

MEMBERSHIP BYLAWS



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DEFINITIONS

Associate	means a person (individual or entity), other than a Member, who is recognised under clause 7 of the Constitution as an Associate
Association or Financial Advice New Zealand	means Financial Advice New Zealand Incorporated
Board	means the Board of the Financial Advice New Zealand
Certification Committee	means Financial Advice New Zealand's Certification Committee
Constitution	means Financial Advice New Zealand's constitution adopted on 26 th September 2017 and as amended from time to time
Corporate Associate	means a corporate entity in the financial services industry that has been approved for Associate status.
CPD	means Continuing Professional Development
Fellow	means a Member who has been awarded the distinction by the Association for service to the Association
Life Member	means a Member who has been awarded the distinction by the Association for service to the Association
Member Advisory Committees	means Financial Advice New Zealand's Member Advisory Committees
Financial Advice New Zealand Office	means the management and administrative headquarters of the Association
Management	means Financial Advice New Zealand executive staff
Member	means a person admitted as a Member of Financial Advice New Zealand [and includes a Practitioner Member, a Life Member and a Fellow]. Membership will be interpreted accordingly
Ordinarily Resident	means providing the majority of his / her services in New Zealand
Practitioner Member	means a Member practising as a Financial Adviser, or involved in the process of giving advice, who has met all the requirements prescribed for a Practitioner Member
Student Associate	means any person who is currently enrolled in the study of financial advice but who is not eligible for admission to any other Membership class

1. ROLES

- 1.1 The following documents and concepts define the context for Financial Advice New Zealand's membership policy:
- a. The Constitution defines the classes of membership,
 - b. These Bylaws prescribe requirements for each class and category of membership,
 - c. The Member Advisory Committees develop policy for the particular education courses recognised as meeting the requirements for each category of membership as well as requirements for eligibility for membership, moral character and business ethics,
 - d. The Board consider and if appropriate approves the particular policies,
 - e. The Certification Committee evaluates individual applications in terms of the requirements under the Membership Bylaws and Board policy, in terms of processes set by the Certification Bylaws.

2. CLASSES AND CATEGORIES OF MEMBERSHIP

MEMBERS

- 2.1 Members may be Practitioner Members, Life Members or Fellows.
- 2.2 A person who has become a Member on or before 31 July 2018 will be known as a **Founding Member** and will qualify for a [\$100 including GST] reduction in his or her Membership subscription for the Membership year from 1 July 2018 and each year while he or she continuously remains a Member.

ASSOCIATES

- 2.3 Associates may be Associates (individuals), Corporate Associates or Student Associates.

3. APPLICATION FOR MEMBERSHIP

- 3.1 Criteria for Membership shall reflect the principle that Membership of a profession requires proven competency (knowledge and skills), experience and ethical standards. Application for Membership shall be made in the form authorised by the Board.
- 3.2 Management may approve the application for Practitioner Membership of any financial adviser who is ordinarily resident in New Zealand who has satisfied the requirements for eligibility for Membership, moral character and business ethics. Management may refer cases for consideration by the Certification Committee and shall do so if there is any doubt as to eligibility or suitability. Management shall regularly report approvals to the Certification Committee.
- 3.3 Management may admit to Associate Membership of the Association any person who is not a practising financial adviser but who is otherwise involved in the financial services industry upon such conditions as may be prescribed by the Constitution or approved by the Board. Management may refer cases for consideration by the Certification Committee and shall do so if there is any doubt as to eligibility or suitability. Management shall regularly report approvals to the Certification Committee.

- 3.4 Management may admit to Student Associate Membership of the Association any person who is studying financial advice but is not a practising financial adviser and who is not eligible for admission to any other Membership class.
- 3.5 Management may admit to Corporate Associate Membership of the Association any entity upon such conditions as may be prescribed by the Constitution or approved by the Board. Management may refer cases for consideration by the Certification Committee and shall do so if there is any doubt as to eligibility or suitability.
- 3.6 A person or entity shall become a Member once:
- a) their application has been approved; and
 - b) the person or entity has paid the relevant Membership subscription and any other fees.

4. SPECIFIC REQUIREMENTS FOR MEMBERSHIP

4.1 Practitioner Membership

To obtain Practitioner Member status a practising financial adviser shall:

- a) Declare involvement as a practising financial adviser, or be involved in the process of giving advice,
- b) Hold appropriate regulatory status,
- c) Be ordinarily resident in New Zealand,
- d) Have a satisfactory ethical record and no unresolved complaints lodged with either the Association, its predecessor Associations or other relevant external body.
- e) Pay the relevant Membership subscription and any other fees.

4.2 Associate (Individual) Membership

Industry participants who are not practising financial advisers and who either provide ancillary services or support to the industry, or are involved in the provision of financial services to the consumer which are outside the definition of a Practitioner Member can apply for Associate Membership of the Association

To obtain Associate status an applicant shall:

- a) Declare involvement in the industry but not as a practising financial adviser
- b) Be ordinarily resident in New Zealand,
- c) Pay the relevant Membership subscription and any other fees.

4.3 Student Associate Membership

To obtain Student Membership, an applicant shall declare current enrolment in study in financial advice, and non-eligibility for any other Membership class.

4.4 Corporate Associate Membership

To obtain Corporate Associate Membership an entity must meet the requirements determined by the Board from time to time.

5. REQUIREMENTS FOR PRACTITIONER MEMBERSHIP

- 5.1 The following requirements apply to all Practitioner Members at the time of application and on an ongoing basis.

To maintain Practitioner Membership, a Member shall:

- a) Complete CPD in the manner specified by the Board as set out in the CPD Guidelines in the Appendix.

- b) Agree to comply with the Association's Code of Ethics, Practice Standards, Rules of Conduct, Constitution and Bylaws
- c) Pay the relevant Member subscription and any other fees.

6. REQUIREMENTS FOR ASSOCIATE

To maintain Associate status, an Associate shall

- a) Not be eligible for Practitioner Membership and may not refer to themselves as a Member.
- b) Not be an individual personally in the business of giving financial advice
- c) Immediately apply for admission as a Practitioner Member if an Associate commences practice as a financial adviser.
- d) Agree to comply with the Association's Code of Ethics, Practice Standards, Rules of Conduct, Constitution and Bylaws
- e) Pay the relevant subscription and any other fees.

7. FELLOW

To be recognised and to maintain the designation as a Fellow of the Association a current Member must meet the requirements of clause 6 of the Constitution. A Fellow shall also have a satisfactory ethical record, have not brought the Association into disrepute, and have no unresolved complaints.

To be awarded Fellow status the Member must:

- a) have been a Practitioner Member of the Association, or its predecessor Associations, for over ten years; and
- b) have contributed significantly to the profession; and
- c) have given special service to the Association or its predecessor Associations at Board, Committee or Working Group level for more than ten years; and
- d) be approved as a Fellow by the Board

8. LIFE MEMBER

To be recognised and to maintain the designation as a Life Member of the Association a current Practitioner Member must meet the requirements of clauses 6 of the Constitution. A Life Member shall also have a satisfactory ethical record, have not brought the Association into disrepute and have no unresolved complaints.

To be awarded Life status the Member must:

- a) have a record of extraordinary service to the Association, or its predecessor Associations at Board, Committee or Working Group level for more than ten years; and
- b) be approved as a Life Member by the Board

9. PROMOTION OF MEMBERSHIP

- 9.1 When Members refer to their Membership of the Association they should clearly indicate what type of Membership class and category they hold. When Associates refer to their Associate status with the Association they should clearly indicate what type of Associate class and category they hold. The accepted wording is set out below:

Membership category and certification	Accepted wording and abbreviation
Practitioner Member	Financial Advice New Zealand Practitioner Member Financial Advice New Zealand Member
Founding Member	Financial Advice New Zealand Founding Member
Fellow	Financial Advice New Zealand Fellow
Life Member	Financial Advice New Zealand Life Member
Inactive Member	No wording allowed
Retired Member	Financial Advice New Zealand Member (Retired)
CERTIFIED FINANCIAL PLANNER ^{CM}	CERTIFIED FINANCIAL PLANNER ^{CM} Professional / Practitioner CFP ^{CM} Professional / Practitioner CFP ^{CM} Professional (not providing advice)
Chartered Life Underwriter Certified Life Underwriter ^{CM}	Chartered Life Underwriter CLU Certified Life Underwriter ^{CM} CLU ^{CM} CLU ^{CM} (not providing advice)
Associate category	Accepted wording and abbreviation
Associate	Financial Advice New Zealand Associate
Corporate Associate	Financial Advice New Zealand Corporate Associate
Student Associate	Financial Advice New Zealand Student Associate
Inactive Associate	No wording allowed

- 9.2 Members shall use the Financial Advice New Zealand member logos and marks in strict accordance with the branding guidelines as published.
- 9.3 Associates may only use the accepted wording as per the table in clause 9.1 above and are not allowed to use the Financial Advice New Zealand logo or marks.
- 9.4 Inactive Members or Associates may not use any wording in reference to their inactive status.

10. RESIGNATION OF MEMBERSHIP

- 10.1 A Member may resign from Membership at any time by writing to the Association. Any notice of resignation given after any complaint is lodged against the Member or after any disciplinary

proceedings are commenced by the Association against the Member shall not take effect until the hearing of the complaint or the disciplinary proceedings and related appeals have been disposed of and any resulting action or disciplinary measure, fine or penalty has been settled.

- 10.2 Resignation from the Association does not affect liability for any outstanding subscriptions, fees or other charges lawfully due and payable to the Association.
- 10.3 Any certificate or other device signifying or denoting Membership or designations awarded by the Association or its predecessor bodies, are to be returned to the Association at the time of resignation.
- 10.4 All references to Association Membership or designations must be removed from any marketing or other material.
- 10.5 Notification of the cessation of Membership may be made to other Members and the public in such manner as the Board sees fit.

11. CANCELLATION OR SUSPENSION OF MEMBERSHIP

- 11.1 The Board may cancel or suspend Membership as prescribed by the Constitution or Bylaws and may delegate this power as it sees fit.
- 11.2 Any Member who ceases to be eligible for Membership is to have their Membership cancelled unless special dispensation has been granted by the Board or its delegated authority.

12. WITHDRAWAL OF MEMBERSHIP

12.1 Retirement or Resignation from the Association

- a) No member may retire or resign if:
 - i. Any complaint is lodged with the Association against the member or
 - ii. Any disciplinary hearing is commenced against the member. Any notice of retirement or resignation where a member is the subject of either or both of the above two events shall not take effect until:
- b) The hearing of any complaint has been disposed of; and
- c) Any resulting action has been imposed.
- d) No notice of retirement or resignation shall take effect until all subscriptions, fines, penalties, levies and other payments due to the Association have been paid. However, the Board may determine otherwise, in which case all unpaid subscriptions, fines, penalties, levies and other payments shall constitute a debt due to the Association by the former member and shall be recoverable as such.
- e) A member must provide notice in writing to Financial Advice New Zealand Office of any intention to resign or retire.

12.2 Membership ceases if subscription not paid

- a) Subject to 4 below, where a Member's subscriptions are not paid in full at the end of the third month of the financial year, that Member shall be deemed "non-financial" and their Membership shall cease, unless their subscriptions are being paid by regular instalments in a manner approved by the Board of the Association.

- b) Subject to 4 below, if a Member's subscriptions are being paid by regular instalments and they miss three or more of the agreed payments, that Member shall be deemed "non-financial" and their Membership shall cease.
- c) A non-financial Member shall be entitled to be reinstated to their previous Membership class on payment of the full subscriptions (plus any penalty set by the Board) before the end of that Financial Year.
- d) A non-financial Member's Membership shall not cease under 1 or 2 above if a complaint has been received about that Member, until:
 - i. the complaint has been resolved, or any hearing in relation to the complaint or has been concluded and a decision made by the Professional Conduct Committee or Adjudication Body
 - ii. any appeal period relating to the matters set out in (a) or (b) has expired without an appeal being lodged, or any appeal lodged within the relevant appeal period has been determined; and
 - iii. all subscriptions, levies and other payments due to the Association have been paid.
- e) The cessation of a non-financial Member's Membership under 1 or 2 does not affect that non-financial Member's liability for any outstanding subscriptions, fees or other charges lawfully due and payable to the Association at the date on which the Membership ceases. For the avoidance of doubt, this includes any outstanding subscriptions, fees or other charges incurred in the period during which a non-financial Member's Membership is continued under 9.8 of the Constitution.

12.3 Powers to suspend or withdraw by Resolution of the Certification Committee

- a) An Annual Certificate to Practise, the Quality mark, professional designation or Membership of the Association may be withdrawn by resolution of the Certification Committee where a Member does not comply with the criteria for Membership as laid down by the Membership Bylaws, in particular, where they relate to educational, compliance and professional requirements. Where non-compliance relates to ethical requirements, such as good moral character and following business ethics, then the process to be followed is for the Association to make a complaint under the Disciplinary Bylaws.
- b) Membership of the Association can be terminated or suspended by the Professional Conduct Committee, Adjudication Body or the Board of the Association in accordance with the Disciplinary Bylaws.
- c) Any disputes in relation to suspension or termination are to be heard first by the Certification Committee.

12.4 Effect of Cessation, Withdrawal or Termination of Membership

Where Membership of the Association ceases under clause 12.2 or is withdrawn or terminated:

- a) The Member shall cease to be a Member of the Association with effect immediately; and shall forthwith cease to hold them self out as a Member of the Association and shall return to the Association any certificate awarded by the Association or other device signifying or denoting Membership of the Association.
- b) The member shall cease to use any professional designations awarded by the Association immediately.
- c) The Chief Executive shall send to that person written notice of the withdrawal or termination and the reasons therefore as soon as reasonably practicable; and

- d) The Association shall be entitled to publicise and advise people of any withdrawal or termination of Membership; and
- e) The Association shall be entitled to recover as a debt any monies due by the former Member to the Association; and
- f) The Association may, at its discretion, notify Members when a Member ceases to be a Member and publish such information in any Association newsletter or newspaper, magazine or other media as the Chief Executive Officer deems appropriate.

13. INACTIVE MEMBERSHIP

- 13.1 Inactive Membership and Inactive Associate status is available to Practitioner Members and Associates who are not actively involved in the financial services sector but who intend to return to Membership or Associate status in the future.
- 13.2 Inactive Membership and Inactive Associate can be sought for a period of up to two years. After two years an Interactive Member/Associate may apply for an extension to their interactive status and provide the reasons for the extension. Extensions to inactive status will be at the discretion of the Chief Executive.
- 13.2 To be eligible to apply for Inactive Membership/Associate status a Practitioner Member has to declare they will earn less than \$5,000 pa from any personal provision of financial advice, and an Associate shall earn less than \$5,000 pa from any employment in the financial services sector.
- 13.3 Inactive Members and Inactive Associates are required to pay a subscription that is 25% of the subscription that was applicable to their former Membership/Associate category.
- 13.4 An Inactive Member/Associate may return to their former membership category without needing to pay another application fee (if any applicable). If the Member concerned previously enjoyed the 'Founding Members' pricing, this preferential pricing will be applied upon reinstatement.
- 13.5 While an Inactive Member, a former practising Member is not required to undertake CPD. However, upon return to membership, the Practising Member will have to meet the CPD requirements as per the Association bylaws.
- 13.6 Nothing in this clause affects any requirements of the Association's Certification Committee for reinstating a certified designation.

14. RETIRED MEMBERSHIP

- 14.1 Retired Membership status is available to Practitioner Members or Fellows who are permanently retiring or retired (not just from the industry) and who hold appropriate regulatory status.
- 14.2 To be eligible to apply for Retired Membership status a Practitioner Member or Fellow must declare they agree to be bound by the Constitution and Bylaws, Code of Ethics, Practice Standards and Code of Conduct as applicable.
- 14.3 Members with retired status are required to pay the relevant subscription fee.

14.4 Members with retired status do not have voting rights.

14.5 Nothing in this clause affects any requirement or decision of the Association's Certification Committee regarding use of certified designations once retired.

PART 2 OF MEMBERSHIP BYLAWS CONTINUING PROFESSIONAL DEVELOPMENT (CPD) POLICY




1 July 2018

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DEFINITIONS

Association	means Financial Advice New Zealand
CPD	means Continuing Professional Development
Management	means Financial Advice New Zealand staff
Member	means a Practitioner Member of the Association, Life Member or Fellow
FPSB	Financial Planning Standards Board
PDP	Annual Professional Development Plan
Practitioner Member	means any Member providing advice, who has satisfied the requirements prescribed by the Membership and Certification Bylaws
Quality Service Mark	means a mark to enable the public to identify advice given by a qualified advisers and Member of the Association
Certified Marks	professional designations of CERTIFIED FINANCIAL PLANNER ^{CM} , CFP ^{CM} , Certified Financial Planner _{CM} *, CLU _{CM} and Chartered Life Underwriter, CLU.

CFP^{CM} and  CFP^{CM} are registered certification marks and CERTIFIED FINANCIAL PLANNER^{CM} is a common law certification mark owned outside the U.S. by Financial Planning Standards Board Ltd. Financial Advice New Zealand is the marks licensing authority for the CFP Marks in New Zealand, through agreement with FPSB.

CONSTITUTIONAL CONTEXT

Financial Advice New Zealand requires all Practitioner Members to complete Continuing Professional Development (hereafter referred to as CPD).

These CPD policies and CPD guidelines aim to ensure that all Practitioner Members can attain and maintain the highest of personal standards of advice and assist them to meet the three primary goals of the Association listed in the Constitution under Standards, namely:

- 3.1.1 *To provide an advice-centric professional association that leads and mandates an ethical profession and membership*
- 3.1.2 *To establish and promote a quality service mark for Members to enable the public to identify advice given by a qualified adviser and Member of the Association.*
- 3.1.3 *To encourage, promote and recognise high standards of advice, service, professional practice and conduct by Members.*

Further, CPD attainment by Practitioner Members will assist the achievement of the Association's specific object

- 3.1.8 *To encourage, promote, and recognise competency, education, qualifications, and continuing professional development for Members*

(Source: Constitution of Financial Advice New Zealand November 2017)

CPD IN THE MEMBERSHIP BYLAW CONTEXT


1. The Association applies its own set of obligations beyond the New Zealand statutory requirements and the requirements for each professional designation issued by the Association.

The Association's CPD policies are to be read as part of the Membership Bylaws and are based on, and is consistent with, the Code of Professional Conduct for Authorised Financial Advisers, and the Financial Planning Standards Board's (FPSB) CERTIFIED FINANCIAL PLANNER^{CM} certification regulations¹.

The FPSB standards for Continuing Professional Development are applied to all CFP^{CM} Practitioners who hold the certified mark designation and are currently practicing.

All Members must undertake sufficient continuing professional development to:

- a) Maintain their competence at a level appropriate for the financial adviser services the member provides or intends to provide,
- b) Keep up to date with developments relevant to their practice,
- c) To perform the activities of an occupation to the required standard, consistently and over time (Source: Financial Standards Planning Board, FPSB),
- d) Align their individual learning needs to those appropriate to their level of ability and professional responsibility.

¹ CFP^{CM} and  are registered certification marks and CERTIFIED FINANCIAL PLANNER^{CM} is a common law certification mark owned outside the U.S. by Financial Planning Standards Board Ltd. Financial Advice New Zealand is the marks licensing authority for the CFP Marks in New Zealand, through agreement with FPSB

2. Both Structured and Unstructured CPD must comply with the definition of competency outlined in the Association's Professional Development Planning Self-Assessment Guide as "the ability to perform the activities within an occupation to the required standard, consistently and over time" (Source: FPSB).
3. To be recognised as Structured CPD, a learning activity must test the acquisition and/or application of abilities, professional skills and knowledge as outlined in the Association's Professional Development Planning Self-Assessment Guide.

PRACTITIONER MEMBER - CPD LOG & PLAN REQUIREMENTS

1. All Practitioner Members are required to maintain an annual CPD Log to record their CPD achievement and evidence the CPD required as stipulated by the Association, their professional designation, Code of Professional Conduct and statute law, as they may apply to each Member.
2. The Member's CPD log must contain sufficient information and detailed evidence of their attendance and participation in educational events that qualify in the various criteria and to the level of hours required by the Association Bylaws.
3. The Association may at any time request to audit a Member's CPD log and request evidence of a Member's CPD learning over any timeframe.
4. Practitioner Members are required to maintain a Professional Development Plan for each CPD year that: identifies any gaps in their skills or knowledge, requirements to maintain their skills and knowledge, proposed CPD to meet those improvements and maintain their skills and where available details of Conferences, courses, qualifications, and CPD events to be undertaken throughout the CPD year.
5. Members who are required by Code Standard 17 of The Code of Professional Conduct for Authorised Financial Advisers, or the Financial Advisers Act 2008, to maintain a *Professional Development Plan* (PDP) for each CPD period are individually responsible to ensure their own compliance.

PRACTITIONER MEMBER - CPD REQUIREMENTS

1. Practitioner Members must have completed and recorded the minimum of structured hours to remain compliant with the requirements of Code of Professional Conduct (Code) as it applies to them.
2. In addition to any Code requirements, Practitioner Members must ensure they have completed at least two hours of structured CPD in ethics within every calendar year.

¹ Current requirement from the Code of Professional Conduct for Authorised Financial Advisers, Code 18, December 2016.

PRACTITIONER MEMBER WITH QUALITY SERVICE MARK - CPD REQUIREMENTS

In addition to the CPD requirements for all Members above; to achieve and maintain the quality service mark of the Association, Practitioner Members are required to:

Complete and record a minimum of 20 structured hours CPD within every CPD year which must include:

- Two hours in the topic area of Ethics
- Two hours in the topic area of Estate Planning
- Two hours in each of the topic areas the Members provides advice e.g.
Mortgage Adviser – 2 hours specific to lending & debt management
Risk Adviser - 2 hours specific to personal risk management & insurance
Investment Adviser – 2 hours specific to investment planning
Financial Planner – 2 hours specific to the General Principles of Financial Planning, in addition to CPD in those areas above in which they give advice

PRACTITIONER MEMBER WITH CERTIFIED DESIGNATIONS - CPD REQUIREMENTS

In addition to the CPD requirements for all Members above; to maintain the certified designations of CERTIFIED FINANCIAL PLANNER^{CM} (CFP^{CM}) and Certified Life Underwriter^{CM} (CLU^{CM}) Practitioner Members are required to:

Complete and record, over a rolling 24 months, a minimum of 60 hours of CPD with a minimum of 30 structured CPD hours, the other 30 hours either being structured or unstructured CPD which must include:

- Two hours per annum in the topic area of Ethics*

*Members with the CFP^{CM} Professional designation it is a strict requirement of the FPSB to have completed at least two hours of structured CPD per year in the topic area of ethics.

CPD RECORDING, SELF-RECORDING, CPD AUDIT AND COMPLIANCE

1. Compliance for CPD will be measured over the calendar year from 1 January to 31 December.
2. Each Member is responsible for maintaining his or her own CPD records, CPD log and annual Professional Development Plan.
3. Financial Advice New Zealand offers all Members an online CPD portal within the Association's Member Management System. Members may use their own methods to record CPD and alternative systems to generate their CPD log and annual Professional Development Plan.
4. Members may self-record, within the Association Member Management System, any CPD event into their own CPD records. However, the Association makes no representation to the validity of this CPD and will be listed in their online-log as 'unverified' by the Association. In the instance of 'self-recorded' CPD, the Member takes responsibility for the assessment of the learning event's current compliance to the Code of Professional Conduct for Advisers (currently Code Standard 18) and adherence to the Association's CPD Policy definition of Structured and Unstructured CPD.

5. The Association will regularly monitor Members for their CPD compliance and reserves the right to request at any time from any member; their Member CPD declarations, CPD logs, records and supporting documentation or permission to access their Member Management System for any CPD period.
6. The Association will conduct CPD audits, on an annual random-basis, with the following policy parameters:
 - at least 10% of Members with certified mark designations, and
 - at least 25% of Members with the quality service mark, thereby ensuring that all Members with this mark have had a CPD audit within a four calendar-year period, and
 - at least 10% of Practitioner Members

PRINCIPLES OF CONTINUING PROFESSIONAL DEVELOPMENT

1. Continuing Professional Development consists of education, learning, training and development that are relevant and appropriate to a Member's professional or technical development and to their present or future roles, within the Financial Sector.
2. For a learning and development activity to be considered relevant to the Member's professional duties and responsibilities, and fall within the scope of the Association's requirements, it must be classified as either Structured or Unstructured CPD, of which the Association is the final arbiter.
3. Structured CPD is 'outputs' based learning. Outputs measure the direct impact of learning through 'learning activities' that test or monitor the learner's ability to apply knowledge to specific situations or to develop principles for future action. An 'output' might be an audience interaction with questions and answers, a written or verbal test or quiz, a role-play or case-study that is completed by the learners.
4. Unstructured CPD is a learning activity that does not monitor a learner's apprehension knowledge or acquisition of skills through learning 'output'. It is, however a valuable learning activity.
5. The Association's definition of Structured and Unstructured CPD is 'results' focussed. Results measure change in an individual's behaviour, knowledge, practice or personal development over a period of time. Results are measured by the individual Member against their own development and learning goals, as they have articulated them in their CPD Professional Development Plan.

CHARACTERISTICS OF STRUCTURED CPD

Structured Continuing Professional Development has these five key characteristics:

- a. Outcomes-based and research-based learning aligned to one or more competency areas outlined in the Association's Self-Assessment Guide. It excludes on- job training and development, induction or job tasks, or training provided for the principal purpose of promoting a financial product.
- b. Provided by a qualified educator or relevant subject matter expert.

- c. Provides for interaction and feedback **or**; has a measurable learning output that tests practical application of skills and knowledge or acquisition of knowledge, abilities or professional skills.
- d. Relevant to the learning needs identified in the member's annual professional development plan and relevant to the member's present or future career in the financial services sector and at a level appropriate to their ability and professional responsibility.
- e. Participation is verified by documentation.

CHARACTERISTICS OF UNSTRUCTURED CPD

For a learning activity to receive an unstructured hour it must:

- a. Align to one of the competency areas outlined in the Association's Self-Assessment Guide
- b. Be a recognised resource in the public domain
- c. Be related to practical or professional learning
- d. Be recorded in a Member's personal CPD log, but no further documentation is required.

Hint: Go to your online CPD Portal in the Member Management System and 'self-record' your unstructured learning on a regular basis. It is then in your CPD log.

A learning event may be 'unstructured' for a Member because it has one or more of the following characteristics:

- a. It is not a documented learning activity.
- b. It is learning that does not provide any opportunity for feedback or interaction (e.g. a speech) or nor does it has any assessment
- c. An activity that is not outcome-based learning, nor has a learning outcome
- d. An activity not delivered by a subject matter expert nor an educator
- e. An activity provided for the principal purpose of promoting a particular financial product

DEFINITION OF STRUCTURED CPD

All requirements for Structured CPD are subject to the Association's membership and Certification Bylaws and must conform to the principles outlined in the paragraphs above.

Structured CPD is an output-based learning activity that measures a learner's acquisition and/or application of abilities, professional skills and knowledge.

Structured CPD is any learning activity that has a clear and ordered learning process and at least one learning outcome that allows a learner to demonstrate that they have acquired new skills or knowledge or which allows them to demonstrate their application of these new skills and knowledge.

Structured output-based learning outcomes can vary in type and duration and may consist of verbal, practical or written exercises.

Structured CPD can be delivered in any format using face-to-face or digital technology.

DEFINITION OF A CPD HOUR

A CPD 'hour' is a time-based approximation of learning value made by the Association. Hours are issued for a minimum of 30 minutes and then in 30-minute allocations thereafter i.e. 0.5 hours, 1.0 hour, 1.5 hours, 2.0 hours etc

DEFINITION OF UNSTRUCTURED CPD

All requirements for Unstructured CPD are subject to the Association's membership and Certification Bylaws and must conform to them.

Unstructured CPD is learning and development that is not an outcomes-based learning activity and does not test a learner's acquisition of new abilities, professional skills or knowledge.

Unstructured learning is a category of learning activity that enables specialisation within the profession and affords Members the opportunity to undertake individual learning, without being monitored by a competent third party.

Examples: reading FMA guidelines and updates, industry technical articles, watching videos and keeping up to date with industry trends and best practice.

PROFESSIONAL DEVELOPMENT PLAN & SELF-ASSESSMENT GUIDE

When completing their annual Professional Development Plan, Members are advised to use the Association's *Professional Development Planning Self-Assessment Guide*.

OTHER CPD MATTERS

WHEN THE MEMBER IS PRESENTER OR WRITER OF ARTICLES

When a Member is the writer of published works or articles pertaining to a field of financial advice, then the Member may claim the research time as unstructured CPD.

WHEN THE MEMBER IS THE PRESENTER OF STRUCTURED CPD

Where a Member is the presenter, educator or subject-matter expert for a structured CPD event, the Member may 'self-record' in that year the hours of presentation of the CPD event (repeated events cannot be claimed), and in addition, record as unstructured CPD the hours spent in research and reading the presentation. The preparation time spent to create the presentation cannot be claimed as CPD.

Total hours claimed under this clause may not exceed 15 Structured CPD hours in any 2-year CPD period.

WHEN A MEMBER IS SUCCESSFULLY COMPLETES A CASE STUDY

Those Members successfully completing case studies for certified mark designations assessment they will be awarded, by the Association, 10 Structured CPD hours.

WHEN A MEMBER IS COMPLETES A RELEVANT QUALIFICATION

Those Members who successfully complete studies towards a NZ University qualification or New Zealand Qualification Framework (NZQF) qualification relevant to their financial advice² or future career in future advice, may record

- a. 10 Structured CPD hours, for each and every paper completed at University level.
- b. 10 Structured CPD hours for the Core Component and every Advice Strand successfully completed in the NZ Certificate in Financial Services Level 5
- c. 10 Structured CPD hours for the NZ Certificate in Financial Services Level 4.

Where a Member completes studies deliver by an organisation outside of the NZQF or the NZ Universities, then they may apply to the Association for a determination of CPD.

LEARNING THAT IS UNACCEPTABLE AS STRUCTURED CPD

Whatever is considered a Member's 'ordinary business' or their 'usual work' cannot be used as Structured CPD.

The responsibility lies with each Member to choose suitable professional development activities and to judge, within the guidelines provided, whether these activities contribute to the individual's personal and/or professional development.

Examples of unacceptable Structured CPD are:

- a. Initial professional training
- b. On the job training
- c. Anything considered the Members employment task
- d. Anything that is not relevant to a Member's present or future career in the financial services sector.

LEARNING THAT IS UNACCEPTABLE AS UNSTRUCTURED CPD

Whatever is considered outside a Member's professional activities or 'ordinary business' or their 'usual work', such as a leisure activity, may not be used as Unstructured CPD. Unstructured CPD is should contribute to the Member's personal and/or professional development and their specialisation within the profession.

Examples of unacceptable Unstructured CPD are:

- a. Leisure activities
- b. Any activity that brings the Association or its CPD programme into disrepute
- c. Anything that is not relevant to a Member's present or future career in the financial services sector.

² For studies to be relevant, the Member must include their learning in the annual Professional Development Plan, identifying the learning aims that are relevant to their advice or future career in financial advice

Examples of Continuing Professional Development

The table of examples of Structured and Unstructured CPD learning activities below is only an indicative sample. It does not cover all possibilities. Please refer to the guidelines for further clarity.

Table One – examples of structured CPD

Examples of Structured CPD, 'v' = criteria for Structured CPD are met	Outcomes-based and research-based learning (excludes on job training, induction, promoting a particular financial product)	Qualified educator OR subject matter expert	Provides for interaction and feedback OR a test of knowledge	Relevant to PDP AND career AND appropriate to their ability & professional responsibility	Verified by documentation	Presenter OR writer of structured CPD
	i	ii	iii	iv	v	vi
Completing an academic course of study	✓	✓	✓	✓	✓	
Completion of Supervision Programme (candidate)	✓	✓	✓	✓	✓	
Conference - business and plenary sessions	✓	✓	✓	✓	✓	
Professional Development Day	✓	✓	✓	✓	✓	
Local Association meeting that is an accredited CPD event	✓	✓	✓	✓	✓	
Masterclass attendance	✓	✓	✓	✓	✓	
Personal Development Courses - career relevant	✓	✓	✓	✓	✓	
Professional Group meetings - with expert presenters and documented	✓	✓	✓	✓	✓	
Technical Course - not to promote a financial service or product	✓	✓	✓	✓	✓	
Webinar - with a learning output that assesses application of knowledge/skills or abilities	✓	✓	✓	✓	✓	
Government presentation - as a CPD event & documented e.g. Financial Advice NZ hosted event	✓	✓	✓	✓	✓	
Presentation of a Keynote address	✓	✓		✓	✓	✓
Workshop Leader	✓	✓	✓	✓	✓	✓
Masterclass presenter	✓	✓	✓	✓	✓	✓
Supervision of a Practitioner Member towards CFP ^{CM} or CLU ^{CM}	✓	✓	✓	✓	✓	✓
Successful completion of a CFP ^{CM} case study	✓		✓	✓	✓	✓
Lecturing in an academic programme	✓	✓		✓	✓	✓

Table Two – examples of unstructured CPD

Examples of Unstructured CPD, because one or more criteria "X" for the Structured CPD are <u>not</u> met	Outcomes-based and research-based learning (excludes on job training, induction, promoting a particular financial product)	Qualified educator OR subject matter expert	Provides for interaction and feedback OR a test of knowledge	Relevant to PDP AND career AND appropriate to their ability & professional responsibility	Verified by documentation	Presenter OR writer of structured CPD
Authoring a book or article with public circulation in financial services			X			
Learning activity - not provided by subject matter expert or qualified educator		X				
Learning activity - where participation is unverified by documentation					X	
Learning activities e.g. Speeches - without interaction, feedback or assessment			X			
Webinar - without successful completion of a learning output that assesses knowledge			X			
Product promotion but is a learning activity	X					
Professional group meeting - with general discussion on matters in financial services but without learning outcomes	X				X	
Workshop or conference etc - that is not verified by documentation					X	
Professional meetings without documentation or subject-matter experts or educators	X	X			X	
Reading, watching relevant instructional videos - no interaction nor verified by documentation			X		X	
Writer or presenter e.g. articles, opinion pieces in financial services			X			
Technical course - promotion of a particular product or without feedback/interaction	X		X			
Government presentation - without interaction (or say documentation)			X		X	

Table Three – activities that are not CPD

Excluded Activities from CPD	Outcomes-based and research-based learning (excludes on job training, induction, promoting a particular financial product)	Qualified educator OR subject matter expert	Provides for interaction and feedback OR a test of knowledge	Relevant to PDP AND career AND appropriate to their ability & professional responsibility		
Learning activity provided un reputable presenter		X				
Product launch - with no learning outcome	X					
Leisure activity	X			X		
On job training session	X					
Initial training and induction	X					
Members employment tasks	X					
Attending meetings that are social, administrative, networking without any topic area CPD content	X	X				
Writing or presenting on topics not relevant to financial services or your career				X		
Reading, watching instructional videos that are not relevant to your career in financial services				X		
Anything learning activity not relevant to member's present or future career in financial services				X		

Table Four - CPD at a Glance

Financial Advice New Zealand CPD Requirements of Members - at a Glance

Members	Annual Prof Dev Plan	Annual CPD Log	Minimum Annual CPD - Structured Hours		Ethics training per annum	CPD Audit
Practitioner member	✓	✓	15	As required by the Code of Professional Conduct - currently AFAs minimum 15 hours per annum, QFE and RFA Code does not apply	2 hours in ethics required regardless of Code requirements	10%
Practitioner member with quality service mark	✓	✓	20	including 2 in estate planning, 2 in each advice-specific area	including 2 hours in ethics	25%
Practitioner member with a certified designation	✓	✓	15	Over a rolling 24 months, a minimum of 60 hours of CPD with a minimum of 30 structured CPD hours, the other 30 hours either being structured or unstructured CPD	including 2 hours in ethics	10%