

## Horizon Investment Solutions Financial Adviser CPD Policy

Effective Date: 1/1/2019

### Our approach to continuing professional development (CPD)

Horizon Investment Solutions Pty Ltd, Australian Financial Services Licensee 405897 (Horizon) is committed to quality in everything we do, and this is embodied in our commitment to the ongoing professional development of our financial advisers who provide personal advice to retail clients (relevant providers).

All our financial advisers must undertake comprehensive and relevant continuing professional development of at least 40 hours every CPD year to ensure they keep up with developments relevant to their respective areas of practice.

Horizon will ensure that our financial advisers have the appropriate resources and opportunities available to meet their CPD requirements.

Our CPD year is the calendar year – from January 1 to December 31.

### Our process for approving CPD activities

How our financial advisers may undertake their CPD

Our advisers may undertake their CPD in the following ways:

- Formal relevant education (provided by an education provider) including degree equivalent study to meet legislative requirements (such as bridging courses and approved degrees) and any formal qualifications and designations relevant to the practice of the financial adviser; to a maximum of 30 CPD hours per year
- Non-formal education including for the purposes of achieving a relevant professional designation, for the purposes of meeting requirements in specific financial advice provision (aged care, self-managed superannuation etc.) and for the purposes of accreditation in specific form of financial products relevant to licensing arrangements.
- via our preferred CPD platform and content provider; Kaplan Professional (Kaplan Education Pty Ltd)
- in-house training sessions/workshops (internally developed and/or arranged)
- attendance at professional developments days and workshops
- product update sessions – internal and external
- completing other professional development activities for example those provided by professional associations, product providers and other financial services industry participants
- professional reading – four hours per annum maximum

At least 70 per cent of all professional development activities undertaken by our financial advisers must be approved by Horizon as the responsible Australian Financial Services Licensee.

How we approve the CPD of our financial advisers and allocate hours to their CPD plans.

Kaplan Professional has provided a market leading CPD solution for over 20 years. Kaplan's approach to allocating hours to CPD plans is based on the estimated length of time to complete the activity. As Kaplan Professional is our preferred CPD partner, all training completed via the Kaplan platform is automatically approved by Horizon in accordance with their estimation of CPD hours.

All other professional development activity submitted for Horizon CPD approval will be assessed on a case-by-case basis by the Compliance Manager.

To be approved the CPD activity must meet all of the following requirements in accordance with *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018* the final determination and amendments:

- The activity falls within one of the following CPD areas:
  - technical competence
  - client care and practice
  - regulatory compliance
  - professionalism and ethics
  - general
- the activity has sufficient intellectual or practical content
- the activity primarily deals with matters relating to the provision of financial product advice
- the activity is lead or conducted by one or more persons who are appropriate, have sufficient standing, expertise, academic qualifications and practical experience \*
- the activity is designed to enhance the financial adviser's knowledge and skills in areas that are relevant to the provision of financial product advice

\* *Does not apply to an activity that consists of professional or technical reading.*

If the CPD activity covers more than one CPD area, it will only be allocated to the CPD area to which it predominately relates.

If the financial adviser conducts or leads the CPD activity; the number of hours spent conducting or leading the activity can be allocated to their CPD plan.

If hours have not been allocated by the CPD content provider, or content is developed in-house; approved CPD hours will be allocated and recorded in accordance with the following formulae:

- static content – (total number of words/225) + 1 minute per assessment question, if applicable = CPD minutes (rounded to the nearest 15 minutes)
- interactive content – (total number of words/225) x 1.5 + 1 minute per assessment question, if applicable = CPD minutes (rounded to the nearest 15 minutes)
- 1 minute of audio or face to face content is equal to one minute of CPD

## **Our process for ensuring CPD activities are provided by persons or entities that are appropriate**

Kaplan Professional is our preferred CPD partner and all training completed via the Kaplan platform is automatically approved by Horizon as being provided by persons or entities that are appropriate.

All other CPD activities, required to reach the required minimum of 70 per cent approval within a CPD year, undertaken by our financial advisers, must be approved by the Compliance Manager on a case-by-case basis.

The determination of the appropriateness of the entity or person providing the CPD activity will include consideration of the following factors:

- sufficient standing
- expertise
- academic qualifications
- practical expertise

## **Our approach to evidencing outcomes of CPD**

All Kaplan professional CPD content includes associated learning objectives and outcomes and these are automatically approved as evidencing outcomes of CPD.

Similarly, any non-Kaplan content that has been accredited by a professional association is also automatically approved as evidencing outcomes for CPD. When approving, non-Kaplan Professional and non-professional association accredited CPD content; the Compliance manager must consider the learning objectives/outcomes of the CPD content, as they relate to the role of the financial adviser, prior to approving the allocation of hours to the financial advisers CPD training plan. This is in addition to assessing the appropriateness of the person or entity providing the CPD as outlined previously.

## Our requirements in relation to professional reading

Horizon acknowledges that professional research and technical reading is an integral part of being a financial adviser. If a financial adviser undertakes professional reading as a part of their CPD, they must keep a record of the material read, provide a brief summary of the materials (may be bullet points) and calculate the CPD hours in accordance with the formula:

- $(\text{total number of words}/225) = \text{CPD minutes (rounded to the nearest 15 minutes)}$

## Our approach to developing CPD plans for financial advisers

The training needs of each financial adviser will be assessed when developing the annual CPD training plan. Considerations will include:

- the financial services the representative is authorised to provide
- previous training completed by the representative before and after they joined Horizon
- the financial adviser's performance over the preceding year
- any recommendations made following an internal or external compliance audit
- any feedback received from their supervisor or manager
- any feedback or learnings from the dispute resolution process
- regulatory or business change which affects the financial advisers and/or the way they provide their financial services
- their knowledge and skill requirements with reference to *Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018* (Exposure Draft) and the final determination, as updated

CPD Category	Description	Min. CPD hours/year
1. Technical competence	enhances technical proficiency and ability to provide advice and strategies relevant to the personal circumstances of different type of retail clients	5
2. Client care and practice	enhances ability to act as a client-centric practitioner in advising retail clients	5
3. Regulatory compliance and consumer protection	enhances understanding of applicable legal obligations and compliance	5
4. Professionalism and ethics	enhances capacity to act as an ethical adviser	9
5. General	maintains and extends professional capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other relevant developments not in an area referred to elsewhere in this table	
<b>Minimum CPD hours</b>		<b>40</b>

*All CPD plans, including any plan amendments, will be provided to the financial adviser, in writing.*

## Our approach to monitoring the CPD activities of financial advisers

Horizon will monitor the completion of CPD activities, and adherence to this CPD policy on a quarterly basis. Whilst we do not require our financial advisers to complete a proportionate number of CPD hours each quarter, we do encourage our team to complete their CPD activities regularly throughout the year. If the Compliance Manager becomes concerned that a financial adviser is at risk of not completing the required CPD within the CPD year; they may direct the adviser to complete a certain number of CPD hours within a designated time frame.

At 11 months into the CPD year; weekly monitoring of CPD plan progress will be undertaken in relation to any financial adviser that has not yet completed their full 40 hour CPD training plan.

Any financial adviser that does not complete the requisite CPD training plan within the CPD year will not be permitted to provide financial advice to retail clients until the prior year plan is completed in its entirety.

### Our approach to career breaks

When a financial adviser has had a career break of a continuous period of two years or more, they are not able to resume practice as a financial adviser until Horizon has approved a CPD plan for the first year that is designed to address any gaps in their competence, skills and knowledge that may have arisen in that period.

Horizon may require the financial adviser to undertake specified CPD activities prior to providing personal advice to retail clients as a result of the career break.

Horizon may also require others who have had breaks of shorter duration to undertake specific CPD activities prior to providing personal advice to retail clients, for instance after a period of parental, disability or medical leave.

### Our approach to record keeping

Our financial advisers must keep records of their CPD for a period of 7 years from the end of any given CPD year. Evidence of CPD activities must be provided to Horizon upon request.

Our financial advisers utilise the Kaplan Professional online CPD platform to complete and track their professional development activities and Horizon has administrator access to that platform.

If a financial adviser leaves, they must provide Horizon with a copy of their complete CPD transcript as part of the standard off-boarding process. The record must include all CPD activities undertaken throughout their time as a financial adviser with Horizon.

The records for each CPD activity must include documentation of the activities undertaken, evidence of completion and outcomes obtained.