

BLACK ONYX CPD PROGRAM

What your FSP needs to know about the new CPD regulations.

As of June 2018, FAIS Act stipulates that Representatives, Key Individuals and those under supervision must maintain their status as "Fit and Proper" by continued learning, requiring 6, 12, 18 Points.

Each point is 1 hour of your time and can become very costly if you have a sales force.

BLACK ONYX has a cost-effective digital solution for all FSP's. Click [here](#) to register

What the difference is between "FAIS CPD" and "FPI CPD"?

(Source FPI – April 2018)

In order to see if there is a difference, we have to go into legal interpretation 101 mode: let's look definitions:

"FAIS CPD" is defined as **CPD activity** in section 1 of [Board Notice 194 of 2017](#) (*this is the new Fit and Proper Determination for Financial Services Providers and repeals / replaces BN 105 of 2008; BN 106 of 2008 and BN 102 of 2012 - See Chapter 7 section 51 (1) (a) - (c)*) as:

"CPD activity" means an activity that is

- (a) accredited by a Professional Body;*
- (b) allocated an hour value or a part thereof by that Professional Body; and*
- (c) verifiable, and excludes-*

- an activity performed towards a qualification; and*
- product specific training;*

The CPD activities for the purposes for "FAIS CPD" must, therefore, be accredited by a SAQA Recognized Professional Body. There are currently +- 102 SAQA recognised professional bodies (*professional body is defined in section 1 of the NQF Act*) and about ten (10) of these professional bodies are relevant in the Financial Services Sector space. (FPI, IISA, COB, SAIFM, SITE, SAICA, SAIPA, Law Society, Actuarial Society and CISA to name a few). The activity must furthermore be "verifiable" - let's look at the definition of verifiable in BN 194:

"verifiable" in relation to CPD activities means activities that can be objectively verified and includes evidence of the identity of the person who partook in such activities and proof of the completion thereof;

As a CPD provider, you must have systems in place that can objectively / accurately / without error verify the persons' identification that is attending one of your CPD Activities (via webinar, face-to-face training, conference, online course, seminars etc) AND have proof on file that the person completed the CPD activity. Practically - how do you do this? Well, for online platforms an attendee could have a unique sign-on and an assessment that the person needs to complete at the end of the webinar / online programme after which he/she is issued with a statement of results or certificate of completion. Face-to-face events - you will have to let the attendees sign in either electronically or manually (sign an attendance register) AFTER they have positively identified themselves by showing, for instance, their

drivers' licence or ID card. You then must make sure that the person completed the activity - you can either link this event to an assessment again or let the attendees sign out after the event (they have to

indicate what time they signed out as this will be an indication of whether they completed the CPD activity or not). If they did not sign out- they should not receive a certificate/letter of completion. For those that had to leave early - the certificate should indicate how many CPD hours they earned by completed if the event was for 5 hours but they had to for instance leave after 2 hours - then only two CPD hours should reflect on the certificate of completion. FAIS CPD EXCLUDES any activity towards obtained a qualification and product specific training (see section 29 of BN 194 for more on product specific training).

An FSP, KI and/or representative of an FSP must obtain either 6, 12 or 18 CPD hours depending on the Class of Business they are operating/licensed for. Below is a spreadsheet that may assist you with "mapping" a Class of Business to a FAIS licensing category. The spreadsheet gives an overall summary of the Competency requirements in BN 194 of 2017

Phew - now that we looked at "FAIS CPD" - let's look at FPI CPD:

CPD is defined as Verifiable or Non-verifiable CPD in the FPI's [CPD policy](#):

***Verifiable CPD** is CPD for which proof of completion/participation is available, for example, but not limited to, attendance registers, reading registers, etc, or such other manner of proof as may be determined by the Board from time to time, that can be submitted to the FPI upon auditing of a member's CPD points.*

***Unverifiable CPD** Unverifiable CPD is those activities which do not result in a product or for which no other evidence of the learning exists, for example, watching television programmes or listening to radio broadcasts.*

FPI CPD is CPD hours that a professional member of the FPI must obtain. A professional member is a person who has a designation (CFP® FSA™ AFP™ or RFP™) and must obtain 35 CPD hours per 12-month cycle. (25 verifiable, 10 unverifiable and 5 Ethics and Practices Standards of which 2 must be for ethics). Professional members must refer to the FPI's CPD policy to see what CDP categories are available (like professional reading, webinars, online programmes etc.)

The FPI is also a Recognised Controlling Body of SARS which means that tax practitioners who are professional members of the FPI, can in terms of section 240A of the Tax Administration Act keep a record of their "SARS" CPD hours at the FPI.

We therefore accredit/approve CPD activities for three schemes at the FPI: CPD for Professional Members, CPD for FAIS purposes and CPD for Tax practitioner purposes.

So, in conclusion - is there a difference between FAIS CPD and FPI CPD?

Yes:

FAIS CPD can ONLY be verifiable CPD hours and is applicable to FSP's, Key Individuals and Representatives of FSP's as approved by the FSB (Now Financial Services Conduct Authority FSCA effective 1 April 2018) in terms of section 8 of the FAIS Act and a person must obtain either 6, 12 or 18 CPD hours depending on the Class of Business that person is authorised to provide financial services for.

FPI CPD is applicable to professional members and can be verifiable and/or non-verifiable and a professional member must complete 35 CPD hours per reporting cycle (12 months).

This message was produced and delivered by the FPI (April 2018). BLACK ONYX is an accredited CPD provider. For more information click [here](#) or visit www.blackonyx.co.za.

This spread sheet was prepared by the FPI for its CPD providers

Minimum CPD required per 12 month cycle			
Person	Single subclass within single COB	More than one subclass of business within a single COB	More than one COB
FSP	6	12	18
KI	6	12	18
Rep	6	12	18
Pro-rated minimum CPD hours if authorised, approved or appointed for a period of less than 12 months in a CPD cycle			
FSP	$[X \div 12] \times Y = Z$	<i>X = Number of annual required CPD hours</i>	
KI	$[X \div 12] \times Y = Z$	<i>Y = number of months authorised, approved or appointed during a particular CPD cycle</i>	
Rep	$[X \div 12] \times Y = Z$	<i>Z = Required pro rata CPD hours</i>	
Reduction of CPD due to maternity, paternity or adoption leave; long-term disability or caring responsibilities to care for a family member who has a long-term illness or disability			
Rep	$[X \div 12] \times Y = Z$	<i>X = Number of annual required CPD hours</i>	
		<i>Y = number of months absent from work</i>	
		<i>Z = Required pro rata CPD hours</i>	
Rules			
<i>*An FSP may not reduce the CPD hours of a representative for consecutive CPD cycles.</i>			
<i>*An FSP must ensure that key individuals and representative submit evidence of their CPD activities to the FSP within 15 days after expiry of the CPD cycle.</i>			