

CROWN



WEALTH GROUP

CPD POLICY

Crown Wealth Group Pty Ltd

MARCH 1, 2019
ABN: 22 603 037 510
AFSL: 494274

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ERSION CONTROL

It is the responsibility of the Responsible Officer(s) to ensure compliance with this policy.

Policy Category:	Training – CPD Policy
Responsible Officer:	Andrew Moore and Stephen Lambert
Implementation Officer:	Maria Cheer
Review Date:	March 2019
Approved by:	CWG Board

Change and version control:

Version	Authored by	Brief description of the changes	Date approved	Effective date

SECTION A — INTRODUCTION

INTRODUCTION

- 1.1 As part of Crown Wealth Group Pty Ltd's ("**CWG**") process to ensure that it continues to maintain the highest levels of professional integrity and ethical conduct, CWG has adopted this CPD Policy ("**Policy**") for its Representatives who are relevant providers under the Financial Adviser Standards and Ethics Authority's ("**FASEA**") Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018 ("**Determination**").
- 1.2 This Policy has been developed in accordance with CWG's Australian Financial Services Licence ("**AFSL**") and FASEA's Determination. This Policy outlines measures to ensure ongoing compliance with the monitoring, supervision, knowledge and training requirements outlined in the Determination.

WHEN DOES THIS POLICY APPLY?

- 2.1 This Policy applies to all Representatives of CWG at all times and the requirements remain in force on an ongoing basis.
- 2.2 It is the responsibility of the Responsible Managers, including the Compliance Manager and Directors of CWG to ensure that this Policy is communicated to and implemented by all Representatives of CWG.
- 2.3 This Policy has been issued to all Representatives and is accessible by all Representatives via Dropbox link and the website.

DEFINITIONS

- 3.1 **CWG** means Crown Wealth Group Pty Ltd and any related bodies corporate that might exist from time to time.
- 3.2 **Representative** means any CWG representative who provides personal advice to retail clients under CWG's AFSL, is appointed as authorised representative of CWG and/or a sub-Authorised Representative of a Corporate Authorised Representative of CWG's AFSL and listed on ASIC's Financial Adviser Register.
- 3.3 **Relevant provider**: a person is a relevant provider if the person:
 - (a) is an individual; and
 - (b) is:
 - (i) a financial services licensee; or
 - (ii) an authorised representative of a financial services licensee; or
 - (iii) an employee or director of a financial services licensee; or
 - (iv) an employee or director of a related body corporate of a financial services licensee; and
 - (c) is authorised to provide personal advice to retail clients, as the licensee or on behalf of the licensee, in relation to relevant financial products.

Provisional relevant provider: a relevant provider who is undertaking work and training in accordance with subsection 921B(4) of the Act.

SECTION B — IMPLEMENTING TRAINING STANDARDS

KNOWLEDGE OF TRAINING REQUIREMENTS

- 4.1 CWG recognizes that Representatives must be trained and receive continuous professional development ("**CPD**") relevant to their duties. The Management of CWG are responsible for ensuring all Representatives undertake CPD activities.
- 4.2 The Compliance Manager must keep up to date in relation to the training requirements which apply to CWG's business, including any changes to the FASEA Determination, legislation and regulations or industry standards and codes of conduct.
- 4.3 Prior to any appointment, the Compliance Manager, in consultation with the Responsible Managers and Directors, ensure each Representative holds the appropriate qualifications for their role, including any RG146 accreditation required (for new staff who were existing financial advisers as at 31 December 2018). The Responsible Managers must be satisfied the requirements are met by sighting documentation that evidences the Representative's education. This is then referenced against ASIC's Financial Advisers Register and ASIC's Training Register.

APPROACH TO IMPLEMENTATION

- 5.1 CWG has a three-tiered approach to the implementation of this CPD policy.
- 5.2 **Tier 1 - Adviser led development:** CWG expects its Representatives to drive their own development and ongoing professional education. In addition, Representatives are expected, at all times, to ensure they meet or exceed the standards and requirements set out in their CPD plans and the Determination.
- 5.3 **Tier 2 - Guidance and monitoring by Management:** Representatives are provided guidance on their development by the Compliance Manager. This guidance includes a CPD plan and ongoing coaching and supervision. The Compliance Manager also monitors the completion of training, progress towards annual CPD requirements and reports to the Responsible Managers and Directors on a regular basis.
- 5.4 **Tier 3 — Governance and accountability by the Responsible Managers:** The Responsible Managers provide a governance and supervisory function by approving this Policy and reviewing Representatives' CPD quarterly progress reports and annual audit reports.

CWG'S CPD YEAR

- 6.1 CWG's CPD year runs from 1 January to 31 December.

SECTION C — CONTINUING PROFESSIONAL DEVELOPMENT

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

- 7.1 All Representatives must participate in the CWG professional development program in order to meet the requirements set out in the Determination. Training must be continuous, conducted at an appropriately high level and cover broad aspects of the authorisations and conditions of CWG's AFSL as well as being specific to the Representative's specialist area of advice.

CPD PLAN PREPARATION

- 8.1 Each Representative of CWG must prepare a written CPD plan for each CPD year prior to the commencement of the CPD year and have it approved by the Compliance Manager.
- 8.2 Where the Representative has not been practising or authorised as a Representative for a continuous period of two (2) years or more as a result of a career break, the Representative must not resume acting as a Representative unless the Compliance Manager has approved their CPD plan for the following year. When approving the CPD plan, the Compliance Manager must ensure the CPD plan addresses any gaps in the Representative's competence, knowledge and skills arising from the Representative's career break.
- 8.3 Where a Representative is appointed after the start of CWG's CPD year, the CPD plan must be prepared no later than three (3) months after the Representative is appointed.
- 8.4 A CPD plan may be revised where a Representative's specialist area of advice changes or as considered necessary, provided the amendment receives written approval from the Compliance Manager.

CPD PLAN REQUIREMENTS

- 9.1 The CPD plan must identify areas for improvement in competence, knowledge and skills and professional development proposals for making those improvements. A template CPD plan is attached at Annexure 1 of this Policy.
- 9.2 CPD plans must address how the Representatives will:
- (a) maintain knowledge and skills that are appropriate for their activities and responsibilities;
 - (b) update their knowledge and skills, especially in areas where there is continual change (e.g. legislation, regulatory policies and standards, economic and financial developments, new financial products or new market practices);
 - (c) develop new knowledge and skills to assist with their current role or roles contemplated in the near future, if applicable;
 - (d) assess the Representative's training needs at least annually, in particular where the Representative's functions change;
 - (e) identify gaps or weaknesses in the preceding year and the areas where training will be focused; and
 - (f) set objectives to be met, such as the desired changes in the Representative's knowledge, skills and or performance at the end of the training year.

9.3 CPD Plans must also provide for Representatives to:

- (a) complete at least forty (40) hours of CPD activity in each training year of which 20 must meet the TASA CPE hours for registered (tax) financial advisers.
- (b) Representative working part time for the whole CPD must complete at least thirty-six (36) hours of CPD activity in the training year after initial approval from CWG.
- (c) ensure at least 70% of CPD activities are qualifying CPD activities (per section 10), approved by CWG;
- (d) maintain a continuous, up to date and accurate record of their CPD activities via Caddie or Kaplan; and
- (e) provide records to CWG in order for CWG to meet its obligations (refer to section 12).

9.4 Representative training must fall within the following competency areas:

- (a) **Technical competence:** acting as a technically proficient professional;
- (b) **Client care and practice:** acting as a client centric practitioner;
- (c) **Regulatory compliance and consumer protection:** acting as a legal compliant practitioner; and
- (d) **Professionalism and ethics:** acting as an ethical professional.

9.5 All Representatives must complete a minimum number of hours from each competency category. The balance of hours must consist of qualifying CPD activities from these categories, or other categories selected by CWG.

The minimum CPD Area Targets:

All CDP plans must meet the minimum hours per year in the specific knowledge areas as identified below

CPD Area	Description	Minimum
Technical competence <ul style="list-style-type: none"> • Superannuation • SMSF • Insurance 	The activity is designed to enhance participants' 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 hours
Client care and practice	The activity is designed to enhance participants' ability to act as a client-centric practitioner in advising retail clients.	5 hours
Regulatory compliance and consumer protection	The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.	5 hours
Professionalism and ethics	The activity is designed to enhance participants' capacity to act as an ethical professional.	9 hours
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 of this table.	No minimum

10. QUALIFYING CPD

10.1 Section 7 of the FASEA Determination includes specific definitions of a range of terms in relation to CPD activities.

10.2 As defined by section 7(1) of the FASEA Determination, an activity is a qualifying CPD activity if all of the following requirements are met:

- (a) the activity:
 - (i) is in one of the CPD areas in the table in section 9.5;
 - (ii) has sufficient intellectual or practice content;
 - (iii) primarily deals with matters related to the provision of financial product advice, financial adviser services and financial advice business;
 - (iv) is led by a person who is appropriate and have sufficient standing, expertise, academic qualifications and practical experience; and
 - (v) is designed to enhance a Representative's knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services by CWG.

10.3 Formal education includes:

- (a) a degree or equivalent qualification;
- (b) a course approved by FASEA;
- (c) education or training provided or approved by a professional association; and
- (d) formal education or training towards qualifications relevant to practice as a Representative.²

10.4 Non-formal education includes:

- (a) education for the purposes of achieving a relevant professional designation (for example: CFP);
- (b) education for the purposes of meeting requirements in specific financial advice provision (for example: SMSFs, aged care advice); and

² FASEA Determination section 7(4)

- (c) education for the purposes of accreditation in specific forms of financial products relevant to the financial product advice and financial advice services provided by CWG.

10.5 Requirements for CPD activities to be approved by CWG

In addition to meeting the requirements to be a qualifying CPD activity, an activity must meet one of the following requirements to be considered by CWG as **approved activity**:

- the activity is accredited by CWG.
- the activity is professional or technical reading that has been recorded in the CWG's reading journal template and approved by the CWG or,

- the activity is accredited post-1 January 2019 by an approved professional association (FPA, AFA, AIOFP) as meeting the criteria of a FASEA qualifying CPD activity and the association’s CPD policy.
- The following approval process is required:

Activity	Approval process
Kaplan Professional Ontrack content	Automatically approved
Kaplan Professional higher education subjects	Automatically approved to a maximum of 30 hours per subject
Caddie	Automatically approved
Listed below	Please submit certificates of completion to CWG for approval

The types of approved CPD activities that CWG representatives may complete during a CPD year to achieve development and/or improved competence include, but not limited to, the following:

- conferences, workshops, road shows, professional development days which are relevant to the financial product advice and financial advice services provided by CWG; and
- CWG’s webinars or online learning modules
- Formal education provided by a registered education provider that has been approved by FASEA
- Formal education by a registered education provider or non-formal education by an approved training provider for accreditation in complex advice areas (e.g. SMSF, Aged Care)
- Education or training provided or approved by professional associations, such as conferences, seminars and webinars
- Professional or technical reading.

10.6 As required by section 7(1)(d) of the FASEA Determination, training and CPD activities must be provided by persons and/or entities that hold appropriate qualifications and experience, relevant to the training provided. In order to be included in a Representative's CPD plan, the CPD activities must be provided by and/or accredited by a recognised industry provider.

10.7 Requests for CPD activities to be added to a CPD plan which are not listed in the approved courses and providers in the table in section 11.1, are to be submitted to the Compliance Manager for review and approval. Activities and providers which are accredited by a recognised industry provider can be approved by the Compliance Manager without further investigation.

10.8 Where the CPD activity is provided by an independent provider (not a recognised industry provider), the Representative must seek approval from the Compliance Manager, prior to adding the CPD activity to their CPD plan. The Representative must provide evidence from the provider which indicates the applicable CPD hours and knowledge areas.

10.9 The Compliance Manager must make a determination whether to approve the CPD activity in accordance with the factors listed in section 10.1 and ensure the independent provider:

- (a) has relevant experience or education in the field they are training;
- (b) declares the learning outcomes;
- (c) is able to demonstrate how the content or training provided meets the learning outcomes.

10.10 CWG's Compliance Manager must also determine if the CPD activity is appropriate to the Representative's CPD plan having regard to the factors listed in section 9.1.

11. APPROVED TRAINING PROVIDERS AND ALLOCATION OF HOURS

11.1 CWG has determined that the following industry providers are approved for the purposes of providing CPD activities:

CPD Type	Approved Courses/Providers	Allocation of Hours
Formal Education	<ul style="list-style-type: none"> • A degree qualification approved under section 5 of the Corporation (Relevant Providers Degrees, Qualifications and Courses Standard) determination 2018 • A course approved by FASEA • Courses offered by the Financial Planning Association of Australia • Courses offered by the Association of Financial Advisers 	<ul style="list-style-type: none"> • Maximum 30 hours • 1 CPD point per hours
Non-formal Education	<ul style="list-style-type: none"> • Certified Financial Planner designation • Fellow Chartered Financial Practitioner designation • Any other authorised training provider that allocates qualifying CPD 	<p>-No limit</p> <p>-1CPD per hour</p>
Others	<ul style="list-style-type: none"> • Kaplan Professionals Ontrack content • Kaplan Professionals Higher Education subjects • Caddie 	<ul style="list-style-type: none"> • Approved CPD by Kaplan • Approved allocated CPD
Preparation and presentation of qualifying CPD activity	N/A	Maximum — the number of hours in preparation and first presentation only. *

**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.*

12. RECORDING CPD ACTIVITIES

12.1 CWG and all Representatives must ensure records of the following matters are kept:

- (a) the CPD activities undertaken by the Representative;
- (b) the date on which the CPD activities are undertaken;
- (c) the number of hours spent on each CPD activity;
- (d) evidence of completion of the CPD activity and the outcomes of the activity; and
- (e) the progress of implementation of the CPD plan.

12.2 Records of CPD activities are kept electronically. CWG engages Kaplan and Caddie to provide training and CPD activities. Both Kaplan and Caddie's system maintain a list of CPD activities which are completed by each Representative and the outcomes achieved. It is the responsibility of each Representative to ensure their records are accurate and up to date.

12.3 Where any CPD activity is completed outside of either Kaplan's or Caddie's system, these activities will need to be uploaded to Kaplan's or Caddie's system along with evidence of completion of the relevant CPD activity for approval to be given via Caddie's system. The request must include details of the session, confirmation of attendance and a summary of learning outcomes. Records of CPD activities completed outside Caddie's system must be provided to CWG upon request.

12.4 CWG's Compliance Manager must conduct quarterly reviews of the records of training completed via Kaplan and Caddie to ensure the professional development requirements for all Representatives are complied with and make recommendations where applicable.

SECTION D — CONCLUSION

13.1 CWG monitors progress towards the completion of CPD plans on at least a quarterly basis. Records are continually updated.

13.2 The Compliance Manager is responsible for:

- (a) reviewing the progress of each Representative in relation to their CPD plan on a quarterly basis and reporting any deficiency to the Representative affected and the Director in writing;
- (b) liaising with all Representatives to update their plan on at least an annual basis after an assessment of the areas for improvement in competence, knowledge and skills, including any gaps in training and the areas which need to be targeted;
- (c) ensuring at least 70% of the CPD activities included in the CPD plan are spent on qualifying CPD activities approved by CWG;
- (d) ensuring all Representatives have access to appropriate resources and opportunities to enable the Representative to prepare and complete their CPD plan and CPD activities;
- (e) deciding the structure of the continuing training program (including nominating the training methods);
- (f) assessing whether the Representative has met the objectives of the training program in the preceding year; and
- (g) providing feedback sessions with the Representative about their performance.

13.3 CPD records are audited on an annual basis by CWG's by a combination of both internal and external compliance consultant. A copy of the report will be provided to the Responsible Manager

13.4 This Policy is assessed on an annual basis by the Compliance Manager and any changes will be recommended to the Responsible Managers. Any approved changes to this Policy will be communicated to all Representatives of CWG and the latest version of the Policy will be published on CWG's website.

13.5 Oversight of the CPD plans is the responsibility of the Compliance Manager.

POLICY BREACHES

14.1 Breaches of this Policy may lead to disciplinary action being taken against the relevant party, including dismissal in serious cases. CWG also has an obligation to report the breach to ASIC for non- action.

14.2 Representatives receive internal training on compliance and their regulatory obligations to CWG. Representatives are also encouraged to respond appropriately to and report all breaches of the law and other incidents of non-compliance, including CWG's policies in accordance with CWG's Breaches and Incidents Reporting Policy.

RETENTION OF FORMS

15.1 The Compliance Manager retains all records referred to in this Policy for seven (7) years in accordance with CWG's Document Retention Policy. The completed forms are retained for future reference and review.

15.2 As part of their training, all Representatives are made aware of the need to practice thorough and up to date record keeping, not only as a way of meeting CWG's compliance obligations, but as a way of minimising risk.

Issued by Crown Wealth Group Pty Ltd

March 2019

APPENDIX 1 — TEMPLATE TRAINING PLAN

(INSERT REPRESENTATIVES NAME]'S CPD PLAN

LICENSEE:	<i>Crown Wealth Group Pty Ltd; AFSL: 494274</i>
NAME:	<i>(Name of Representative]</i>
CPD YEAR:	<i>(Insert dates of the CPD year i.e.: 1 January 2019 — 31 December 2019]</i>
DATE PREPARED:	<i>(Insert date of CPD plan]</i>
REVIEW DATE:	<i>(Insert review date]</i>

This CPD plan has been developed for you based on a number of factors as described in section 8 of CWG's CPD Policy, and identifies areas for improvement in competence, knowledge and skills and professional development proposals for making those improvements.

CPD REQUIREMENTS	
CPD Category	Description
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 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 of this table.

OBJECTIVES TO BE MET

You are required to undertake a minimum of 40 hours of CPD activities in each CPD year (12 months). Where you work part-time, you are required to complete a minimum of 36 hours of CPD activities in each CPD year. Part-time Representatives must have consent from the Compliance Manager.

CPD points for completed training cannot be carried forward from one CPD year to the next. CPD points must be earned in the CPD year. This is to ensure you stay up to date with issues relating to the provision of financial services. Representatives must ensure CPD points are only counted once in a CPD year.

Once fully completed and signed off, this form is to be filed in the compliance folder. The form will be retained for seven (7) years and may be used in subsequent test checking of compliance with our process controls and for other legal and compliance purposes.

CPD PLAN		
REPRESENTATIVE'S ROLE:	<i>(Insert a description of the Representative's current role (including relevant product areas))</i>	
OBJECTIVES TO BE MET:	<i>(Insert a description of the objectives to be met by the Representative during the CPD year)</i>	
AREAS FOR IMPROVEMENT, DEVELOPMENT OR EXTENSION:	<i>(Insert a description of the areas where the Representative could improve, develop or extend their knowledge, skills and competence)</i>	
GAPS OR WEAKNESSES:	<i>(Insert a description of any gaps or weaknesses in the Representatives knowledge, skills or competence)</i>	
CPD CATEGORY	CPD ACTIVITY	CPD POINTS
Technical competence	• <i>(insert proposed CPD activities)</i>	• <i>(insert proposed number of CPD points for each CPD activity)</i>
Client care and practice	• <i>(insert proposed CPD activities)</i>	• <i>(insert proposed number of CPD points for each CPD activity)</i>
Regulatory compliance and consumer protection	• <i>(insert proposed CPD activities)</i>	• <i>(insert proposed number of CPD points for each CPD activity)</i>
Professionalism and ethics	• <i>(insert proposed CPD activities)</i>	• <i>(insert proposed number of CPD points for each CPD activity)</i>
General	• <i>(insert proposed CPD activities)</i>	• <i>(insert proposed number of CPD points for each CPD activity)</i>

QUARTERLY PROGRESS REVIEW		
NAME:	<i>(Name of person performing the review)</i>	
POSITION:	<i>(Position of person performing the review)</i>	
Q1 PROGRESS:	<i>(Provide comments in relation to the progress of the Representative's compliance with the CPD plan; and any proposed amendments to the CPD plan.)</i>	DATE: <i>(Insert date of review)</i>
		SIGNED:
Q2 PROGRESS:	<i>(Provide comments in relation to the progress of the Representative's compliance with the CPD plan; and any proposed amendments to the CPD plan.)</i>	DATE: <i>(Insert date of review)</i>
		SIGNED:
Q3 PROGRESS:	<i>(Provide comments in relation to the progress of the Representative's compliance with the CPD plan; and any proposed amendments to the CPD plan.)</i>	DATE: <i>(Insert date of review)</i>
		SIGNED:

ANNUAL REVIEW AND ASSESSMENT	
NAME:	<i>(Name of person performing the review)</i>
POSITION:	<i>(Position of person performing the review)</i>
COMMENTS:	<i>(Provide comments in relation to the annual review of the Representative's compliance with the CPD plan; and training needs for future CPD plans.)</i>
DATE:	<i>(Insert date of review)</i>
SIGNED:	

Note: This review will be conducted alongside the Representative's Client files and Practice compliance audit.