

## Continuing Professional Development Verification and Recognition Policy

### Summary of Policy

The London Institute of Banking & Finance issues Statements of Professional Standing (SPS) to financial advisers in accordance with the conditions set by the Financial Conduct Authority (FCA)<sup>1</sup>. It also issues Certificates of Professional Achievement (CPA) and Chartered Designations to those holding certain high level financial services qualification, who undertake a programme of annual Continuing Professional Development (CPD) and declare adherence to our Code of Ethics.

The purpose of the Continuing Professional Development (CPD) Verification and Recognition Policy is to provide individuals with the details of the process we employ to verify their CPD activities. The policy outlines the: general principles of CPD; types of relevant CPD activities; CPD record-keeping; CPD auditing process; data management, monitoring, and evaluation of the policy. The policy also outlines the process and criteria for CPD providers looking to have their CPD provision formally recognised by the Institute.

Through the Continuing Professional Development (CPD) Verification and Recognition policy we ensure that:

- the process for verifying CPD activities for the issuance and retention of an SPS / CPA / Chartered Designation ensuring CPD activities meet our requirements and where applicable (SPS), the FCA
- procedures are in place for effective and thorough verification of individuals' CPD.
- checks are made to validate the CPD declaration individuals make when applying for or renewing an SPS or CPA. Compliance with the FCA Approved Persons Regime (APER) / Code of Conduct (COCON) standards and / or our Code of Ethics is checked.
- the verification process is dealt in a fair, consistent, transparent and in timely manner.

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<sup>1</sup> All further references to SPS also includes the Isle of Man Statement of Professional Standing (IOMSPS) and the Bailiwick of Guernsey Statement of Professional Standing (GsySPS) . References to the FCA in this document are also generally applicable to the Isle of Man Financial Supervision Commission (FSC) and the Guernsey Financial Services Commission

(GFSC). However, whilst very similar, FSC and GFSC requirements vary in some areas. Advisers operating on the Isle of Man or Bailiwick of Guernsey are advised to familiarise themselves with the FSC GFSC requirements in detail rather than relying solely on the information contained within this document.

## Section A - The role of CPD verification

- 1.1 Those applying for / renewing an SPS, CPA or Chartered Designation are required to **declare** that they have adhered to a programme of CPD which meets the standards of The London Institute of Banking & Finance. (Some exemptions apply - please see Section D).
- 1.2 The purpose of CPD verification is to substantiate these declarations and provide reasonable assurance that holders of our SPSs, CPAs and Chartered designations are undertaking high quality CPD that meets or exceeds the appropriate requirements.
- 1.3 The FCA requires Accredited Bodies such as us, to audit (verify), on an annual basis, the full CPD records of no less than 10 per cent of the individuals who have used its SPS service in the previous 12 months. We also apply this audit framework to the CPD records of those who hold our CPA or Chartered Designations.
- 1.4 Information on acceptable CPD is available in [CPD Guide](#) and it is recommended that this document is read in conjunction with this policy.

## Section B - CPD requirements for Statements of Professional Standing (SPS)

- 2.1 In accordance with the FCA Handbook, Individuals applying for or renewing an SPS are required to have carried out a programme of Continuing Professional Development in the preceding twelve months that meets the following FCA requirements:
  - i. A minimum of 35 hours total CPD must be undertaken.
  - ii. At least 21 of the 35 hours claimed must be \*structured in nature.
  - iii. There must also be evidence to support the fact that the CPD activity has taken place.
  - iv. The CPD undertaken must appropriately reference the final examination standards as set out in the FCA Handbook;
  - v. The CPD undertaken must also be relevant to the role of retail investment adviser and no other role undertaken by the individual.

\*Structured CPD is learning that has a specified learning outcome and a means through which learning can be evidenced.

- 2.2 There are some exemptions to the FCA CPD requirements which we reflect within our CPD scheme and SPS application criteria. (See Section D for more details).

## Section C - CPD requirements for Certificates of Professional Achievement (CPA) and Chartered Designations

- 3.1 Individuals applying for or renewing a CPA or a Chartered Designation are required to have carried out a programme of Continuing Professional Development in the preceding twelve months that meets our requirements:
- i. A minimum of 35 hours total CPD must be undertaken
  - ii. At least 21 of the 35 hours claimed must be \*structured in nature
  - iii. There must also be evidence to support the fact that the CPD activity has taken place
  - iv. The CPD undertaken must also be relevant to the role of the individual or a financial services role to which they aspire.

\*Structured CPD is learning that has a specified learning outcome and a means through which learning can be evidenced.

- 3.2 There are some exemptions to the CPD requirements which we reflect within our CPD scheme. Please see Section D for more details.

## Section D – Exemptions

CPD is a regulatory requirement for financial advisers giving retail investment advice. However, there are some exemptions which can be applied.

### SPS

- 4.1 An advisers firm is permitted to suspend the CPD requirements for the period of time where an adviser is continuously absent from work if the absence is due to:
- i. maternity, paternity or adoption leave;
  - ii. long-term illness or disability;
  - iii. caring responsibilities for a family member who has a long-term illness or disability.

4.2 A firm has to maintain records of dates and reasons why CPD may have been suspended for an adviser. A pro rata approach will be taken to the number of hours CPD required for individuals in any of the circumstances listed in 4.1 above.

4.3 Other exemptions to the criteria set out in Section B include: (this is not an exhaustive list)

i) Individuals returning to a financial adviser role after a period of absence lasting more than 12 months.

Those temporarily absent from the role would be expected to have carried out an element of CPD to keep their knowledge and skills up to date.

ii) Individuals applying for their first SPS at the start of their Financial Adviser role. This is because it is considered that extensive training and development would have taken place in the lead up to being deemed Competent by their firm.

iii) Individuals who have, in the 12 months leading up to their SPS, studied for and gained an FCA approved qualification appropriate for giving retail investment advice.

### CPA and Chartered

4.4 We will waive the CPD requirements for those with a CPA or Chartered Designation for the period of time they are continuously unable to carry out CPD activities if the reason is due to:

i. maternity, paternity or adoption leave;

ii. long-term illness or disability;

iii. caring responsibilities for a family member who has a long-term illness or disability.

4.5 We reserve the right to request supporting documentation to substantiate periods of inability to carry out CPD activities.

For more information regarding exemptions please contact us at [cpd@libf.ac.uk](mailto:cpd@libf.ac.uk).

## Section E - CPD record-keeping

5.1 Individuals should create and maintain a record of their CPD activities as soon as they are completed to provide an ongoing record.

- 5.2 Our members may choose to use the [CPD logging tool](#) for the purpose of recording their CPD. For non-members, the same detailed information is required and will be accepted by us in a different format. Further detail is available in the [CPD Guide](#).
- 5.3 Supporting documentation to substantiate participation in courses, workshops, meetings or seminars should be obtained and retained in CPD records. This could be in the form of workbooks or handouts used or given out at the event, test results with examples of the questions, case study notes, detailed personal reflective notes, email trails or screen shots.
- 5.4 Essentially your documentation should be:
- i. personal to you;
  - ii. In a durable format; and
  - iii. verifiable back to the CPD provider / activity if required.
- 5.5 Formal CPD certificates of attendance at meetings will not be sufficient proof on their own that the learning objectives have been achieved.
- 5.6 We recommend that any CPD records and supporting documentation held online or in electronic form are backed up and safely stored on a regular basis to prevent loss of data. Any records held in paper form should be transferred to an electronic version if possible to prevent damage or loss. A number of free data-storage options are offered via the internet.
- 5.7 CPD records held by firms, employers or networks are required to be made available to individuals who hold an SPS, upon request. Barriers placed in the way of obtaining this information would put the firm in breach of FCA regulations. This also relates to any CPD recorded with a firm, employer or network to which the individual is no longer affiliated.
- 5.8 Individuals are expected to retain their CPD evidence for five years.

## **Section F - Auditing (verification) of CPD records**

- 6.1 We will communicate, by email, with those individuals who have been selected as part of the annual 10 per cent sample, requesting documentation in support of the CPD declaration made on their SPS / CPA application or Chartered Status application form.

- 6.2 The email will be sent to the email address provided in your SPS / CPA / Chartered application. **Individuals are required to ensure that their contact information is up to date** throughout the period they hold their SPS / CPA / Chartered Designation. Failure to receive our audit request will not be accepted as a reason for non compliance.
- 6.3 The audit sample will be selected on a regular basis throughout the year
- 6.4 Individuals selected for the scrutiny process will be required to submit a full CPD record within 30 calendar days of being informed of selection. We issue full instructions for submission of the CPD records to those selected for audit.
- 6.5 A 'full' CPD record must meet the points outlined in this policy with particular reference to the following:
- i. a minimum 35 hours of CPD activity must be provided (unless an exemption applies).
  - ii. A minimum of 21 hours of CPD activity must take the form of structured CPD
  - iii. **For SPS holders** - all activities must relate to the role of retail investment adviser only - individuals who hold other advice permissions such as for mortgage advising cannot use CPD related to the mortgage adviser role for retention of their SPS. Firms may impose additional CPD requirements in addition to those required by us or the FCA.
  - iv. For each CPD activity claimed, it must be possible to verify / measure an individual's attendance / participation.
  - v. For each activity claim, it must be possible to identify the individual learning gained by carrying out the CPD.
  - vi. The CPD activities being claimed must have been carried out in the 12 months prior to issue of the individual's latest SPS / CPA / Chartered application.
- 6.6 Individuals are directed to read our "Audit Submission Guidelines" document which will be available to all those chosen for scrutiny prior to submitting their records. The guidelines include options for sending records electronically, in person or by post.

- 6.7 We will communicate the outcome of the CPD assessment directly to the individual. This decision may vary depending on the completeness of the individual's CPD records.
- 6.8 If an individual who holds an SPS fails to submit CPD evidence or submits evidence that fails to meet the FCA criteria against objective measures (e.g insufficient hours recorded), we will clearly communicate the deficiencies identified to the individual and may also notify their firm at this stage of the auditing process
- 6.9 If we have concerns regarding the relevance of the CPD undertaken, or any other concerns that require a subjective judgement to be made, we will seek further information from the individual's employer in the first instance and then, if required, from the FCA. We will clearly communicate any deficiencies identified to the individual and their firm.
- 6.10 Where an individual fails to respond satisfactorily to a request for further CPD documentation or justification for previous CPD submissions, we will write to the individual and their firm informing them that their SPS / CPA / Chartered Status may be withdrawn under our [Malpractice policy for SPS, CPA and Chartered Membership](#).
- 6.11 In the event that we suspect any form of malpractice, the matter will be investigated under the terms of the [Malpractice policy for SPS / CPA and Chartered Membership](#).
- 6.12 Should malpractice be confirmed we can apply sanctions or withdraw / decline to issue an SPS / CPA / Chartered Status.

## Section G - Recognition of CPD provision by firms and training providers

- 7.1 We offer a CPD recognition service to CPD programmes run by firms, training providers or third parties. The Institute looks to officially recognise learning and development programmes offered to retail investment advisers.
- 7.2 Such recognition demonstrates that, in our view , the learning activity provided by a recognised CPD programme meets the FCA required standards for ongoing CPD to which this policy refers. Please note: the technical content within any CPD event / presentation should be checked for accuracy prior to submitting this to the Institute. We will not validate the technical content as part of the CPD recognition process.

- 7.3 Once formal recognition has been granted we allow the use of our logo in appropriate marketing material along with the following declaration: "This course is recognised by LIBF as meeting the standards for on-going CPD required by retail investment advisers.
- 7.4 Individuals who attend / participate in a CPD activity which has been formally recognised by us, do need to ensure that the content of the session(s) are relevant to their own personal development in helping to improve their skills or knowledge as a retail investment adviser.
- 7.5 Where a form of learning validation has not been included within the CPD activity i.e. test, formal assessment, role play - the individual will need to complete a reflective / learning statement to claim the CPD as "structured".

## **Section H - Quality assurance, monitoring and review**

- 8.1 Records of all issues relating to the evidencing of CPD are maintained by us for a period of at least five years and are subject to regular monitoring and review.
- 8.2 This policy is subject to regular monitoring and review. We continually review our policies to maintain the highest possible standards of consistency and quality.
- 8.3 The policy is formally approved by The London Institute of Banking & Finance Operating Committee, the ultimate authority within The London Institute of Banking & Finance.
- 8.4 The policy has been developed to comply with all relevant legislation and has been externally benchmarked to be in line with recognised best practice.

## About The London Institute of Banking & Finance

We support and promotes professionalism in the regulated advice sector and the wider financial services industry. We do so through the provision of qualifications, continuing professional development services and through the dissemination of best practice. The London Institute of Banking & Finance is a registered charity incorporated by Royal Charter, and is recognised as an awarding organisation by Ofqual.

The London Institute of Banking & Finance  
Administrative Centre  
4–9 Burgate Lane  
Canterbury  
Kent CT1 2XJ

**T:** +44 (0) 1227 818609

**E:** [customerservices@libf.ac.uk](mailto:customerservices@libf.ac.uk)

**W:** [www.libf.ac.uk](http://www.libf.ac.uk)

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