



SAIFM

South African Institute of Financial Markets

Continuous Professional Development Policy

Date approved: 28 July 2016

Background

The purpose of Continuous Professional Development (CPD¹) is to ensure that members develop and maintain the professional competence necessary to:

- (a) provide high quality services to clients, employers and other stakeholders; and
- (b) strengthen public trust in the profession.

Maintaining and developing professional competence, which is encompassed in the term “lifelong learning”, are critical to meet expectations. CPD is a continuation of initial professional development (IPD), that is, the learning and development through which individuals first develop the competence that enables them to perform the role of a professional financial markets practitioner. CPD is learning and development that takes place after completion of the IPD and by means of which professional financial markets practitioners maintain and develop the competencies to continue to perform their role competently.

CPD provides continuing development of

- (a) professional knowledge
- (b) professional skills
- (c) professional values, ethics and attitudes and
- (d) competence achieved during IPD

to enable members to continue to perform competently within their professional environments and chosen roles.

In addition to education, practical experience and training, CPD also includes learning and development activities such as coaching and mentoring, networking, observation, feedback and reflection and the self-directed and unstructured means by which competence can be achieved.

Continuous Professional Development, is a process of lifelong learning whereby a professional financial markets practitioner systematically engages in activities that maintain abilities, skills and knowledge required for professional practice as described and guided by SAIFM.

SAIFM is acknowledged by the industry as a professional body and as such is required to develop, monitor and enforce standards that ensure the continuous development and maintenance of professional competence of professional financial markets practitioners who are members of SAIFM. *(SAIFM’s recognition by the South African Qualifications Authority further re-enforces its obligation to foster a commitment to lifelong learning and development amongst its members.)*

¹ CPD is “The systematic maintenance, improvement and broadening of knowledge and skills, and the development of personal qualities necessary for execution of professional and technical duties throughout the individual’s working life.” CPD also contributes to the reputation of the profession as a whole and the professional body as well as public interest.

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Objectives

The objective of CPD is to assist members to develop and maintain professional competence in order to ensure that members conduct themselves in such a manner that services for his or her customers, clients and employers/stakeholder are of high quality, ethics and in the public interest.

The objective of setting minimum requirements for members is to ensure that members

- develop a commitment (positive attitude) to lifelong learning (maintain and developing professional competence);
- take responsibility for undertaking relevant CPD activities to remain competent in their roles; and
- take responsibility for recording their CPD activities to demonstrate that they have undertaken relevant and appropriate learning activities.

Having a formal CPD policy has the following benefits:

- To improve the capacity of professionals to develop their technical and professional knowledge;
- To improve the personal and ethical capacities of professionals;
- To ensure that professionals fulfil their responsibilities and tasks or duties competently;
- To allow professionals to improve their performance in their current roles;
- To allow professionals to take on new roles; and
- To improve career prospects and support career progression with current employers or in current business environments.

Policy Requirements

Members' responsibility

The primary responsibility for competence lies with the member and all members have an obligation to develop and maintain their professional competence, relevant to the nature of their work and professional responsibilities. All members carrying an SAIFM designation must maintain a record of their CPD activities.

SAIFM members operate in a variety of roles. It is the members' responsibility to exercise professional judgement in deciding, based on their career paths and taking into account both their current and future roles, which CPD activities they should undertake. The purpose of such learning activities should be to develop their professional knowledge, skills and values, which are relevant to the members' current and future roles.

The foundation of the professional financial market practitioner is built on members' technical competencies, but it is just as important for members to develop and maintain their non-technical competencies (enabling skills), such as ethical behaviour, leadership and management skills, which are also regarded as relevant CPD activities.

The responsibility for developing and maintaining professional competence post qualification and post IPD applies to all members, irrespective of the field in which they operate or roles they perform. This policy therefore also applies to members who are not based in South Africa.

CPD activities undertaken must be relevant and contribute to the development and maintenance of specific professional competence required by the members' current and possible future roles.

Members are reminded to consider additional CPD requirements imposed on them as a result of membership or association with regulators (such as the Financial Services Board) or professional associations (such as the Financial Planning Institute). It is the responsibility of members who are subject to other CPD requirements to ensure that their SAIFM CPD compliance is compatible with, and relevant to, the requirements of such regulators or professional associations.

Mandatory

This class of membership is intended to provide recognition to the most senior and accomplished financial markets practitioners. Admission as a fellow is a prestigious category of membership which is seldom bestowed on applicants. It affirms the eminence of financial market practitioners who have achieved this honour.

Measurement

Members are required to complete a minimum of 120 hours of relevant professional development activity during a three-year rolling cycle, of which a minimum of 60 (of the above 120 hours) hours must be verifiable; and a minimum of 20 hours of learning (verifiable/non-verifiable) must be completed during each of the three years.

As a test, verifiable CPD can be identified as any activity on which a member can answer 'yes' to the following questions:

- Was the learning activity relevant to your current or future professional development?
- Can you provide verifiable evidence that you undertook the learning activity?

Ultimately, it is the members' professional judgement and integrity that determine whether the relevant learning activity will be classified as either verifiable or non-verifiable CPD.

A portion of hours undertaken by members must be verifiable. The concept of verifiability is that the learning activity can be objectively verified (i.e. by someone with no direct or vested interest in the learning activity) by a competent source (i.e. someone who can provide a true and fair representation that the learning activity has taken place).

Although the list below provides examples (the list is not exhaustive) of activities of what would constitute a verifiable CPD activity, it is ultimately the members' responsibility to determine whether a learning activity can be regarded as verifiable:

- Participation in courses, conferences, workshops, seminars, events or arm chair discussions (both third party and SAIFM) and in-house or company-specific training;
- Reading CPD verifiable articles
- Undertaking committee work (including preparation for meetings) to the extent that learning is gained from this activity;
- Developing systems and processes;
- Publishing articles related to members' professional development or career paths;
- Giving relevant in-house presentations;
- Developing or delivering a course or CPD session in an area related to one's professional responsibilities;
- Undertaking action-based learning (research initiatives);
- Undertaking further formal or professional qualifications or formal studies, for example MBA, Higher Diplomas, Certificates and Masters degrees in a relevant discipline (only the verifiable portion), including contact time with the lecturer and attendance of lectures and tutorials;

- Preparing for and taking professional examinations;
- Undertaking e-learning, on-line and web-based training and viewing technical DVDs, podcasts, webinars in group or discussion sessions.
- Participation in pro-bono activities that are related to the SAIFM Competency Profile and Curriculum Framework.

One aspect of verifiable CPD is that the appropriate records and supporting documentation (underlying records) must be accessible should a member be selected for verification of CPD. Generally, only the initial preparation time and the first time a repetitive activity is performed (e.g. lecturing introductory accounting to multiple classes), constitute CPD. Thereafter incremental learning may be accounted for which relies on the members' professional judgement.

Verifiable CPD does not necessarily require the member to incur costs or spend a significant amount of time on the attendance of courses and seminars. SAIFM however does provide a series of products and service offerings to its members that could be used for fulfilling CPD requirements. However, as CPD is specific to the individual member and is to be relevant to their individual learning needs, members have the freedom to acquire their learning from any applicable source that will ensure that they meet their current and future professional development needs.

Members are required to complete a minimum number of hours of relevant CPD activities in a reporting cycle, which may consist of a combination of verifiable and unverifiable CPD activities.

One relevant hour of CPD will earn the SAIFM member 1 CPD point (minimum of 50 minutes constitutes one hour). Time used for registration, welcome, breakfast/tea/lunch breaks, and any other topics which would not constitute relevant CPD are excluded. If the duration of the programme is between 30 and 49 minutes, a half CPD point can be claimed.

Included in the required number of hours as stated above, SAIFM members are required to complete at least 5 CPD points per reporting cycle on Ethics.

If a member is also registered with any other regulatory or professional body, it remains the member's duty to comply with SAIFM's CPD policy as well as the other body's requirements as stipulated from time to time.

Reporting Period

Members will follow a three-year rolling cycle, subject to the annual minimum requirement being met.

Measurement is based on a three-year rolling cycle. The rolling in effect means that members' CPD for a three-year period is 'averaged'. This is a big advantage as it promotes learning every year but provides some flexibility on the way the requirements are actually fulfilled. Of the 120 hours required for every three years, 60 must be verifiable CPD. Monitoring will take place at the end of July of the following year in line with the SAIFM procedures and practices.

Members must maintain their own records and provide SAIFM with an annual declaration that they are undertaking relevant professional development activities.

The following details may be recorded:

- Date of CPD activity;
- Whether it was a SAIFM or non-SAIFM activity;
- Description or title of activity;
- Type of activity, for example course, e-learning, meeting;

- Provider of the activity;
- Duration (expressed in hours or quarter-hour increments); and
- Whether the CPD activity constitutes verifiable or non-verifiable CPD.

Verifiable knowledge points in excess of the requirement for a specific cycle may be applied to the next reporting cycle, limited to a maximum of one third of required points.

It is the responsibility of each and every SAIFM member to maintain a record of his or her CPD activities. Members must retain any documentation that will support the verification of recorded CPD activities. Documentation must be kept for at least 5 years after the end of each reporting cycle. Documentation may be stored electronically on any platform suitable to recording CPD activities.

Monitoring

SAIFM shall undertake a monitoring process to ensure:

- that CPD undertaken is relevant and appropriate to the current and future role of the member; and
- that appropriate records and supporting documentation are kept.

In order to assess whether members meet the requirements of this policy, monitoring shall take the form of an annual verification of the CPD of a randomly selected sample of all members by SAIFM.

The onus rests on the members to provide evidence to demonstrate that competence was developed or maintained. Members are responsible for retaining appropriate records and supporting documents related to their CPD activities; and providing, on request, verifiable evidence to demonstrate their compliance with the requirements of the CPD policy.

As part of this monitoring process SAIFM will require members to provide evidence of relevant learning activities or verification of the competencies they have developed and maintained through their chosen programmes of CPD activities.

On an annual basis, SAIFM will verify whether members have met the objective of CPD. This will be done by selecting a random sample of members to review and assess their compliance with the requirements of CPD and review and assess learning plans or other related CPD documents. Members who are selected as part of the random sample are required to submit to SAIFM their reporting documentation as proof of attendance of courses, etc., or completion of the recorded activities by the required date to be provided each year by SAIFM. The selection criteria for members to be audited will be at the discretion of the Chief Executive Officer. SAIFM members selected for audit will be notified by the SAIFM and will be required to submit CPD documentation to SAIFM within 30 days.

If a member's claimed points are deemed inadequate/unsubstantiated at the end of the reporting period, the member will be allowed 90 days to earn and report relevant points. These points may only be utilised for the reporting period being evaluated, and may not be claimed for prior or subsequent reporting periods.

The Board of Governors has determined in terms of par 1.3.2.1 of the Charter that members, as part of the annual recertification process, must make a declaration in the required format with regard to their compliance with the CPD requirements as determined by the Board of Governors from time to time.

Exemptions

Members may apply for exemption from the requirements of this policy in exceptional circumstances. To qualify for an exemption a member must not be professionally active.

Members apply for exemption by submitting an application with the relevant information electronically. All applications submitted are assessed on a case-by-case basis.

Prior to the submission of an application for an exemption from the CPD policy, a member must consider the following aspects:

- The member must not be professionally active – i.e. may not carry out any work that is associated with the use of professional financial markets practitioner designation, regardless of whether it is paid or unpaid work; and
- The member's intention not to be professionally active should be for an extended period of time, i.e. the member does not plan to do so for a significant period of time.

Once the exemption has been granted to the member, this will remain in place until the circumstances for which the exemption was granted are no longer applicable. The onus is on the member to inform SAIFM when the circumstances around the granting of the exemption are no longer applicable.

The following are examples of, but not limited to, circumstances for which an exemption may be granted to a member:

- A member has retired completely and no longer carries out any activities associated with a professional financial markets practitioner
- Members who take extended leave from work for family-related reasons; e.g. a member who decides to take family responsibility leave; and
- Members who take extended breaks due to illness or incapacitation.

Exemption or deferral applications by a member will only be considered for a maximum of two consecutive CPD reporting periods.

Disciplinary action

Failure to comply fully with this policy is a serious contravention which will warrant disciplinary action in terms of the Charter. Misstated or fraudulent reporting of CPD points will be treated as a separate contravention of the SAIFM Code of Conduct.

Conclusion

SAIFM cannot provide assurance that all members will provide high quality professional service at all times. Doing so would entail more than merely monitoring professional competence, for high quality professional service entails the application of that knowledge with professional judgement and an objective attitude.

Similarly, SAIFM cannot be assured that every member who participates in a CPD programme will reap the full benefits of that programme, as this is dependent on an individual's commitment and capacity to learn.

However, despite the inherent limitations, the SAIFM Board believes that it is important to have a CPD programme in place, to make it possible for an individual member to fulfil his/her professional activities and responsibilities and to ensure the maintenance of professional standards, ethics and knowledge.