

Key Information

Purpose:	<p>This document sets out a procedure to ensure Madison's Representatives are adequately trained, and are competent, to engage in the financial services activities authorised by its licence.</p> <p>This document sets out:</p> <ul style="list-style-type: none"> • The ongoing Continuing Professional Development (CPD) obligations of each Representative, including process for formulating and executing each representative's CPD plan. • How Madison will monitor each representative's compliance with their CPD obligations. • Record keeping obligations.
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Key References

FASEA Guidance	FPS004 Continuing Professional Development Policy
Corporations Act	<p><i>Corporations Act 2001</i> (Cth) s 921B(5) [obligation to meet continuing professional development standards set by FASEA]</p> <p><i>Corporations Act 2001</i> (Cth) s 922HA [obligation to notify ASIC of the CPD year]</p> <p><i>Corporations Act 2001</i> (Cth) s 922HB [obligation to notify ASIC of non-compliance with the CPD standards]</p> <p><i>Corporations Act 2001</i> (Cth) s 922HC and <i>Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018</i> s 12 [record keeping requirements]</p> <p><i>Corporations Act 2001</i> (Cth) s 922L [notices to be lodged with ASIC]</p> <p><i>Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018</i> s 5 [obligation to develop and adopt a CPD policy]</p> <p><i>Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018</i> s 9 [minimum number of CPD hours]</p>
Other	Professional Development Plan - for each Representative

1. **Overview**

Pursuant to section 5 of the *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018*, Madison is required to develop and adopt a Continuing Professional Development Policy.

In this Continuing Professional Development Policy (**Policy**), a reference to 'Representatives' means Madison's Authorised Representatives.

Representatives must:

- develop and maintain a CPD Plan on a continuing basis;
- complete at least 40 hours of CPD activity in each CPD Year, 70% of which must be approved by Madison;
- maintain a continuous, up-to-date and accurate record of their CPD activities, including evidence of completion of any CPD activity; and
- provide those records to Madison to allow Madison to monitor compliance with the CPD standards.

2. **Madison's CPD year**

Madison's CPD year is a 12-month period beginning on the day of the year determined by Madison, which commences on 1 July.

Madison must notify ASIC of the day on which its' CPD year begins within 30 business days of the day that the determination was made.

Madison may decide to change the CPD year if it has not previously notified ASIC of its CPD year within the preceding 12 months.

If Madison changes its CPD year it will:

- notify its representatives in writing;
- notify ASIC of the new day on which Madison's CPD year begins within 30 business days of the day the determination was made; and
- update this Policy.

3. **CPD Plan**

A Representative will prepare a CPD plan prior to the start of each CPD year and lodge the plan with Madison. Madison may assist the Representative to prepare the CPD plan.

The CPD plan will:

- assess the Representative's training needs, having regard to the specific financial services and products that are relevant, particularly if the Representative's functions change;
- identify areas for improvement, including any training gaps or weaknesses in the preceding year, in the Representative's competence, knowledge and skills;
- set objectives to be met (being, the desired changes in the adviser's knowledge, skills and/or performance at the end of the training year);
- describe the CPD activities the provider will complete during the CPD year to achieve those improvements and objectives;

4. Minimum number of hours

Representatives must complete a minimum of **40 hours** of qualifying CPD activities during a CPD year. At least 70% of a representative's minimum CPD hours must be approved in writing by Madison in accordance with FASEA requirements.

In special circumstances, part-time representatives may reduce their CPD requirement to a minimum of 36 hours of qualifying CPD activities with Madison's prior written consent.

A minimum of 24 hours of CPD during the CPD year will be allocated to the following four qualifying CPD activities in accordance with FASEA requirements:

Qualifying CPD activities	Minimum Hours
Technical Competence	5
Client Care and Practice	5
Regulatory Compliance and Consumer Protection	5
Professionalism and Ethics	9
Total	24

The balance of CPD hours must consist of qualifying CPD activities covering the activities listed in FASEA's CPD Legislative Instrument.

As Madison's first CPD year starts on 1 July 2019, the minimum number of CPD hours to be completed between 1 January 2019 and the end of the first CPD year is increased on a proportionate basis, as below:

Qualifying CPD activities	Minimum Hours
Technical Competence	7.5
Client Care and Practice	7.5
Regulatory Compliance and Consumer Protection	7.5
Professionalism and Ethics	13.5
Total	36

5. Approval of Qualifying CPD Activities

Madison will:

- provide in-house approved CPD; and
- select qualifying approved CPD activities provided by external providers.

A Representative may request Madison's approval for a qualifying CPD activity.

Madison must approve a minimum of 70% of the Representative's minimum CPD requirement (i.e. 28 hours of a full-time Representative's CPD activities and 26 hours of a part time Representative's CPD activities) per CPD year.

Criteria for approval

Madison may approve a proposed CPD activity if it is satisfied that the proposed CPD activity meets the following criteria, in accordance with FASEA's CPD Legislative Instrument:

- the activity covers one of the areas listed in section 6;
- the activity consists of one of the types of CPD listed in section 7;
- the activity (other than technical or professional reading) is conducted or lead by persons who have sufficient standing, expertise, academic qualifications and practical experience;
- the content of the activity is of sufficient intellectual and/or practical content;
- the activity primarily addresses matters related to the provision of financial product advice; and
- the activity is designed to enhance the representative's knowledge and skills in areas relevant to Madison's authorisations to provide financial product advice.

Madison must also consider FASEA's guidelines on CPD when approving a proposed CPD activity.

New Representatives

A new Representative may not be authorised to provide financial product advice on behalf of Madison, until approval of the Representative's CPD plan for the first CPD year after the Representative's appointment has been provided.

Madison will also require a new Representative to produce CPD records prior to appointing the Representative to provide financial product advice.

In addition to the criteria above, if the Representative has not practised as a financial adviser for a continuous period of 2 or more years prior to its appointment, Madison may only approve the representative's CPD plan if Madison has satisfied itself that the CPD plan appropriately addresses gaps in the Representative's competence, knowledge and skills.

6. **Qualifying CPD activities**

CPD in the following areas will be counted towards a Representatives' CPD requirements:

- *technical competence* – improving the representative's technical ability to develop and provide advice strategies appropriate to retail clients' objectives, financial situation and needs;
- *client care and practice* – covering the representative's ability to act as a client-centric financial adviser;
- *regulatory compliance and consumer protection* – improving the representative's understanding of its legal obligations and how it complies with those obligations;
- *professionalism and ethics* – acting as an ethical professional; and
- *general* – covering activities designed to maintain and extend professional capacity, knowledge and skill not otherwise covered by the specific CPD areas listed above.

If a CPD activity covers more than one of the above areas, the CPD activity may be counted towards all the areas covered. However, the representative may not "double count" the CPD hours for the purposes of total CPD hours.

If a Representative undertakes CPD required to meet a Professional Association's CPD requirements (including but not limited to SMSF Association, FPA, AFA, CA, CPA and IPA) and this CPD meets the Representative's training plan, Madison will consider approving this CPD.

7. **Types of CPD**

CPD sessions

- Sessions and workshops at conferences, technical sessions, and Professional Development days.
- Completion of content via Kaplan OnTrack.
- Webinars.

Professional or technical reading

A Representative may count professional or technical reading towards meeting the CPD requirement, to a maximum of 4 CPD hours per CPD year (or 6 CPD hours in the first CPD year, being 1 January 2019 to 30 June 2020).

Formal education

Formal relevant education towards qualifications and designations relevant to the financial services the representative is authorised to provide may be counted towards the Representative's CPD requirement, to a maximum of 30 CPD hours per year (or 45 CPD hours in the first CPD year). Formal relevant education can include study undertaken by the Representative to meet statutory education requirements, such as a degree in a relevant discipline or bridging courses.

Non-formal education

The Representative may count hours spent in education that the representative has undertaken in order to:

- achieve a relevant professional designation (e.g. Certified Financial Planner, Fellow Chartered Financial Practitioner);
- meet requirements in specific financial advice provisions; and
- achieve accreditation in a specific financial product that Madison is authorised.

Leading or conducting a qualifying CPD activity

A Representative may count hours spent leading or conducting a qualifying CPD activity. Please note, there are additional requirements for this to be CPD approved by Madison, and only the time spent facilitating the CPD activity can be counted, as opposed to the time preparing the CPD activity. Please contact the [Advice and Governance team](#) to discuss these requirements.

8. **Provisional Financial Advisers**

This Policy does not apply to provisional financial advisers whilst undertaking their professional year. If a provisional financial adviser completes his or her professional year and is subsequently appointed as a Relevant Provider by Madison part way through the CPD year, the provisional financial adviser will be required to complete CPD on a pro-rata basis.

9. **Training records**

A Representative must maintain records of:

- the qualifying CPD activities the Representative undertakes;
- when the qualifying CPD activities were undertaken;
- how many hours were spent on each qualifying CPD activity;
- evidence of completion of and outcome of each qualifying CPD activity; and
- the progress of implementation of the Representative's CPD plan.

It is expected that these records will be maintained via Kaplan OnTrack; however, any additional records must be made available to Madison upon request.

Madison will maintain a record of training, including qualifying CPD activities, that each of its Representatives has undertaken after that person became a Representative, and any training undertaken before that person became a Representative to the extent that Madison can obtain that information after reasonable inquiry.

To demonstrate compliance with the CPD standards, Madison will:

- keep written records of each Representative's CPD plan. The CPD plan must be updated at least annually and address the elements contained in section 3 of this Policy;
- keep evidence of their Representatives' CPD activities, including Certificates of Completion, receipts, enrolment records, attendance lists, detailed diary notes; and
- maintain Madison's Training Register.

All written records will be kept for a period at least 7 years after the Representative ceases to provide financial services on behalf of Madison.

10. **Monitoring compliance with the CPD standards**

It is the responsibility of the Representative to ensure that it satisfies its CPD obligations.

Madison will periodically review the Representatives' ongoing CPD status.

Madison will:

- assess whether the Representative is meeting the objectives of the CPD plan; and
- provide feedback to the Representative regarding how they are tracking to their CPD plan.

Madison will also undertake an annual review immediately following the end of the CPD year to assess whether the Representative has complied with its CPD plan and determine whether the Representative has complied with the CPD standard during the CPD year.

Madison will report to both its Responsible Managers and the Madison Board Audit Risk and Compliance Committee (BARCC) if a Representative fails to comply with its CPD plan or meet the minimum number of CPD hours. This report will include any rectification plan that will remedy the failure.

Reporting non-compliance to ASIC

If, at the end of the CPD year, Madison determines that a Representative has not complied with the CPD standard during the Madison's CPD year, Madison must lodge a report with ASIC within 30 business days of the last day of the CPD year.