



Principle Financial Group

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CPD Policy

Principle Financial Group 516 203 (we, us)

Overview

Continuing Professional Development (**CPD**) encompasses the wide variety of learning activities undertaken by professionals on an ongoing basis to maintain their technical knowledge and skills and to continually develop such competencies in existing and emerging areas. We consider CPD and the quality of advice and services to be directly correlated. For this reason, CPD plays an important part in our advisers' professional and personal development within our business. Our advisers means our authorised representatives who provide financial advice on our behalf.

We are required to have a CPD policy which sets out our processes for ensuring our financial advisers undertake CPD required to comply with the CPD legislative framework and ensure they are providing services to a competent and professional standard. This policy is published on our website and is also available internally to all staff.

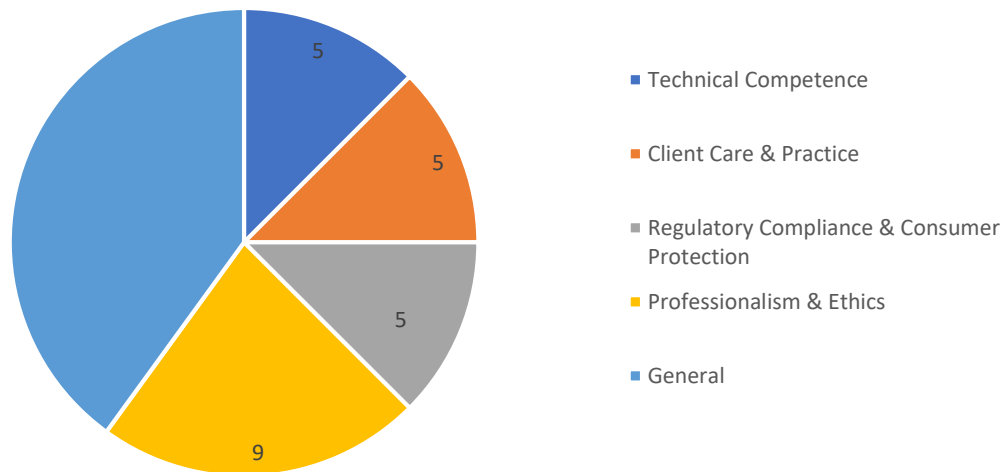
What is the legislative framework?

CPD requirements are prescribed by the Corporations Act, the Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018 (**Determination**) and Financial Adviser Standards and Ethics Authority (**FASEA**). FASEA is the governing body that regulates training and education standards for advisers.

Advisers are required to undertake CPD every CPD year to improve their knowledge and competencies within broader CPD categories. A minimum number of hours have to be completed in each CPD category, but the CPD in total must meet the minimum hour requirements for each CPD year. Our CPD year is a financial year.

The CPD categories and respective minimum hours are summarised in the chart below:

Minimum CPD hours per category



Full-time advisers are required to complete at least 40 hours of 'qualifying CPD' each CPD year and ensure that they have met the minimum hour requirements in each CPD category. Part-time advisers can apply to us to reduce their total CPD load to 36 hours of qualifying CPD, although that is subject to our written approval which we will only provide if we are reasonably satisfied that the reduced load will not compromise the adviser's skills and competence.

What comprises 'qualifying CPD' is set out in the Determination. Qualifying CPD must:

- be based on content relevant to a CPD category;
- have sufficient intellectual or practical content;
- primarily deal with matters related to the provision of financial product advice, financial advice services and financial advice businesses;
- be conducted by 1 or more persons who are appropriate and have sufficient standing, expertise, academic qualifications and/or practical experience; and
- be designed to enhance advisers' knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.

70% of the qualifying CPD undertaken by our advisers must be approved by us. Qualifying CPD will usually take the form of courses, presentations or other educational material that meets the criteria set out above. It may also constitute professional or technical reading (maximum of 4 hours) and formal education (maximum of 30 hours).

How we ensure compliance?

It is our responsibility to promote a culture of professional learning and development. Our role in ensuring advisers comply with their CPD obligations can be summarised in four separate components:

- **Approving CPD.** We are responsible for approving activities as qualifying CPD. This requires us to ensure the CPD activity meets the requirements set out above. We will only approve the CPD activity as a qualifying CPD activity for the period of time in which the activity meets the requirements. This provides us with flexibility to pro-rate CPD where a portion of it met the requirements, but another portion of it did not. We will maintain a list of CPD which we have approved as a qualifying CPD activity along with the time period that can be attributed to that activity. Qualifying CPD may include seminars, presentations (whether provided internally or external) online education courses, conferences and reading material. We are required to approve a sufficient number of qualifying CPD activities to enable advisers to meet their CPD requirements.
- **Training Plans.** This is the document that identifies areas where the adviser can improve their competence, knowledge and skills and describes the types of qualifying CPD activities the adviser will complete during the CPD year to achieve those improvements. We will work with the adviser to formulate a training plan which meets these objectives and our overall business strategy. We don't approve training plans, unless the adviser is returning to work from a career-break.
- **Supervision.** We are responsible for ensuring advisers undertake qualifying CPD they are required to complete in accordance with their training plans. Their progress will be monitored throughout the CPD year, which may be in the form of regular catch-ups or reminders. Advisers are responsible for updating our training register promptly upon completing a qualifying CPD activity.
- **Compliance with training plans is a key performance indicator for our advisers.** We will provide them with all the assistance we can reasonably provide to ensure our advisers comply with their training plans. Where an adviser does not comply with their plan, this will affect their performance scorecard and may also lead to us restricting or revoking the adviser's authority to provide financial advice. We will also comply with our legal obligations with respect to such failure, including reporting it on ASIC's financial adviser register.
- **Career Breaks.** We are responsible for approving training plans for advisers who are returning to work after a continuous period of absence of least 2 years. These advisers cannot resume practice until we have approved their training plan. Approval of the training plan is at our absolute discretion, but at a minimum, we will need comfort that the training plan is appropriate in addressing all gaps in the adviser's competence, knowledge and skills which have arisen as a result of their absence from practice.

Training records

Advisers are required to obtain records of qualifying CPD they undertake and must promptly provide those to us so we can substantiate their attendance/completion of CPD. Completion of qualifying CPD will be recorded on the training register, which we maintain for this purpose. We will keep these records for a period of 7 years or as otherwise required by our document retention procedures.

Monitoring and review

We will continually monitor the effectiveness of the procedures set out in this policy. We may amend it from time to time by uploading the updated policy to our website.