

## IFA CONTINUING PROFESSIONAL DEVELOPMENT POLICY

1. The Institute of Financial Advisers requires all practising Members to complete Continuing Professional Development (CPD). The Institute's CPD policy and its CPD guidelines align to the Institute's vision:

***'To be New Zealand's professional body that inspires trust and confidence in financial advice'***

and to the Institute's mission:

***'to be recognised as the leader of financial advice profession by developing and promoting professional standards and awareness of the value of good advice'.***

2. The Institute applies its own set of obligations beyond the New Zealand statutory requirements and the requirements for each professional designation issued by the Institute.

The Institute's CPD policy is based on and is consistent with, the Code of Professional Conduct for Authorised Financial Advisers, and the Financial Planning Standards Board's (FPSB) CERTIFIED FINANCIAL PLANNER<sup>CM</sup> (CFP<sup>CM</sup>) certification regulations. The FPSB standard for CFP<sup>CM</sup> Practitioners Continuing Professional Development is applied to all Institute Members irrespective of all other designation status a Member may hold.

3. Members must undertake sufficient continuing professional development to:

- a) Maintain their competence at a level appropriate for the financial adviser services the member provides or intends to provide,
- b) Keep up to date with developments relevant to their practice,
- c) To perform the activities of an occupation to the required standard, consistently and over time (Source: FPSB),
- d) Align their individual learning needs to those appropriate to their level of ability and professional responsibility.

4. Both Structured and Unstructured CPD must comply with the definition of competency outlined in the *IFA Professional Development Planning Self-Assessment Guide* as "the ability to perform the activities within an occupation to the required standard, consistently and over time" (Source: FPSB). To be recognised as Structured CPD a learning activity must test the acquisition and/or application of abilities, professional skills and knowledge as outlined in the *IFA Professional Development Planning Self-Assessment Guide*.

## **Member requirements**

1. Institute Membership and Certification Bylaws require all Practitioner Members to complete CPD. As at 31 December every calendar year, each Member must have completed a minimum of 60 hours of CPD in the previous 24 months. These shall be measured over the previous rolling two year period. CPD hours are recorded as either Structured CPD or Unstructured CPD. At least 30 CPD hours must be Structured CPD and the balance may be a combination of Structured and Unstructured CPD plus additional training as is necessary to maintain competence or satisfy the member's Professional Development Plan - either by structured CPD or some other form.

The Institute has further requirements for all Members that govern not only AFAs but all other Member designations, according to that designation's specific requirements.

2. All Members are encouraged to complete annually at least two hours of continuing professional development in the topic area of ethics.
3. All Members are required by the Institute to keep their personal CPD Log and achieve the minimum requirements for CPD as stipulated by the Institute, their professional designation and statute law, as each may apply to the Member. The CPD Log must contain sufficient information and detailed evidence of their attendance and participation in educational events that qualify in the various criteria and to the level of hours required by the Institute Bylaws. The Institute may at any time request to audit a Member's CPD Log and request evidence of a Member's CPD learning.
4. Members who are required by Code Standard 17, of The Code of Professional Conduct, Financial Advisers Act 2008 to maintain a *Professional Development Plan* (PDP) for each CPD period are individually responsible to ensure their own compliance. All Practitioner Members are required to maintain a PDP for each CPD period.

## APPENDIX: CONTINUING PROFESSIONAL DEVELOPMENT GUIDELINES

1. The following Continuing Professional Development guidelines conform to IFA Continuing Professional Development Policy and are to be read in conjunction with that policy.

### 2. Principles of Continuing Professional Development

- 2.1. Continuing Professional Development consists of education, learning, training and development that are relevant and appropriate to a Member's professional or technical development and to their present or future roles, within the Financial Sector. For a learning and development activity to be considered relevant to the Member's professional duties and responsibilities, and fall within the scope of the Institute's requirements, it must be classified as either Structured or Unstructured CPD, of which the Institute is the final arbiter.
- 2.2. Structured CPD is "out-puts" based learning. Outputs measure the direct impact of learning through a "learning activities" that tests or monitors the learner's ability to apply knowledge to specific situations or to develop principles for future action. An "out-put" might be a written or verbal test or quiz, a role-play or presentation that is completed by the learner.
- 2.3. Unstructured CPD is a learning activity that does not monitor a learner's apprehension knowledge or acquisition of skills through a learning "out-put". It is still, however a learning activity.
- 2.4. Both IFA Structured and Unstructured CPD is "results" focussed. Results measure change in an individual's behaviour, knowledge, practice or personal development over a longer period of time. Results are measured by the individual Member against their own development and learning goals as they have articulated them in their CPD Personal Development Plan, which is recommended to them.

### 3. Structured and Unstructured CPD

- 3.1. All requirements for Structured CPD are subject to the Institute's membership and Certification Bylaws and must conform to the principles outlined in paragraph 2, above.
- 3.2. Structured CPD is an output-based learning activity that measures a learner's acquisition and/or application of abilities, professional skills and knowledge.
- 3.3. Structured CPD is any learning activity that has a clear and ordered learning process and at least one learning outcome that tests the learner. An output is an "action" that allows a learner to demonstrate that they have acquired new skills or knowledge and which allows them to demonstrate their application of these new skills and knowledge.
- 3.4. Structured output-based learning outcomes can vary in type and duration and may consist of verbal, practical or written exercises.
- 3.5. Structured CPD can be delivered in any format using face-to-face or internet technology.

### 4. Structured CPD

- 4.1. Structured Continuing Professional Development has these key characteristics:
  - 4.1.1. Instructional Design that is developed and presented by a subject matter expert or qualified educator. Outcomes-Based learning aligned to learning outcomes and that tests learning retention
  - 4.1.2. Learning that is aligned to identified aims in their Professional Development Plan, meets Member's individual learning needs and is appropriate to their level of ability and professional responsibility
  - 4.1.3. Competency- Based learning that is relevant to a Member's present or future career in the financial services sector.

## **5. Criteria for CPD Hours**

- 5.1. A CPD hour is a time-based approximation of learning value made by the Institute. Hours are issued for a minimum of 60 minutes and in 30 minute allocations thereafter.
- 5.2. To receive an IFA Structured CPD hour a learning activity must have all the following elements:
  - 5.2.1. Outcomes-based and research-based learning aligned to one competency area outlined in the Institute's Self-Assessment Guide, excluding on- job training and development, induction or job tasks, or training provided for the principal purpose of promoting a particular financial product.
  - 5.2.2. Provided by a qualified educator or relevant subject matter expert.
  - 5.2.3. Provides for interaction and feedback **or**; has a measureable learning output that tests practical application of skills and knowledge or acquisition of knowledge, abilities or professional skills. Relevant to the learning needs identified in the member's professional development plan and relevant to the member's present or future career in the financial services sector and at a level appropriate to their ability and professional responsibility.
  - 5.2.4. Participation is verified by documentation.

### **5.3 When the Member is Presenter, Reviewer or Writer of Articles**

In relation to when a Member is the writer of published works or articles pertaining to the field of financial services or book reviewer, and is the subject matter expert **or**; is the lecturer or presenter of Structured CPD the requirement under clause 5.3.1 above is waived. The preparation time and/or presentation time may be claimed as Structured CPD. However, total hours claimed under this clause may not exceed 15 Structured CPD hours in any 2 year CPD period.

### **5.4 When a Member is completing a Case Study**

Those Members successfully completing pinnacle designation case studies may apply for up to 10 Structured CPD hours, the requirement under clause 5.2.2 above is waived.

## **6. Unstructured CPD**

- 6.1. All requirements for Unstructured CPD are subject to the Institute's membership and Certification Bylaws and must conform to them.
- 6.2. Unstructured learning must conform to the principles outlined in paragraph 2, above. Unstructured CPD is learning and development that is not an outcomes-based learning activity and does not test a learner's acquisition of new abilities, professional skills or knowledge. Unstructured learning is a category of learning activity that enables specialisation within the profession and affords Members the opportunity to undertake individual learning, without being monitored by a competent third party.

## **7. Unstructured CPD Hour**

7.1. For a learning activity to receive an Unstructured hour it must:

- 7.1.1. Align to one of the competency areas outlined in the Institute's Self-Assessment Guide
- 7.1.2. Be a recognised resource in the public domain
- 7.1.3. Be related to practical or professional learning

A learning event may be unstructured because it has one or more of the following characteristics:

- 7.1.4. Is not a documented learning activity
- 7.1.5. Is learning that does not provide opportunity for feedback or interaction
- 7.1.6. Activity that is not outcome-based learning
- 7.1.7. Learning activity without a subject matter expert or educator
- 7.1.8. Any learning activity provided for the principal purpose of promoting a particular financial product

## **8. Learning that is Unacceptable as Structured CPD**

8.1. Whatever is considered a Member's 'ordinary business' or their 'usual work' cannot be used as Structured CPD. The responsibility lies with each Member to choose suitable professional development activities and to judge, within the guidelines provided, whether these activities contribute to the individual's personal and/or professional development.

8.2. Examples of unacceptable Structured CPD are:

- 8.2.1. Initial professional training
- 8.2.2. On the job training
- 8.2.3. Anything considered the Members employment task
- 8.2.4. Anything that is not relevant to a Member's present or future career in the financial services sector.

## **9. Learning that is Unacceptable as Unstructured CPD**

9.1. Whatever is considered outside a Member's professional activities or 'ordinary business' or their 'usual work', such as a leisure activity, may not be used as Unstructured CPD. Unstructured CPD should contribute to the Member's personal and/or professional development and their specialisation within the profession.

9.2. Examples of unacceptable Unstructured CPD are:

- 9.2.1. Leisure activities
- 9.2.2. Any activity that brings the Institute's CPD programme into disrepute
- 9.2.3. Anything that is not relevant to a Member's present or future career in the financial services sector.

## **10. IFA Professional Development Planning Self-Assessment Guide**

10.1. All IFA Members, regardless of their designation or statutory obligations, are encouraged to maintain an IFA CPD Personal Development Plan. When completing their Personal Development Plan, Members are advised to use the *IFA Professional Development Planning Self-Assessment Guide*.

## **11. CPD Record and Compliance**

- 11.1. Each Member is responsible for maintaining his or her own CPD Record. IFA offers Members an online CPD Record. Members may also use their own record or log, and if their system can interface with the IFA Record located on the IFA CPD website [www.ifacpd.org.nz](http://www.ifacpd.org.nz) Members may use one or both systems. CPD records are held in the IFA CPD website record for compliance purposes.
- 11.2. Members may record any event as “self-reported” for the purposes of their own CPD Record. In this instance the Member takes responsibility for their self-assessment of the Learning Event’s compliance to the Code of Professional Conduct for Authorised Financial Advisers (CS18) or to the Institute’s CPD Policy for Structured or Unstructured CPD. A Member ‘self-records’ this Learning Event in their CPD Record.
- 11.3. Where a Member may apply to the Institute for a determination on the Member’s “self-recorded” hours for IFA Structured and Unstructured allocation.
- 11.4. The Institute will regularly monitor Members for their CPD compliance.

## **12. Providers of Structured CPD**

- 12.1. Structured CPD may be provided by the IFA, organisations accredited by the IFA, other professional bodies, or by third parties with qualified educators or subject matter experts and must conform to the requirements set out in paragraphs and 4 and 5, above.
- 12.2. Providers of learning events may apply to the Institute for recognition of their particular learning event as IFA Structured CPD for a determination of CPD hours.
- 12.3. Unstructured CPD may be provided by individuals, the Institute and any other entity and must conform to the requirements set out in paragraphs and 6 and 7, above.

## **13. Example of CPD**

The table of Examples of Structured and Unstructured CPD Learning Activities below is only an indicative sample. It does not cover all possibilities. Please refer to the guidelines for further clarity.

See three tables Structured, Unstructured and Not CPD

<b>Examples of IFA Structured CPD,</b> <i>√</i> = criteria for Structured CPD are met	Outcomes-based and research-based learning ( <i>excludes on job training, induction, promoting a particular financial product</i> )	Qualified educator OR subject matter expert	Provides for interaction and feedback OR a test of knowledge	Relevant to PDP AND career AND appropriate to their ability & professional responsibility	Verified by documentation	Presenter OR writer of structured CPD
	i	ii	iii	iv	v	vi
Completing an academic course of study	√	√	√	√	√	
Completion of Supervision Programme (candidate)	√	√	√	√	√	
Conference - business and plenary sessions	√	√	√	√	√	
Professional Development Day	√	√	√	√	√	
IFA Branch meeting that is an IFA accredited CPD event	√	√	√	√	√	
Masterclass attendance	√	√	√	√	√	
Personal Development Courses - career relevant	√	√	√	√	√	
Professional Group meetings - with expert presenters and documented	√	√	√	√	√	
Technical Course - not to promote a financial service or product	√	√	√	√	√	
Webinar - with a learning output that assesses application of knowledge/skills or abilities	√	√	√	√	√	
Government presentation - as a CPD event & documented e.g. IFA hosted event	√	√	√	√	√	
Presentation of a Keynote address	√	√		√	√	√
Workshop Leader	√	√	√	√	√	√
Masterclass presenter	√	√	√	√	√	√
Supervision of a Practitioner Member towards CFP <sup>CM</sup> or CLU <sup>CM</sup>	√	√	√	√	√	√
Successful completion of a CFP <sup>CM</sup> case study	√		√	√	√	√
Lecturing in an academic programme	√	√		√	√	√
Book review	√	√		√	√	√
Authoring a book or article with public circulation in financial services	√	√		√	√	√

Examples of IFA Unstructured CPD, 'X' = one or more criteria for the Structured CPD criteria are <u>not</u> met	Outcomes-based and research-based learning (excludes on job training, induction, promoting a particular financial product)	Qualified educator OR subject matter expert	Provides for interaction and feedback OR a test of knowledge	Relevant to PDP AND career AND appropriate to their ability & professional responsibility	Verified by documentation	Presenter OR writer of structured CPD
Learning activity - not provided by subject matter expert or qualified educator		X				
Learning activity - where participation is unverified by documentation					X	
Learning activities e.g. courses - without interaction feedback			X			
Webinar - without successful completion of a learning output that assesses knowledge			X			
Product promotion but <u>is</u> a learning activity	X					
IFA branch meeting - with general discussion on matters in financial services but without learning outcomes	X				X	
Workshop or conference etc - without feedback or interaction			X			
Workshop or conference etc - without verified by documentation					X	
Professional meetings - general discussions of financial services but without learning outcomes ( or say documentation or matter experts)	X	X			X	
Reading, watching relevant instructional videos - no interaction nor verified by documentation			X		X	
Writer or presenter e.g. non-researched articles, non-expert opinion pieces in financial services	X	X				
Technical course - promotion of a particular product or without feedback/interaction	X		X			
Government presentation - without interaction (or say documentation)			X		X	

Excluded Activities from CPD	Outcomes-based and research-based learning (excludes on job training, induction, promoting a particular financial product)	Qualified educator OR subject matter expert	Provides for interaction and feedback OR a test of knowledge	Relevant to PDP AND career AND appropriate to their ability & professional responsibility	Verified by documentation	Presenter OR writer of structured CPD
Learning activity provided unreputable presenter		X				
Product Launch - with no learning outcome	X					
Leisure activity	X			X		
On job training session	X					
Initial training and induction	X					
Members employment tasks	X					
Attending branch meetings - i.e. networking or administrative only	X	X				
Writing or presenting - not on topic relevant to career				X		
Reading, watching instructional videos - not relevant to career				X		
Anything learning activity not relevant to member's present or future career in Financial Services				X		