



Continuing Professional Development (CPD) Policy

**Harvest Financial Group Pty Ltd
AFSL 284909**

Developed to comply with the Corporations (Relevant Providers Continuing Professional Development) Determination 2018 (“Legislative Instrument”)

Responsible Manager:

Alex Isaias, Director

Background

1. Introduction

1.1 Summary

- a) Harvest Financial Group (HFG) has certain obligations in relation to continuing professional development, training and competency under its Australian Financial Services Licence (AFSL) and under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* (AML/CTF Act).
- b) In addition to these requirements, some representatives may also hold professional qualifications and/or registrations that have additional ongoing CPD requirements. Each representative must ensure that, if applicable, any such additional CPD requirements are met.

1.2 Our commitment to ongoing CPD

- a) HFG believes that a strong compliance culture is key to ensuring the best outcomes for our clients. It is also key to making sure HFG continue to remain eligible to hold its AFSL. All Representatives must take ongoing training seriously and ensure that they meet all of the requirements of this policy.

2. Purpose

- a) This Policy outlines HFG's CPD, training and competency requirements. This includes:
 - (i) Assisting all employees to be aware of what their ongoing CPD obligations are and how to meet them;
 - (ii) Which roles and functions require certain qualifications and/or authorisations before they can be performed;
 - (iii) How CPD training records will be maintained and monitored; and
 - (iv) Who is responsible for ensuring employees have met any applicable training obligations.

3. Scope

- a) This policy specifically applies to all Representatives.

4. Consequences of breaching this policy

- a) Non-compliance with this Policy may result in disciplinary action up to and including termination.

Our Obligations

5. General obligations for AFSL holders

- a) As an AFSL holder, HFG must, among other things:
 - (i) Maintain and demonstrate ongoing competence to provide financial services;
 - (ii) Ensure representatives are adequately trained and remain competent to provide financial services at all times;
 - (iii) Ensure financial services are provided efficiently, honestly and fairly;
 - (iv) Take reasonable steps to ensure its representatives comply with financial services laws; and
 - (v) Maintain organisational competency including the appointment of Responsible Managers.

6. Financial Advisers Standards and Ethics Authority (FASEA)

- a) Amendments to the *Corporations Act 2001 (Cth)* (Corporations Act) that were passed in 2017 now require individuals identified as Relevant Providers to meet the CPD requirements set out by the appointed standards body. This body is FASEA.

7. Regulatory basis for this Policy

- a) This Policy is based on relevant regulatory guidelines including:
 - (i) *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018*
 - (ii) AFSL general obligations under s912A of the Corporations Act
 - (iii) ASIC Regulatory Guidelines:
 - (a) RG 104 – Licencing: Meeting the general obligations.
 - (b) RG 105 – Licencing: Organisational competence.

- (c) RG 146 – Licencing: Training of financial product advisers.
- (iv) AML/CTF Act

Expectations and Obligations of Representatives

8. Financial Product Advice

- a) Representatives may be required to provide Financial Product Advice and/or Deal in a Financial Product. In order to perform and such functions, a Representative must be authorised to do so. This authorisation is given in the form of a Letter of Authority (LOA). The LOA will set out the type of advice the Representative is authorised to provide (general and/or personal) as well as the financial products the Representative is authorised to provide such advice on and /or deal in. Representatives must not at any time act outside the scope of their LOA. Representatives who have been given an LOA must meet their ongoing CPD requirements to maintain this authority.

9. Obligations on Representatives

9.1 Conduct

- a) All Representatives must:
 - (i) Comply with all rules, regulations, legislation and policies (as set out an amended from time to time);
 - (ii) Conduct themselves efficiently, fairly and honestly; and
 - (iii) Meet all reasonable standards of performance that clients and the business are entitled to expect of them.

9.2 Knowledge

- a) Representatives must maintain ongoing competency and adequate knowledge of in relation to the activities they are authorised to undertake on behalf of HFG as well as any other skill and knowledge required to perform their role and function. This includes, but is not limited to adequate knowledge of:
 - (i) The Corporations Act;
 - (ii) Other relevant regulations and legislation;
 - (iii) Developments within your areas of authorisation;
 - (iv) Any relevant conditions attached to HFG's AFSL;
 - (v) HFG's policies and procedures that apply to your conduct;

Assessment of qualifications and skills

10. Determination of requirements

- a) HFG must assess and determine what qualifications and experience are necessary for the duties the Representative is to undertake on behalf of the HFG having due regard for regulatory minimum requirements and the demands and scope of each role.

11. Assessment of prospective Representatives

11.1 Prospective Representatives

- a) The skills, experience and qualifications of any prospective Representative must be assessed prior to a job offer being presented. The assessment must have due regard for the scope and level of authorisation. This assessment must be approved by the Head of Compliance in conjunction with the Directors.

11.2 Transfers and promotions

- a) All transferred or promoted Representatives that are subject to RG146 and adviser qualification requirements must have their skills, experience and qualifications assessed having regard to the scope and duties of the role. This assessment must be approved by the Head of Compliance in conjunction with the Directors.
- b) Where there is a minor gap in competencies, the Representative may be suitable for appointment at the sole discretion of the Directors, subject to the following:
 - (i) The Representative must agree to a remediation plan with includes timeframes for any competency gaps to be obtained. This includes an agreement by the Representative to undertake any additional training and/or qualifications required

- by HFG. Financial assistance may be provided with these requirements at the sole discretion of the Directors and the Representative is not to assume any entitlement to such support unless approved by the Directors in writing;
- (ii) The Representative must not engage in any authorised activities until it has obtained the relevant competencies.

CPD Requirements

12. CPD Year

- a) HFG's CPD year will be from 1 July to 30 June of the following calendar year.

13. Our approach to CPD

- a) Our approach to CPD will be to:
- (i) set reasonable CDP requirements for each Provider relevant to the scope and nature of the authorisations of that provider; and
 - (ii) actively assess the performance of each provider against their requirements throughout the CPD year.

14. CPD Plans

- a) Each Representative will be issued an annual CPD Plan outlining the ongoing CPD requirements for the CPD Year.

15. Mandatory CPD

15.1 Relevant Providers

- a) Under FASEA regulations, all Relevant Providers are required to complete a minimum of 40 hours of CPD training per CPD Year. Within this 40 hours, Relevant Providers are required to complete certain minimum hours in certain subject areas. The minimums set out below have been developed in line with these standards:

CPD Area	Required Hours (min)
Technical Competence	15 Hours
Client Care and Practice	5 Hours
Regulatory Compliance & Customer Protection	5 Hours
Professionalism and Ethics	9 Hours

- b) A minimum of 15 hours of the above CPD Activities must be **Structured CPD**. Structured CPD activities are activities that require a formal assessment component. Evidence of successful completion is required.

15.2 RG146 Representatives that are not Relevant Providers

- a) HFG has determined that other Representatives that are captured by RG146 requirements but are not Relevant Providers (i.e. are not authorised to provide personal advice) are required to complete 25 hours of CPD Training per CPD Year. Within this, a minimum number of CPD hours is required in the following areas:

CPD Area	Required Hours (min)
Technical Competence	5 Hours
Client Care and Practice	3 Hours
Regulatory Compliance & Customer Protection	3 Hours
Professionalism and Ethics	3 Hours

- b) A minimum of 15 hours of the above CPD Activities must be **Structured CPD**. Structured CPD activities are activities that require a formal assessment component. Evidence of successful completion is required.

16. Restrictions

16.1 Professional and Technical Reading

- a) A maximum of **4 hours** of professional and technical reading may be counted towards CPD hours in any given CPD Year.

16.2 Formal Relevant Education

- a) A maximum of 30 hours of formal relevant education (i.e. further studies) may be counted towards CPD hours in any given CPD Year.

17. Qualifying CPD Activities

- a) Qualifying Activities are defined under section 7 of the Legislative Instrument. A Qualifying CPD Activity must:
 - (i) Have clearly defined aims and learning outcomes;
 - (ii) Have a clearly defined and logical structure that following adult learning principles;
 - (iii) Be current, accurate and up-to-date;
 - (iv) Is at the appropriate learning level with appropriate technical or practical content;
 - (v) Deal primarily with matters that are relevant to the provision of financial product advice, financial advice services or the conducting of a financial advice business;
 - (vi) Be conducted by one or more persons with appropriate expertise, academic qualifications and practical experience;
 - (vii) Enhance the Representative's knowledge as skills in areas relevant to the provision of financial advice;
 - (viii) Include one or more of the following: workshop, face to face presentation, multimedia, worked examples, activities, case studies, tips, warnings and if appropriate, references to relevant legislation and regulation;
 - (ix) Issue a proof of attendance/completion (which must be provided to HFG by the Representative) which specifies as a minimum;
 - (a) Name of activity and provider;
 - (b) Date of activity/completion;
 - (c) Overview of activity;
 - (d) Overview of conducting entity/person;
 - (e) The CPD area/s to which it relates;
 - (f) Duration in minutes/hours/CPD points of the activity (1 CPD point is to be considered as 1 CPD hour).

18. Approval of CPD

- a) HFG must approve 70% of each Representative's CPD for them to complete as part of their CPD Plan. For Relevant Providers, this means that 28 hours of CPD must be approved each CPD Year. For RG146 Representatives, 17 hours must be approved.

18.2 Kaplan OnTrack

- a) Kaplan OnTrack is the system used by HFG to provide access to CPD training content as well as log and monitor Representative's CPD activity. Any CPD completed through Kaplan OnTrack is deemed to be approved by HFG. As such, a Representative could meet all qualifying CPD activities hours by completing the required hours via Kaplan OnTrack.

18.3 Other activities

- a) Activities other than those completed through Kaplan OnTrack may be approved by HFG at its sole discretion. Representatives wishing to count such activities towards their annual CPD requirements must apply for approval for the activity in question by logging it in Kaplan OnTrack portal and providing all of evidence that satisfies all of the requirements outlined in section 17 of this Policy.

19. Monitoring and assessment

- a) An RP's progress towards meeting their CPD requirements will be assessed quarterly.
- b) If HFG forms the view that the AP is not making sufficient progress towards meeting the requirements of their annual CPD Plan, the RP will be issued with a caution and the RP's progress will be monitored monthly in the quarter following the caution.

20. Update this CPD Policy

- a) An annual review and assessment of this CPD Policy will be completed to ensure it remains compliant with the requirements of the Legislative Instrument as amended from time to time. HFG will update this policy if and when required.

21. Primary Responsibility for meeting CPD requirements

- a) Representatives are primarily responsible for meeting the requirements of their annual CPD Plans.
- b) Managements is primarily responsible for setting annual CPD Plans and monitoring progress towards these throughout the CPD Year.

22. Maintenance of required records

22.1 Requirements of Representatives

- a) HFG has engaged Kaplan (via Kaplan OnTrack) to record the CPD of Representatives and perform the function of HFG's CPD Training Register. As such, Representatives must add all CPD activities to Kaplan.
- b) Representatives will need to provide complete evidence in support of all CPD activities added to their Training Register.

22.2 HFG's requirements

- a) HFG will ensure that all records required by the Legislative Instrument are completed and maintained. These records include:
 - (i) All CPD Plans;
 - (ii) Details of CPD Assessments
 - (iii) Details of CPD Activities
- b) For Relevant Providers, HFG must record on that Representatives Financial Adviser Register entry, any CPD Year for which that Representative fails to meet their CPD requirements.

23. Publication of CPD Policy

- a) HFG will publish a copy of this CPD Policy on its website and will ensure that all RPs have access to a copy of it.
- b) a minimum of 40 hours of CPD, at least 70% of which must be deemed qualifying CPD activities, each CPD year.

Definitions

Director means any director of HFG or any Corporate Authorised Representative of HFG.

Employee means any employee or contractor of HFG or any Corporate Authorised Representative of HFG.

HFG means Harvest Financial Group Pty Ltd (AFSL 284909).

Officer means any company officer of HFG of Corporate Authorised Representative of HFG.

Representative means, for the purposes of this Policy, any Director, Employee or Officer.

Relevant Provider means a Representative authorised to provide personal advice to retail clients in relation to financial products.

Revision History

Date of Revision	Responsible	Summary of change
30/04/2019	Board	Policy Created

