

FAQs for CPD and COB

CPD - CONTINUOUS PROFESSIONAL DEVELOPMENT

1. What is CPD?

It is an abbreviation for Continuous Professional Development. The requirement is met by earning a certain number of CPD hours. Key Individuals in a supervisory capacity and representatives in an advisory capacity must meet this requirement. It is to ensure that they maintain their competence and stay up-to-date with changes and developments in the financial/insurance industry.

2. Does everyone have to do CPD?

No. Representatives of Category 1 FSPs who ONLY work in the simplest funeral plan products (Long Term Insurance Subcategory A) and/or Stokvel-type products (Friendly Society benefits), and those who work ONLY in Tier 2 products, and/or those who ONLY render intermediary services in Tier 1 products do not have to do CPD activities.

If you give advice in Tier 1 financial products, you must engage in CPD activities.

Please consult your compliance officer to ensure you have the correct information

3. How many CPD activities do I have to do?

You must do enough to maintain your competence, stay up to date with changes and developments in the industry, address any gaps or shortcomings in your skills and knowledge, and develop your expertise and insight.

The minimum requirements depend on the Classes of Business and sub-classes that you work in:

One subclass only, in a single Class, requires 6 hours CPD during a CPD cycle;

Two or more subclasses, in a single Class, require 12 hours CPD during a Cycle;

If you work in two or more Classes of Business, you have to do 18 hours of CPD per Cycle.

4. How long is a CPD Cycle?

12 months, starting on 1st June each year and running until 31st May the following year.

5. What counts as a CPD activity?

Anything that is relevant to building and maintaining knowledge, skills, expertise and ethical standards. It must be accredited by a Professional Body and the participation, attendance or completion of the activity/programme/course must be verifiable. The Professional Body allocates a specific number of hours to the activity/programme/course.

6. I am studying for a qualification, and I attend evening lectures every week. Can I count that time for CPD purposes?

No. Activities performed towards a qualification do not count towards CPD.

7. My employer organises sessions which count for CPD points: How does this work?

The Authority (FSCA) requires that CPD activities are accredited by a professional body. They will allocate CPD hours to a session. Check with your employer how the points are assigned and check that the points are verified. If, for example, one-point equals one hour, then the points can be counted as hours. If two points equals an hour or work, adjust accordingly. Growth in Motion helps companies to have internal programmes accredited with professional bodies.

8. I am under supervision until I pass the RE5 examination for representatives. Do I have to complete CPD activities as well?

No. Your CPD obligation will only start once you have achieved competence by passing the RE5 examination.

9. I was under supervision until the end of August. When do I start CPD, and how many hours must I do?

You do not do CPD while under supervision because you are still working towards meeting the competency requirements.

Your CPD obligation would have started as soon as you were fully competent – from 1st September onwards.

The minimum number of hours you must complete by the end of the cycle is adjusted pro rata according to the time left in the cycle when you started. If your work would usually require 18 CPD hours, then the adjustment would be $18 \div 12$ (giving hours per month) $\times 9$ (Sep to May, remaining) = 13.5 hours.

10. I am a Key Individual for my FSP. Do I have to do CPD?

Yes. The minimum hours of CPD that you must record depends on the Classes of Business and the subclasses that you manage or oversee, just as for a representative.

11. I am going to attend a study programme for the RE1 examination for Key Individuals. Does that count towards CPD hours?

Yes, if the programme is accredited by a Professional Body.

12. I attended a half-day product training session for a new product introduced by an Insurer. How many hours CPD can I record for that?

None. Product specific training does not count towards CPD.

13. I attended a workshop to help me prepare for my RE5 examination so that I can receive a pass mark. Can I count that towards CPD?

No. At that stage you were a representative under supervision and CPD did not apply to you. You were in the process of becoming fit and proper in terms of the competency requirements. As a representative under supervision, you can attend a CPD event and be given a certificate. The fact that you are not required to earn CPD hours does not prevent you from doing it.

14. Who is responsible for making sure that CPD activities are completed?

Each representative, key individual, or natural person FSP must ensure that a suitable range of CPD activities is completed each cycle and that at least the minimum number of hours is recorded per cycle. The individual must keep a record of the activities that he or she completed. The FSP must have policies and procedures that set out how these requirements will be met and must administer the CPD process. Growth in Motion offer a range of CPD courses which are aligned with Board Notice requirements and are spread across the following categories:

- Professional Knowledge and Skills
- Ethics
- Regulatory Updates
- Market Understanding

15. How many CPD hours can I earn as a Representative?

As many as you wish, as long as you earn the minimum number of CPD hours based on the product categories you are licensed for. It only applies to Key Individuals and representatives giving advice in Tier 1 financial products.

16. If I attend training with Growth in Motion, will I earn CPD points?

Yes, all Growth in Motion's CPD programmes meet the FSCA's requirements for CPD. Please refer to our CPD courses on www.gimacademy.africa for the specific CPD hour allocation.

17. Is Growth in Motion an accredited provider or an education Institution as per BN194 of 2017?

Growth in Motion is an accredited education provider with BankSeta. The registration number appears on the Certificate of Completion which is issued after successfully completing a CPD course.

COB - CLASS OF BUSINESS TRAINING

1. When do I need to do Class of Business training?

You must complete Class of Business training within 12 months of the date on which you were first appointed as a representative. The Class of business training will be determined by the products you give advice on.

2. Does everyone have to complete Class of Business training?

No. The following people do not have to complete Class of Business training to meet the fit and proper requirements:

- Representatives in a Category 1 FSP who only give advice on basic funeral products and stokvel-type products.
- Those who sell a product strictly according to a script.
- Those who only advice on Tier 2 products.

3. What is Class of Business (COB)?

Class of business is the generic training that focuses on general product category knowledge in relation to a specific Line of Business. All product sub-categories have been divided into nine Classes of Business. Within each class, there are relevant subclasses.

4. How long do I have to complete my COB training?

All supervised representatives must complete their COB training within 12 months of the date upon which they were first appointed as a Representative in respect of a financial product falling within that COB, and where COB training was a requirement.

If you are unsure about your date of appointment, we advise that you consult with your Compliance Officer who will be able to assist you.

5. Why should I as a key individual (KI) complete Class of Business training?

It is a legislative requirement that if you are registered as a key individual (KI) you must complete the class of business training that relates to the specific classes of business you manage or oversee.

6. Can I be exempted from COB training?

Certain exemptions do apply but it will depend on the FSP's license category, i.e., the type of business being conducted or financial product you are working with. Refer to question 2 in the FAQ.

We recommend that you consult your Compliance Officer for more guidance.

7. What training is covered under COB?

There are nine classes of business:

- Short-term Insurance: Personal Lines
- Short-term Insurance: Commercial Lines
- Long-term Insurance
- Pension Fund Benefits
- Short-term & Long-term Deposits
- Structured Deposits
- Investments
- Forex Investments
- Healthcare Benefits

Note – When doing your Class of Business training through Growth in Motion, the Generic Module is compulsory and must be completed successfully once before any COB module can be attempted. The generic module is free of charge.

8. Can I do more than one Class of Business at the same time?

Once you have completed the Generic module, you can work on multiple Class of Business training courses.

9. How long will it take me to complete each module?

The duration of the training is completely up to you as an individual. We encourage you to refer to our Class of Business brochure where we show the estimated times based on our pilot sessions.

10. Is there anything I can read through in preparation before I attempt the COB training?

We recommend reviewing the Generic Module as this give you a solid grounding as an introduction to Class of Business. All necessary material is covered in our on-line content. You can go over the content as many times as you like before attempting the final assessment.

11. Which is best option, On-line or Facilitated Learning?

Our on-line training was designed with the end-user in mind, and we pride ourselves on it being very user-friendly and one of the best on offer. It allows learners to do the training in their own time and at their own pace. We also offer a 2/3-day facilitated training to companies who prefer their candidates to be trained at their own premises and at the same time.

12. Can we test the content of the COB training to verify if this meet with our expectations?

This only relates to corporates and each request will be forwarded to management for consideration.

13. What happens if I fail the assessment??

You will have 3 attempts to pass the summative (final) assessment at the end of each COB course for which you have registered.

14. How long will it take to complete the assessment?

Depending on the COB course, you will get between two and two and a half hours to complete the summative (final) assessment.

15. How long do I have to complete product specific training?

Product specific training is not covered by the supervision exemption – it has to be completed before any financial services are rendered in the products.

16. How can I become Fit and Proper?

By meeting all the competency requirements which consists of the following:

- Obtain a qualification recognised by the FSCA
- Pass the applicable regulatory exam
- Complete the class of business training applicable to you and
- Gain the required experience while working under supervision in each product category.