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IFA seeks exemption for Continuing Professional Training

Institute of Financial Advisers (IFA) is seeking an exemption for its members who already meet or exceed proposed regulations released by the Code Committee on advisers' ongoing professional training.

In a submission to the Code Committee, IFA president Lyn McMorran says it fully supports the requirement for all financial advisers to undertake robust and ongoing professional development throughout their career. This ensures advisers are capable of providing timely and relevant advice to their clients, for example how proposed tax changes might change their financial circumstances.

IFA also submitted that it is more appropriate for advisers to undergo professional development as opposed to "training". Development is more self-directed and relevant to the adviser's needs and encompasses a much wider range of learning media than just "training" which can often be taken for the sake of making up hours rather than because it has direct relevance to an adviser's development needs.

IFA members are required already to undertake 60 hours of professional development over a two year period, more than the minimum 20 hours a year currently proposed by the Code Committee.

"IFA members already comply with a robust Continuing Professional Development programme which clearly exceeds the training recommendations made by the Code Committee," McMorran says. "So we feel advisers who belong to a professional body that has an efficient professional development programme with its own internal processes for auditing should not also be required to have their hours audited by external auditors."

In the proposed legislation, the Code Committee proposes all AFAs complete a minimum of 20 hours of continuing professional training each year. The first year is the 12 month period commencing from the date of an AFA's initial authorisation by the Securities Commission.

Hours can be spread across 'Unstructured' and 'Structured' Learning. Structured Learning includes any training that forms part of a tertiary qualification or is provided by any recognised financial services industry body or professional organisation, like IFA.

Unstructured Learning means any other training relevant to the provision of financial adviser services that falls outside of the scope of Structured Learning which may include any informal training such as employer provided seminars and workshops, self-led reading and research, participation in product launches and presentations and adviser mentoring and training.

The Code has recommended a split between 12 hours of structured and 8 hours of non-structured training per year to qualify as an AFA.

ENDS

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