBFP's Practice Manager. The checklist must be submitted to IMB's Compliance Officer upon request.

IMBFP Practice Manager must monitor a financial adviser's implementation of the CPD Plan on behalf of IMBFP as responsible licensee and provide copies of the CPD Plan as requested.

5. Approval and assessment of CPD and Training program

IMBFP's Practice Manager, before the start of the CPD Year, must meet with each of IMBFP's financial advisers and work through their Professional Development Plan (PDP). The PDP incorporates the financial adviser's CPD activities. In approving the PDP, IMBFP's Practice Manager must be satisfied that the financial planner has identified areas for improvement and that the CPD qualifying activity addresses those areas identified for improvement. Once the PDP has been approved, IMBFP's Practice Manager must keep a record of the review and approval date of each PDP and keep the original PDP in accordance with the record keeping provisions in clause 6 of this Policy.

The CPD and training program will be assessed in terms of it achieving its desired outcomes through regular file audits by the Practice Manager and through a checklist submitted to the Compliance Officer. In addition, both internal and external auditors will conduct audits which may reveal areas in which ongoing training is required so as to ensure that comprehensive compliant advice is being delivered to IMBFP's clients.

6. CPD and Training records and record keeping requirements

IMBFP and its financial advisers must maintain complete and accurate records of:

- the qualifying activities the financial adviser undertakes;
- when those qualifying activities are undertaken;
- the number of hours spent on each activity;
- evidence of completion of the activity and the outcomes of the activity; and
- progress of the implementation of the financial adviser's PDP plan.

A copy of these records must be made available to the Compliance Officer and IMBFP's Practice Manager or persons conducting a compliance audit.

IMBFP and the financial adviser are required to keep these records for at least 7 years after the date it was made.

7. File Review

IMBFP's Practice Manager must conduct file reviews every month. IMBFP Practice Manager must review at least 1 client file for each IMBFP financial adviser, picked randomly at the commencement of each file review. The Practice Manager must not disclose to the financial adviser which client files have been selected for review. Each file review should incorporate the questions in Appendix 1 as a minimum. IMBFP's Practice Manager is encouraged to build on these questions so that they are reflective of IMBFP's business model and the PDP of each financial adviser.

The purpose of a file review is to identify areas for improvement, consider gaps and ongoing training requirements and analyse what happened, why it happened and think about ways to use these experiences to improve and develop professionally.

Regular file review enables and assists IMBFP and its financial advisers:

- to meet regulatory and compliance obligations,
- the opportunity to receive feedback and to take action as a consequence of the feedback,
- set collective priorities and communicate best practice outcomes,
- identify training needs and resources,

- develop and implement action planning,
- monitor and evaluate performance,
- address needs for ongoing professional development,
- identify staff and business strengths and weaknesses.

Each file review conducted by IMBFP's Practice Manager is to be documented in writing and kept for a minimum of seven (7) years from the date the file review took place.

8. IMBFP support and incentives

IMBFP strongly encourages financial advisers to undertake both mandatory CPD activities as well as additional training courses. IMBFP provides a subsidy of up to 100 per cent of fees (subject to approval) for a course that IMBFP accepts as being relevant to the financial adviser's learning and development activities on its behalf.

Where an IMB financial advisers is contemplating enrolling for such a course, they must first discuss this with the Practice Manager prior to enrolment to determine whether IMBFP will support the course.

9. Structure of continuing training needs

Three broad strategies will be employed by IMBFP to ensure on-going competencies are maintained:

- a) **Adviser Education Exchange on-line learning** which is designed to help financial advisers manage all aspects of their ongoing learning and development.
- b) **Regular Professional Development Days** which will generally involve a mix of the following elements:
 - **Technical competence** to enhance the financial 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.
 - **Client care and practice competence** to enhance a financial adviser's ability to act as a client-centric practitioner in advising retail clients.
 - **Regulatory compliance and consumer protection competence** to enhance a financial adviser's understanding of applicable legal obligations and how to comply with them.
 - **Professionalism and ethics competence** to enhance a financial adviser's capacity to act as an ethical professional.
 - **Strategy workshops** where case studies are investigated and strategy options investigated.
 - **Technological training** where new financial planning models are rolled out and hands on introduction is provided to advisers
 - **Licensee competence requirements** as directed by IMBFP to cover specific areas of expertise required to meet the provision of financial product advice, for example, taxation, aged care, practice management.
 - **Interpersonal skills** this will provide training on interpersonal and relational skills (rapport, questioning, probing, communicating value, etc)

- c) **Monthly Investment Briefings.** These are held monthly by AMP investment services and provide an overview of investment markets, economic trends and product information.

Financial advisers are also strongly encouraged to attend workshops, seminars, conferences that are relevant to maintaining their competencies.

10. FPA membership and standards

An IMBFP financial adviser's FPA's membership CPD requirements should align with this Policy. Where this Policy and FPA's CPD and training requirements differ, this Policy will prevail. Broadly, FPA's membership requirements are:

- Each FPA member is required, as a condition of membership, to undertake 90 points of Continuing Professional Development (CPD) over any three-year period (triennium) with a minimum of 25 points each year. CFP designated advisers are required, as a condition of membership, to undertake 120 points of Continuing Professional Development (CPD) over any three year period (triennium) with a minimum of 35 points each year.
- Non accredited CPD points should be capped at 45 points per triennium for practitioners and 60 points per triennium for CFP designated advisers. This cannot include more than 15 points per triennium for practitioners and 20 points per triennium for CPD designated advisers of professional reading which has not been accredited.

These points must include at least 3 points per year in the Professional Conduct Dimension specifically covering ethics. The professional dimensions model outlined by the FPA encourages you to complete your CPD point to be a rounded individual with ability to think critically and respond to client needs in a professional way. The Professional Dimensions describe the holistic SKILLS and KNOWLEDGE that it takes to be a professional. These include:

- Capability
- Attributes and performance
- Professional conduct
- Critical thinking
- Reflective practice
- Inter-dependence
- Each adviser must complete and maintain a Professional development plan.

IMBFP is expected to review its FPA membership annually to ensure it meets the requirements of the FPA CPD standard.

11. Negative advice training

It is acknowledged that employees of IMBFP may be employed in an advice-giving capacity (financial advisers) and others may be employed as support staff (receptionists, para-planners etc). It is important that support staff are provided with the appropriate "negative advice" training and also given an understanding of their responsibilities and restrictions when they interact with clients.

Of particular importance is that those staff who are in support (non advice-giving) roles are aware that under no circumstances are they to engage the client in a way that may either influence that client or persuade them to act in any way in relation to the financial services that they either hold or are showing an interest in holding. Support staff are only able to provide clients with factual information and must be given instructions when placed in an advice giving situation to ensure that they do not provide advice.

Factual information

Factual information is objectively ascertainable, where the truth or accuracy cannot reasonably be questioned, and it contains no recommendation or opinion.

Factual information can be advice if the manner in which it is presented may reasonably be regarded as suggesting or implying a recommendation to buy, sell or hold a particular financial product or class of financial products.

For example, using words such as 'superior', 'better', 'best', 'poor' etc when speaking to clients may be regarded by them as a recommendation.

ASIC has provided examples of conduct that would normally be undertaken by "Clerks and Cashiers" (which could include administrative personnel, receptionists, etc) that would not be construed as providing advice, if it merely involves:

- Posting, handing out or otherwise distributing documents such as Product Disclosure Statements or Financial Services Guides.
- Answering routine questions from consumers by giving factual information – such as minimum investment amounts of funds accepted, whether a particular offer is still open or the nature of the investments made by a particular trust.
- Collecting payments (subscription monies) and issuing receipts.
- Performing the routine or administrative function of assisting consumers to complete application forms and send the application forms to product providers.
- Performing other routine or administrative functions, which do not involve making a judgment about what financial products or classes of products are appropriate or should be considered by a consumer.

It is important that non-advisory staff exercise caution in this area. If in doubt, non-advisory staff must refer to the Practice Manager.

In some situations, non-advisory staff may be asked by a client for advice. In these situations, non-advisory staff must explain to clients that:

- they can provide factual information about the clients' product/s only;
- they are unable to provide advice to clients; and they can put the client in contact with an adviser.

Monitoring of non-advisory staff

IMBFP conducts a monitoring programme to ensure all employees comply with all relevant laws, IMBFP policies and to ensure the quality standards of advice and service.

For non-advisory staff such as adviser assistants, monitoring of their day-to-day activities in the first instance is conducted by their immediate manager and the relevant adviser(s). They are also monitored under the ongoing supervision programme. IMBFP's Practice Manager must maintain in writing evidence of any monitoring, review, quality assurance or audit of non-advisory staff.

12. Non-compliance penalties

IMB Ltd and IMBFP takes its compliance responsibilities seriously and any non-compliance with this Policy by IMBFP's employees may result in a breach of their employment contract and/or of the law. The Act sets out a range of consequences where requirements are not met in relation to the provision of advice and CPD Standards.

13. Updates to the Financial Adviser Register

ASIC is to be notified on occurrence of certain events relating to the CPD standard. The Practice Manager will liaise with IMB's Company Secretary regarding any material events that may require ASIC notification. Such events are (but not limited to):

- IMBFP's CPD year date (and any changes to that date) – ASIC notification required from 15 November 2019 to 31 December 2019.
- Details of any failure by an IMBFP financial adviser to meet their CPD requirements – ASIC notification required from 15 November 2019.

IMBFP's Practice Manager will regularly consult with IMB's Company Secretary as to the need to update ASIC with any changes to the CPD requirements.

14. New entrants to financial advice (provisional relevant advisers)

From 1 January 2019 any person who is not an existing financial adviser is considered to be a new entrant to financial advice and is referred to as a provisional relevant provider (referred to in this policy as **provisional financial advisers**).

Provisional financial advisers must undertake at least one year of work and training that meets the following requirements:

- Pass the exam set by FASEA;
- Undertake the following activities:
 - to analyse, compare and apply underlying principles and theories from relevant areas of technical competence to complete work assignments and make decisions, and to do so effectively; and
 - to integrate technical competence and professional skills in managing and completing work assignments; and
 - to understand and apply the Code of Ethics, including in relation to avoiding inappropriate personal advantage, and applying professional values and attitudes, to work assignments; and
 - to present information and recommendations, and explain ideas, orally and in writing in a clear confident and professional manner likely to be understood by retail clients; and
 - to make appropriate judgments on courses of action, drawing on professional values, ethics and attitudes; and
 - with appropriate consultation, to assess, research and develop appropriate solutions for complex business or client problems and issues.

- The work year is to comprise of 1600 hours, of which 100 hours must be structured training;
- Develop the following competencies:
 - *Technical competence*: technical proficiency to ensure that advice strategies are appropriate to the objectives, financial situations and needs of different classes of retail clients;
 - *Client care and practice*: the ability to act as a client-centric practitioner in advising both new and existing clients;
 - *Regulatory compliance*: a satisfactory understanding of applicable legal obligations and how to comply with them; and
 - *Consumer Protection, Professionalism and Ethics*: the ability to act as an ethical professional.
- Meet any additional requirements as set by FASEA.

A provisional financial adviser who does not meet the work and training requirements will not be able to provide personal advice to clients. In addition IMBFP, as licensee, will not be able to authorise a provisional financial adviser to provide personal advice to clients if they have not met the work and training requirements.

IMBFP must ensure that it:

- appoints a supervisor for the provisional financial adviser who meets the requirements;
- ensure that clients who deal with the provisional financial adviser are informed in writing that the provisional financial adviser is undertaking supervised work and training and provide the name and contact details of the supervisor to the client;
- Notifies ASIC of certain matters for the purposes of the register of financial advisers;
- Provide resources and opportunities to ensure that the work and training standard is met, demonstrated through the collection and recording of evidence.

Supervisor of the provisional financial adviser

A supervisor of a provisional financial adviser must ensure that appropriate supervision is given. The supervisor must have at least 2 years' experience operating as a financial adviser.

Work and Training Requirements

A provisional financial adviser must gain a minimum of full time equivalent one year of relevant experience before they can be registered as a financial adviser. A provisional financial adviser must meet all the requirements of the work and training standards issued by FASEA. IMBFP and the Supervisor must provide the provisional financial adviser with a final certificate of completion if the provisional financial adviser completes the work year and meets the requirements set by FASEA.

15. Review of training methods and requirements

IMBFP will continually develop its training methods in response to feedback and results. IMBFP's Practice Manager, in conjunction with IMB Legal Services and Compliance, must undertake a review of this policy every 2 years.

This CPD and training policy takes affect from 1 January 2019.

Review and Change History

Version Control	Date	Approval & Notification	Amendments
1	December 2018	Lauren Wise Michael Brannon Robert Weston	Policy developed
1.1	January 2019	Lauren Wise Michael Brannon Robert Weston	Policy approved and made available on IMB website