

NKH KNIGHT HOLDINGS PTY LTD

ABN 30 163 152 967

Australian Financial Services License No. 438631

TRAINING and CPD POLICY

DOCUMENT MANAGEMENT**Responsibility for Policy***— Arna Menna - Compliance**Revision History**

Note: Version(s) numbering is Licensee Compliance Solution's current template supply sequence and not necessarily that of NKH Knight.

Date	Version	Description of Review	Author
March 2021	V0320	Review of Policy Conducted	K Hockley
March 2020	V0320	Review of Policy conducted. Various updates, changes and inclusions made with user editable fields included for Licensee customisation.	K Hockley
March 2019	5.0	Review of Policy conducted. Name change and known FASEA requirements included.	K Hockley
March 2018	4.0	Review of Policy conducted.	K Hockley
March 2017	3.0	Review of Policy conducted.	K Hockley
March 2016	1.2	Review of Policy conducted with updates & ASIC guidance included	K Hockley
Sept 2014	1.1	Rewrite of Policy customised from Licence Proofs	K Hockley

Approval

Version	Approval	Date	Responsible Person	From	To
V0320	Simon Howard	March 2020	Arna Menna	March 2020	
5.0	Simon Howard	March 2019	Arna Menna	March 2019	
4.0	Peter Farlie	March 2018	Peter Farlie	March 2018	
3.0	Peter Farlie	March 2017			
1.2	Peter Farlie	March 2016			
1.1	Peter Farlie	October 2014			

Version Control Management

Version	Original Document Location
V0320	AFSL Compliance Manager—Dropbox/ 1 NKH Knight Holdings /Policies & Procedures/ 1 Training and CPD Policy
1.0, 1.2, 3.0, 4.0, 5.0	Archived

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Confidentiality

This document is confidential to NKH Knight Holdings Pty Ltd and must not be disclosed to any third party without their express written approval.

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TRAINING and CPD POLICY

Purpose of the Policy

NKH Knight Holdings Pty Ltd ("NKH Knight", the Licensee), as the holder of an Australian Financial Services license ('AFS license') must ensure that its Representatives are properly trained and competent to undertake their role within the business.

This policy embeds a Continued Professional Development ("CPD") framework and outlines the CPD requirements under Corporations Amendment (Professional Standards of Financial Advisers) Act 2017 (Cth) and Corporations Relevant Providers Continuing Professional Development Standard) Determination 2018, which requires all individuals identified as 'Relevant Providers' and nominated Responsible Managers of NKH Knight to meet the requirements for CPD set by the Financial Adviser Standards and Ethics Authority Limited (FASEA).

This document outlines the overarching CPD policy and provides a summary of the Relevant Provider requirements.

The CPD policy component embeds the following principles:

- CPD maintains currency of technical knowledge;
- CPD enhances and extends knowledge and skills;
- CPD involves critical reflection and development;
- CPD is relevant and flexible; and
- CPD is integral to ethical and professional practice.

2. Governing Framework

Section 912A of the *Corporations Act 2001* provides that the holder of an AFS licence must take reasonable steps to ensure that its Representatives comply with the financial services laws and ensure that its Responsible Managers and Representatives are adequately trained, and are competent, to provide financial services in the capacity in which they act.

The Corporations Amendment (Professional Standards of Financial Advisers) Act 2017 (Cth) and Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018, requires all Representatives identified as 'Relevant Providers' to meet the requirements for CPD set by the Financial Adviser Standards and Ethics Authority Limited (FASEA).

AFS licence conditions requires NKH Knight as the holder of the licence to:

- identify the tasks and functions that a person performs on behalf of NKH Knight;
- determine the appropriate knowledge and skill requirements required to competently perform those tasks and functions;
- implement procedures for continuing training of Responsible Managers (incl. any development plan) and Representatives; and
- ensure that each person who provides financial product advice to clients has completed initial training courses at an appropriate level that are relevant to those functions and tasks.

ASIC Regulatory Guide 146 – Licensing: Training of Financial Product Advisers set out the minimum training standards for people who provide financial product advice to clients, including general advice. RG 146 will continue to apply to existing providers until the new requirements apply. Existing providers must pass the exam by 1 January 2021* and attain the required educational qualifications by 1 January 2024*, otherwise they will no longer be able to provide personal advice to retail clients on relevant financial products.

* Unless legislation is passed changing this date.

For new entrants to the industry seeking to become a Relevant Provider from 1 January 2019 onwards, RG 146 does not apply.

ASIC Regulatory Guide 104 – Licensing: Meeting the General Obligations sets out what ASIC looks for when assessing compliance with most of the general obligations under s912A of the *Corporations Act 2001*, including measures to ensure that Representatives who provide financial services have, and maintain, the necessary knowledge and skills to competently provide financial services.

ASIC Regulatory Guide 105 - Licensing: Organisational Competence sets out what ASIC looks for when assessing compliance with the organisational competence obligation.

3. Scope of the Policy

This Policy, in compliance with Corporations (Relevant Providers Continuing Professional Development Standard) Determination 2018 applies to all Relevant Providers and any Responsible Managers whom provide personal advice to retail clients of NKH Knight.

4. Definitions

Compliance Manager means a person nominated and formally appointed by NKH Knight, who is responsible for monitoring, supervising and overseeing the compliance requirements of NKH Knight, reporting to the Responsible Managers and Directors. Currently, the oversight of this role is held by Keith Hockley and Licensee Compliance Solutions. NKH Knight has determined a number of base hours for the performance of this service by the external compliance manager. The compliance manager is not responsible for the supervision of employees, Representatives or Responsible Managers, as outlined in this document, unless formally named as the Responsible Person in the 'Approval' section of the 'Document Management' on page 2.

CPD is an abbreviation for Continued Professional Development.

CPD year: The 12-month period beginning on the day of the year included in the most recent notice given by the licensee under section 922HA of the Act. NKH Knight's CPD year is 1 January to 31 December.

Director means a director of NKH Knight.

FASEA: Financial Adviser Standards and Ethics Authority set the education, training and ethical standards of licensed financial advisers (currently only Relevant Providers) in Australia. See the FASEA website for further information at www.fasea.gov.au

Formal relevant education includes any of the following:

- (a) a degree or equivalent qualification approved under the Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2018;
- (b) a course determined in a legislative instrument under paragraph 1546B(1)(b) of the Act;
- (c) education or training provided or approved by a professional association; and
- (d) formal education or training study towards qualifications or designations relevant to practice as a Relevant Provider.

Para-planner or paraplanning service assist Representatives in advice preparation and Statement of Advice drafting. Representatives always remain responsible for the work and services of a para-planner.

Professional or technical reading: The reading of relevant magazines, academic readings or journal articles that is unstructured and does not contain an assessment.

Provisional Financial Advisers / Relevant Provider: a Relevant Provider who is undertaking work and training in accordance with subsection 921B(4) of the Corporations Act i.e. a trainee Representative.

Registered Training Organisation ("RTO") or higher education providers: entities that have had their courses and programs approved, or can approve CPD content, as meeting FASEA's education or CPD requirements. See the FASEA website for further information at www.fasea.gov.au

Relevant Financial Products means financial products other than:

- basic banking products;
- general insurance products;
- consumer credit insurance; and
- a combination of any of those products.

The definition of 'relevant financial products' is broadly similar to the concept of Tier 1 financial products in ASIC's Regulatory Guide 146 Licensing: Training of financial product advisers (RG 146) but the concepts differ slightly. Personal sickness and accident insurance products are not 'relevant financial products' (however, they are Tier 1

products). The reforms do not apply to Representatives who are not Relevant Providers. This means, for example, they do not affect Representatives who only provide general advice or who only provide personal advice on products that are not relevant financial products, such as general insurance.

Relevant Provider is an individual who is:

- an Australian financial services (AFS) licensee, a Representative, employee or director of an AFS licensee, or an employee or director of a related body corporate of an AFS licensee, and
- authorised to provide personal advice to retail clients, as the AFS licensee or on behalf of the AFS licensee, in relation to relevant financial products.
i.e. a **Representative**, as defined below.

Representative (also referred to as 'Relevant Provider' in this policy) under the Corporations Act 2001, means:

- an employee or director of NKH Knight (appearing on the ASIC's Financial Adviser Register) and called a 'Financial Adviser';
- an employee or director of a related body corporate of NKH Knight (appearing on the ASIC's Financial Adviser Register) and called a 'Financial Adviser' and or an Authorised Representative; or
- any other person (an 'Individual') acting on behalf of NKH Knight (excluding external legal counsel) appearing on the ASIC date base as an Authorised Representative

who are authorised in writing to provide financial services on behalf of NKH Knight.

Responsible Managers means persons nominated and formally appointed by NKH Knight under its AFS License whose expertise and skills are relied upon for the provision of the financial services activities authorised under its AFS License and responsible for significant day-to-day decisions about the ongoing provision of NKH Knight's financial services. See the Fit and Proper Persons & Responsible Managers Policy, and its appendices (*Responsible Manager & Compliance Management – Table of Organisational Competence*), for our current Responsible Managers.

Responsible Person referred to in this document is named above in the 'Approval' section of the 'Document Management' on page 2. They report to the Directors and Compliance Manager. In the Responsible Persons absence, the Directors remains responsible for the obligations of the Responsible Person.

Supervisor/Experienced Advisor ("Supervisor Representative") of a provisional relevant provider is an individual who:

- (a) has supervisory responsibility for the provisional relevant provider; and
- (b) is a relevant provider; and
- (c) is not a provisional relevant provider; and
- (d) is not a limited-service time-sharing adviser.

Training Manager, for CPD purposes unless noted elsewhere, is the Responsible Person.

5. Policy Overview

All Responsible Managers and Representatives of NKH Knight must comply with the initial and ongoing training requirements as identified in this Policy.

Representatives authorised to provide personal advice to retail clients in relation to financial products other than basic banking, general or consumer credit insurance products, will be a 'relevant provider'.

All Representatives will need to meet all the following education and training requirements:

- Hold a degree or equivalent qualification (or foreign qualification) that is approved by FASEA;
- Pass FASEA's Financial Adviser Examination;
- Have completed at least 1 year of work and training that meets FASEA requirements;
- Meet the continuing professional development requirements set by FASEA during their Licensee's CPD year; and
- Comply with FASEA's Code of Ethics.

5.1 Responsibility for Training and CPD plans

The Director will be responsible for implementing this policy with the assistance of the Responsible Person. This procedure is reviewed every year by the Compliance Manager. If there is a major compliance breach in this area, the Compliance Manager shall review the relevant procedure.

The Responsible Person is responsible for ensuring that any Responsible Manager and all Representatives, as defined above, are aware of and undertake ongoing CPD training as required under this policy. (Although, the ultimate obligation rests with the individual Responsible Manager and Representative for meeting their ongoing Training and CPD requirement.)

5.2 Initial Training Requirements

Before being appointed to a position (as a Representative or Responsible Manager; providing financial services on behalf of NKH Knight), each individual will be required to demonstrate to the Responsible Person that they possess the required competencies, as detailed in Appendix 1.

The Responsible Person can tailor the competencies checklist of Appendix 1 for specific positions, with the assistance of the Responsible Manager (or Compliance Manager where requested) and the candidate's role.

Then assess, post interview, as part of the pre-engagement assessment the candidates' qualifications and their supporting evidence.

See also the 'Representatives-Appointment Monitoring & Supervision Policy' and 'Responsible Managers Policy' for all 'appointment' requirements.

Appendix 1 can also be tailored and used for yearly CPD reviews and updates, or changes that might be required for a Representatives CPD plan.

Existing Relevant Providers must pass FASEA's exam by 1 January 2021* and attain the required educational qualifications by 1 January 2024*, otherwise they will no longer be able to provide personal advice to retail clients on relevant financial products. *Unless legislation is passed changing this date.

For new entrants to the industry seeking to become a Relevant Provider, from 1 January 2019 onwards, RG 146 will not apply. This is applicable to someone not listed on the Financial Advisers Register between 1 January 2016 and 1 January 2019 and who are not banned, disqualified or subject to an enforceable undertaking on 1 January 2019.

They must as outlined in detail under the 'Provisional Representative' section below:

- complete an approved authorisation,
- undertake a professional year of work and training, and
- sit FASEA's Financial Adviser Examination

before they can be considered to be a Representative of NKH Knight.

Provisional Representative

New entrants to financial advice are required to complete a professional year before they can qualify as a Representative. The professional year requires one year full-time equivalent experience, comprising 1600 hours, of which at least 100 hours is structured training.

FASEA's professional year standard specifies a quarterly framework detailing key activities to be undertaken and competencies to be acquired and demonstrated. This approach enables an individual to transition from a directly supervised approach to an indirect supervision approach as follows:

Quarter	Key Activities
1	Client Observations and support to Supervisor/Experienced Adviser
2	Supervised Client Engagement and Advice Preparation
	Pass FASEA Financial Adviser Examination before commencing Quarter 3. After passing the exam new entrants can use the terms Provisional Financial Adviser or Provisional Financial Planner.

Quarter	Key Activities
3 & 4	Indirect Supervision of Client Engagement and Advice Preparation.

The Licensee and the Supervisor/Experienced Adviser must establish a professional year plan with the Provisional Financial Adviser / Planner to develop skills in the following areas:

- Technical competence;
- Client care and practice;
- Regulatory compliance and consumer protection;
- Professionalism and ethics.

Provisional Financial Advisers / Planners will need to be supervised by a Supervisor/Experienced Adviser who is:

- Responsible for them and for providing appropriate supervision to them; and
- A ‘relevant provider’ (i.e. authorised to provide personal advice to retail clients in relation to products other than basic banking, general and consumer credit insurance) and not another Provisional Financial Adviser / Planner.

Note: Any personal advice provided by a Provisional Financial Adviser / Planner will be taken to have been provided by their Supervisor/Experienced Adviser who must ensure that retail clients are informed:

- Of the Supervisor’s name;
- That the trainee is undertaking work training; and
- That the Supervisor is responsible for any personal advice provided by them.

Para-planners

ASIC does not presently require ‘para-planners’ to meet the minimum training standard requirements of RG 146, but their work must be supervised by a suitably qualified and authorised person.

If operating within this exemption:

- Ensure that para-planners are clearly informed of the limits on their authorisation and that they are competent to provide the services that you have permitted them to provide; and
- Ensure that the para-planner, via a documented process provided to the para-planner, does not operate outside the limits of this exemption (including processes for peer review and monitoring and supervision by a qualified and authorised person).

5.3 CPD Obligations

NKH Knight “CPD year” is listed in the Definitions section of this Training and CPD Policy.

A total “**minimum target**” of forty (40) hours of ‘qualifying CPD’ per CPD year applies to Relevant Providers.

Qualifying CPD activities, tailored by NKH Knight’s Responsible Person, are listed in Appendix 2 – Table 2: Approved/Qualifying CPD Activities and Approval Process; basis the following considerations, as updated by FASEA from time to time. A tailored Table 2 is kept in the ‘Training’ Registers of NKH Knight’s compliance files.

Qualifying CPD activities, a stipulated by FASEA, include a minimum time requirement and relate to the following CPD areas, as outline herein:

Table 1—CPD areas and obligations of Relevant Providers

Item	CPD area	Minimum requirement	Definition
1.	Technical Competence	5 hours	The activity is designed to enhance participants’ technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situations and needs of different classes of retail clients.
2.	Client Care and Practice	5 hours	The activity is designed to enhance participants’ ability to act as a client-centric practitioner in advising retail clients.

3.	Regulatory Compliance and Consumer Protection	5 hours	The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.
4.	Professionalism and Ethics	9 hours	The activity is designed to enhance participants' capacity to act as an ethical professional.
5.	General	No set minimum hours currently prescribed	The activity is designed to maintain and extend participants' professional capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other relevant developments, but is not in an area referred to in another item of this table.

Part-time Relevant Providers

For reduced CPD requirements to apply, the Relevant Provider must be working part-time for the whole of the CPD year and must obtain prior written consent from NKH Knight.

However, a total minimum target of 36 hours of 'qualifying CPD' per CPD year still applies to a part-time Relevant Provider.

Maximum restrictions

In any CPD year, no more than the specified hours in each activity listed in Table 1 above and Table 2 in Appendix 2 may be counted as follows:

- 30 hours of formal relevant education must be relevant to FASEA's 'CPD areas', the individuals CPD plan, undertaken and completed within the current CPD year. In situations where formal relevant education has been undertaken over two CPD years, only that education which is evidence as having been completed in the current CPD year can be allocated to that CPD training year. The RTO/education provider must issue a FASEA 'CPD area' allocation transcript, or similar (see Table 1 above), of where the CPD can be correctly allocated to in a Relevant Providers training plan.
- 4 hours of professional or technical reading.

5.4 Approval of qualifying CPD activities

All CPD activities undertaken by Relevant Providers must be approved by the licensee, NKH Knight.

Appendix 2 – Table 2: Approved/Qualifying CPD Activities and Approval Process contains a template that is tailored by NKH Knight's Responsible Person. The tailored Table 2 is kept in the 'Training' Registers of NKH Knight's compliance files. It states the CPD Activities permitted, what is Qualifying CPD Activities and the Approval Process.

5.5 Assessment of qualifying CPD activities

A CPD activity must meet the following requirements to be acceptable as a 'qualifying CPD activity':

- Clearly defined aims and learning outcomes;
- Clearly defined, logical structure that follows adult learning principles;
- Is current, accurate and up to date;
- Relates to one of the FASEA CPD areas;
- Is the appropriate learning level and has appropriate technical or practical content;
- Deals primarily with matters related to the provision of financial product advice, financial advice services and financial advice business;
- Is led or conducted by one or more persons with appropriate expertise, academic qualifications and practical experience;
- Enhances Representatives' knowledge and skills, and/or contributes to the maintenance of knowledge and skills in areas relevant to the provision of financial product advice and financial advice services;
- Includes one or more of the following: workshop, face-face presentation, multimedia, worked examples, activities, case studies, tips, warnings, and if appropriate, reference to relevant legislation; and
- Preference is given to activities with a structured assessment component. Evidence of the successful completion of the assessment is required.

5.6 Evidence requirements

For a 'qualifying CPD activity' (including any 'alternative training') the following evidence is required:

- Proof of attendance/completion (e.g. certificate, digital record, transcript), which includes as a minimum:
 - The name of the activity and the provider;
 - The date the activity was undertaken;
 - An overview of the activity;
 - A bio or CV of person(s) who developed or presented the activity, including academic qualifications and experience;
 - The CPD area to which it relates;
 - The duration in minutes/hours of the activity; and
 - The letterhead and/or signature of the provider or an appropriate authorised person.

NKH Knight does not approve an activity unless the activity meets the qualifying CPD activity requirements and evidence requirements set out in this policy in Table 1 and Appendix 2—Table 2, Approved/Qualifying CPD Activities and Approval Process kept in the 'Training' Registers of NKH Knight's compliance files.

Evidence of CPD undertaken is required to be kept for 7 years by the Relevant Provider or Responsible Manager.

5.7 Record keeping

The Kaplan Professional Ontrack platform will be used to record the completion of CPD activities.

CPD plans will specify each Relevant Provider's:

- individual overall CPD target;
- minimum requirements in each CPD area; and
- any other specific requirements that must be met.

The Responsible Person will monitor individual CPD plan progress and provide reports at the quarterly compliance meeting of NKH Knight.

CPD Activities completed in Kaplan Professional's Ontrack will be automatically recorded on the Relevant Provider account.

For CPD activities undertaken and completed outside the Kaplan Professional's Ontrack platform, each individual Relevant Provider is required to upload details into Ontrack, in the Alternative Training records section of Kaplan's platform.

Note: any 'alternative' CPD training (CPD training not provided by Kaplan Professional's Ontrack platform) undertaken will be assessed on a random basis by the Responsible Person during regular monitoring and supervising activities of NKH Knight.

To be able to demonstrate that NKH Knight has complied with FASEA's and ASIC's requirements, it will maintain records of the following:

- Completion of required training and professional development;
- Monitoring and supervision outcomes and remedial actions taken;
- Proof that consequence management has been implemented in the event of a failure to fulfil training plans or a compliance failure; and
- Proof that a Training or Compliance Manager has regularly reviewed these records.

NKH Knight must, and will, retain evidence of the continuing professional development undertaken by relevant providers for at least 12 months after the end of the relevant CPD year. Representatives must maintain their records for at least 7 years.

5.8 Allocation of hours

CPD points/hours are assessed and allocated on the estimated time taken to complete all content components (including video and/or multimedia) **plus** the completion of the assessment, on the basis of a 'reasonable person', with the appropriate knowledge.

It is the Relevant Provider's responsibility to maintain complete and accurate records within Kaplan Professional Ontrack, including any alternative training records and any FASEA approved higher educational achievements and qualifications not provided by Kaplan Professional.

5.9 Career breaks

If a Relevant Provider has not been practicing or authorised as a Relevant Provider for a continuous period of 2 years or more, then they must comply with the following career break requirements:

- NKH Knight must approve the Relevant Providers CPD plan for the first CPD year prior to resuming practice.
- Their first CPD plan may require additional CPD hours be completed to ensure NKH Knight is satisfied that it is appropriate to address gaps in the Relevant Provider's competence, knowledge and skills arising from the Relevant Provider's absence from practice.

5.10 Provisional Relevant Providers

Provisional Relevant Providers who are completing their Professional Year are not required to meet CPD requirements.

In the first CPD year as a Relevant Provider, CPD requirements will be pro-rated for the period between the completion of the professional year and the CPD year.

5.11 Representatives transferring into NKH Knight

For newly appointed Relevant Providers, CPD plans will be assigned based on their authorisation date with NKH Knight and the current CPD year in progress, with any relevant CPD completed with the previous licensee that aligns to our CPD year taken into account. This will ensure the required annual minimums will be met.

Factors that will be considered are:

- the accuracy and completeness of the records;
- the information in the records and supporting evidence, or in the Relevant Providers' previous licensee's CPD policy, about how each activity was approved and accredited; and
- each activity's compliance as a qualifying CPD activity and with our CPD policy.

Where a Relevant Provider does not receive recognition of prior CPD completed within the current CPD year, a full year CPD plan must be completed within the timeframe set by FASEA. I.e. NKH Knight, may require additional CPD hours to be completed to ensure NKH Knight is satisfied that any gaps in the Relevant Provider's competence, knowledge and skills have been address.

Note that Relevant Providers must also meet the requirements as defined by any professional association with whom they hold membership. To ensure they meet the requirements for their particular membership category, Relevant Providers should contact the relevant professional association directly.

5.12 Monitoring

Monitoring of the completion of CPD requirements by each Relevant Provider will be undertaken using the reporting functionality of Kaplan Professional's Ontrack, no less than on a quarterly basis, by the Responsible Person.

Reports are to be tabled at each quarterly compliance meeting detailing:

- CPD completed by each Relevant Provider;
- CPD progress report showing Relevant Providers progress towards their target; and
- Total requirement report, showing whether or not Relevant Provider has met requirements on no less than a quarter by quarter basis.

NKH Knight's failure of Representatives to reach their individual training plan targets or CPD area must be rectified **no later than the next quarterly period.**

NKH Knight will implement its consequence management process for Representatives who fail to meet the required training standards by the end of the second quarterly period or end of training year. The escalation process will be agreed with the person at the time of their appointment including:

- Complete a required training course or assessment by an agreed date;
- Suspension from income-earning activities until the course is completed; or
- As a last resort, termination of authority to provide advice or arrange a financial product.

5.13 Non-compliance

A Relevant Provider *must* comply with the CPD obligations specified in this policy.

Failure to meet the specified requirements requires the licensee to notify ASIC of the Relevant Providers non-compliance with the continuing professional development standard (922HB, *Corporations Amendment (Professional Standards of Financial Advisers) Act 2017*).

922HB obligation to notify ASIC of non-compliance with the CPD standard is as follows:

(1) *A notice must be lodged under this section, in accordance with section 922L, in relation to a person if, at the end of a financial services licensee's CPD year:*

(a) *the person:*

(i) *is the licensee; or*

(ii) *is authorised to provide personal advice to retail clients, on behalf of the licensee, in relation to relevant financial products; and*

(b) *the person is a Relevant Provider; and*

(c) *the Relevant Provider has not complied with section 921D during the licensee's CPD year.*

Note 1: *A financial services licensee may obtain information from a Relevant Provider under section 922N for the purposes of determining whether to lodge a notice under this section.*

Note 2: *Subsection 921D(1) requires certain Relevant Providers to meet the continuing professional development standard in subsection 921B(5).*

(2) *The notice must state that the Relevant Provider has not complied with section 921D during the licensee's CPD year.*

Source: Corporations Amendment (Professional Standards of Financial Advisers) Act 2017

Notices, in accordance with s922HB of the Corps Act, must be lodged by NKH Knight within 30 days of the end of the CPD year. I.e. before 30 January.

Any non-compliance with this Training and CPD Policy will be dealt with in accordance with NKH Knight's Incidents and Breach Reporting Policy and or its Consequence Management Policy, as applicable.

5.14 Organisational training

In addition to specific product training, general financial services training and industry development, yearly training will be conducted for applicable staff in relation to the following:

- the licence conditions;
- risk management;
- complaints handling and dispute resolution
- Privacy Act requirements;
- Conflicts of interests;
- compliance requirements; and
- relevant legislation. E.g. AML/CTF Act.

The Responsible Person, with the assistance of the Compliance Manager where requested, will be responsible for the organisational training and must be recorded in the training calendar. A register of attendance will be kept and managed by the Responsible Person.

5.15 Responsibility for Monitoring

Responsibilities for monitoring compliance with this policy are as follows:

Who?	Frequency	By whom?	What?
Representatives	Prior to appointment	Responsible Person, with the assistance from the Compliance Manager, where requested to do so.	Ensure minimum initial training and CPD requirements are met prior to appointment.
Responsible Managers	At appointment, then annually (unless the Responsible Manager is also a Representative)	Responsible Person, with the assistance from the Compliance Manager, where requested to do so.	Ensure minimum initial training and CPD requirements have been met. Obtain copies of all registers and compile in master register. Review and update CPD plans for following year.
Others	Quarterly	Responsible Person, with the assistance from the Compliance Manager, where requested to do so.	Monitor progress with minimum annual training and CPD requirements.
Representatives	No less than quarterly and at the time of Representative's periodical compliance review	Responsible Person, with the assistance from the Compliance Manager, where requested to do so.	Ensure minimum training requirements have been met. Review compliance with training and CPD policy as part of compliance review. Review and update CPD plans for following year.

6. Approval and Review

The Director must approve this policy and is responsible for its updates and circulation ensuring that Representatives, employees, consultants and any outsourced providers of NKH Knight are aware of, and understand, the requirements of this policy, as applicable to them.

The Compliance Manager will review this policy annually, or as required by legislation or regulatory changes, or if there are systemic problems within NKH Knight.

Appendix 1 – Competencies check list for Representatives and Responsible Managers *SAMPLE (Optional)*

KEY COMPETENCIES – REPRESENTATIVES / RESPONSIBLE MANAGERS (Optional pre appointment CPD check sheet)		Good Understanding
Generic knowledge and skills		[Make notes as applicable]
Generic knowledge	<ul style="list-style-type: none"> Economic environment Operation of financial markets Financial products 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Skill requirements	<ul style="list-style-type: none"> Establish relationship with client Effective communication skills Preparing and delivering general advice Respond to client enquiries Handle client complaints Complete and maintain necessary documentation 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Products – Core knowledge [Add financial products as appropriate for role being considered]		
Operation	<ul style="list-style-type: none"> Definition Characteristics and participants of the market Roles played by intermediaries 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Taxation	<ul style="list-style-type: none"> Awareness of taxation issues 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Advisory functions	<ul style="list-style-type: none"> Range of services provided Role of Representative 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Products – Specialist knowledge [Add financial products as appropriate]		
	<ul style="list-style-type: none"> Types of products/policies Taxes and charges Reporting Product development 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Products - Legal environment, disclosure and compliance		
Responsibilities of the Representative	<ul style="list-style-type: none"> Scope of AFS licensee's authorisation [Insert related financial products] Definition of general advice Disclosure documents (including FSGs, SoA and PDSs) Client files and recordkeeping Training obligations Compliance review programme 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Regulatory framework	<ul style="list-style-type: none"> Relevant legal principles (including Corporations Act, ASIC Act, Privacy Act) Regulators' guidelines (ASIC, AUSTRAC, AFCA, TPB) Relevant industry standards and codes of conduct 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Ethics and Culture	<ul style="list-style-type: none"> Relationship between ethics and regulatory requirements, including conflicts of interest Overarching principles and rules which govern individual and organisational behaviour Processes to identify and meet strategic obligations whether arising in law, standards, codes or from stakeholder expectations. Learned behaviours 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

	<ul style="list-style-type: none"> • Appropriate culture and beliefs • Legal and ethical issues involving compliance and who to turn to for advice or speak with 	
Licensee's policies and procedures	<ul style="list-style-type: none"> • Privacy • Conflicts of interest • Complaints handling • Incidents and breaches reporting • Risk management • AML Program • Marketing and Promotional Materials 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
General professional development		
Professional development qualifications, management, administration, information technology, relevant personal development, etc.		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

KEY COMPETENCIES – RESPONSIBLE MANAGER (pre appointment check sheet)		
<ul style="list-style-type: none"> • As per 'Key Competencies – Representative' <p>AND</p> <ul style="list-style-type: none"> • ASIC Regulatory Guide 105 minimum requirements • Minimum 3 years' experience in [Insert related financial products] • General management experience within a financial services or service industry and in particular the [Insert related financial products] • Knowledge of the Corporations Act, 2001 (Cth) and Corporations Regulations as they impact on financial products and services • Marketing and product development experience • Understanding of distribution methodologies and alternatives • Appreciation of technology interfaces for product distribution and customer relationship management • Sound judgement in the context of complex external and internal demands • Excellent communication, negotiation and conflict management skills • Commitment to ethical business practices and strong personal integrity 		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Appendix 2 – Table 2—Approved/Qualifying CPD Activities and Approval Process

Note: See the “Maximum restrictions”, as noted in the Training and CPD Policy and “Table 1”.

Approval of qualifying CPD activities

70of all CPD activities undertaken by Relevant Providers must be approved by the licensee.

The following CPD activities are approved by NKH Knight:

Table 2—Approved/Qualifying CPD Activities and Approval Process

Activity	Approval process
Kaplan Professional Ontrack content (CPD training)	Automatically approved
External Training Seminars and Forums	Automatically approved when completion certificate is provided so we are able to update the training register accordingly.
Kaplan Professional higher education subjects (i.e. FASEA approved and required educational qualifications, by 1 January 2024)	Automatically approved to a maximum of 30 hours per subject per annum. However, it is still the Representatives responsibility to ensure all the CPD areas, AFS licensees authorisations, knowledge and skills targets on their training plan are met each training year regardless of the number of hours achieved in courses or externally awarded CPD points.

NKH Knight does not approve an activity unless the activity meets the qualifying CPD activity requirements and evidence requirements set out in its Training and CPD Policy, Table 1—CPD areas and obligations of Relevant Providers and Appendix 2 –Table 2—Approved/Qualifying CPD Activities and Approval Process above.

Evidence of CPD undertaken is required to be kept for 7 years by the Relevant Provider or Responsible Manager.

Appendix 3 – CPD plan for a Representative *SAMPLE*

(For use by those who do not have a relevant RTO (i.e. Kaplan Ontrack) or an industry professional association training subscription).

REPRESENTATIVE ANNUAL CPD PLAN [INSERT YEAR]	
Representative's name: Office Location: Review date:	[First name, Last Name] [insert address] [insert date]
CPD PLAN OBJECTIVES	
<p>To assist you in maintaining and updating your knowledge and skills relevant to the financial services you provide on behalf of NKH Knight Holdings Pty Ltd.</p> <p>To support you in developing new knowledge and skills to assist with your current role or roles contemplated in the near future.</p> <p>[insert any other objectives specific to the Representative i.e. desired changes in the Representative's knowledge, skills and/or performance at the end of the training year]</p>	
RELEVANT FINANCIAL PRODUCTS AND SERVICES	
Key competencies must be met in relation to the following financial services:	
<ul style="list-style-type: none"> • Provide general financial product advice to clients; • Personal advice; and • Deal in a financial product. In relation to [Insert related financial products].	
EXISTING QUALIFICATIONS	
[list Representative's existing relevant qualifications]	
PREVIOUS YEAR'S CPD PLAN	
Previous year's CPD hours target met:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Outline any variations between the training register and the CPD plan (attach a copy of the previous year's training register):	
Describe how the objectives of the previous CPD plan were met?	
Are there any key development areas, gaps or weaknesses, which should be included in this year's CPD plan?	

TRAINING and CPD PLAN		
You must obtain a minimum of 40 continuing professional development ('CPD') hours each year, spread across the key competencies relevant to your role as a Representative, with a minimum of CPD hours in the following competency areas:		
CPD Area	Minimum Requirements	Definition
Technical Competence	5 hours	The activity is designed to enhance participants' technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situations and needs of different classes of retail clients.
<i>Superannuation</i>	[X- hours]	
<i>SMSF</i>	[X- hours]	
<i>Margin lending</i>	[X- hours]	
Client Care and Practice	5 hours	The activity is designed to enhance participants' ability to act as a client-centric practitioner in advising retail clients.
Regulatory Compliance and Consumer Protection	5 hours	The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.
Professionalism and Ethics	9 hours	The activity is designed to enhance participants' capacity to act as an ethical professional.
General	No set minimum hours	The activity is designed to maintain and extend participants' professional capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other relevant developments, but is not in an area referred to in another item of this table.

The CPD Plan developed is based on the minimum training requirements, with particular regards to areas where there have been new developments, that are subject to continual change or that have been identified as key development areas, gaps, weaknesses or specialist authorisations. Such as Superannuation SMSF's, Margin Lending etc, by way of examples.

Note: The above table sets out the FASEA minimum requirements in each area. However, NKH Knight has discretion to increase the minimum hours required e.g. Technical Competence may be increased to 21 hours with specific 'knowledge areas' having minimum requirements. e.g. SMSF's or Securities requiring a minimum of 2 hours each.

Appendix 4 – CPD plan for a Responsible Manager *SAMPLE*

(For use by those who do not have a relevant RTO (i.e. Kaplan Ontrack) or an industry professional association training subscription)

RESPONSIBLE MANAGER'S ANNUAL CPD PLAN [INSERT YEAR]	
Responsible Manager's name:	[First name, Last Name]
Office Location:	[insert address]
Review date:	[insert date]
CPD PLAN OBJECTIVES	
<p>To assist you in maintaining and updating your knowledge and skills relevant to your role as a Responsible Manager of NKH Knight Holdings Pty Ltd.</p> <p>To support you in developing new knowledge and skills to assist with your current role or roles contemplated in the near future.</p> <p>[insert any other objectives specific to the Responsible Manager i.e. desired changes in the Representative's knowledge, skills and/or performance at the end of the training year]</p>	
RELEVANT FINANCIAL PRODUCTS AND SERVICES	
Key competencies must be met in relation to the following financial services:	
<ul style="list-style-type: none"> • Provide general financial product advice to clients; and • Deal in a financial product, • <insert other> 	
EXISTING QUALIFICATIONS	
[list Representative's existing relevant qualifications]	
PREVIOUS YEAR'S CPD PLAN	
Previous year's CPD hours target met:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Outline any variations between the training register and the CPD plan (attach a copy of the previous year's training register):	
Describe how the objectives of the previous CPD plan were met?	
Are there any key development areas, gaps or weaknesses, which should be included in this year's CPD plan?	

TRAINING PROGRAM				
You must obtain a minimum of 40 continuing professional development ('CPD') hours each year, spread across the key competencies relevant to your role as a Representative, <u>with a minimum of CPD hours</u> in the following competency areas:				
CPD Area	Minimum Requirements	Definition		
Technical Competence	5 hours	The activity is designed to enhance participants' technical proficiency and ability to develop and provide advice strategies that are appropriate to the objectives, financial situations and needs of different classes of retail clients.		
Superannuation	[X- hours]			
SMSF	[X- hours]			
Margin lending	[X- hours]			
Client Care and Practice	5 hours	The activity is designed to enhance participants' ability to act as a client-centric practitioner in advising retail clients.		
Regulatory Compliance and Consumer Protection	5 hours	The activity is designed to enhance participants' understanding of applicable legal obligations and how to comply with them.		
Professionalism and Ethics	9 hours	The activity is designed to enhance participants' capacity to act as an ethical professional.		
General	No set minimum hours	The activity is designed to maintain and extend participants' professional capabilities, knowledge and skills, including keeping up to date with regulatory, technical and other relevant developments, but is not in an area referred to in another item of this table.		
The training program developed is based on the minimum training requirements, with particular regards to areas where there have been new developments, that are subject to continual change or that have been identified as key development areas, gaps, weaknesses or specialist authorisations. Such as Superannuation SMSF's, Margin Lending etc, by way of examples.				
Note: The above table sets out the FASEA minimum requirements in each area. However, NKH Knight has discretion to increase the minimum hours required e.g. Technical Competence may be increased to 21 hours with specific 'knowledge areas' having minimum requirements. e.g. SMSF's or Securities requiring a minimum of 2 hours each.				
TRAINING CALENDAR				
Date	Subject	Provider	Training Method	CPD hours
			Total	

Appendix 5 – Training and CPD register *SAMPLE*

CONTINUING PROFESSIONAL DEVELOPMENT

Training and CPD Register

Name: _____

Date	Provider/Speaker	Topic/Training Description	CPD area and Competencies Covered	Hours	CPD Certificate Y/N	Credit Points
<i>Insert the date activity undertaken</i>	<i>Insert the name of the provider, for example: ANZIF</i>	<i>Insert the title of the seminar/course, for example: Introduction to General Insurance</i>		<i>Insert no. of hours/ days</i>	<i>Y / N</i>	<i>Number of CPD points allocated (if unspecified, allocate 1 CPD point per hour)</i>

Representatives and Responsible Managers are required to maintained training records in accordance with NKH Knight’s Training and CPD Policy requirements and hold evidence for CPD credits claimed, where applicable, for a minimum of seven (7) years. E.g. certificates, articles (if self-assessing) agenda items if conferences and statements of attendance where available etc. See the Training and CPD Policy for ‘Assessment of qualifying CPD activities’ and ‘Evidence requirements’ for further details.