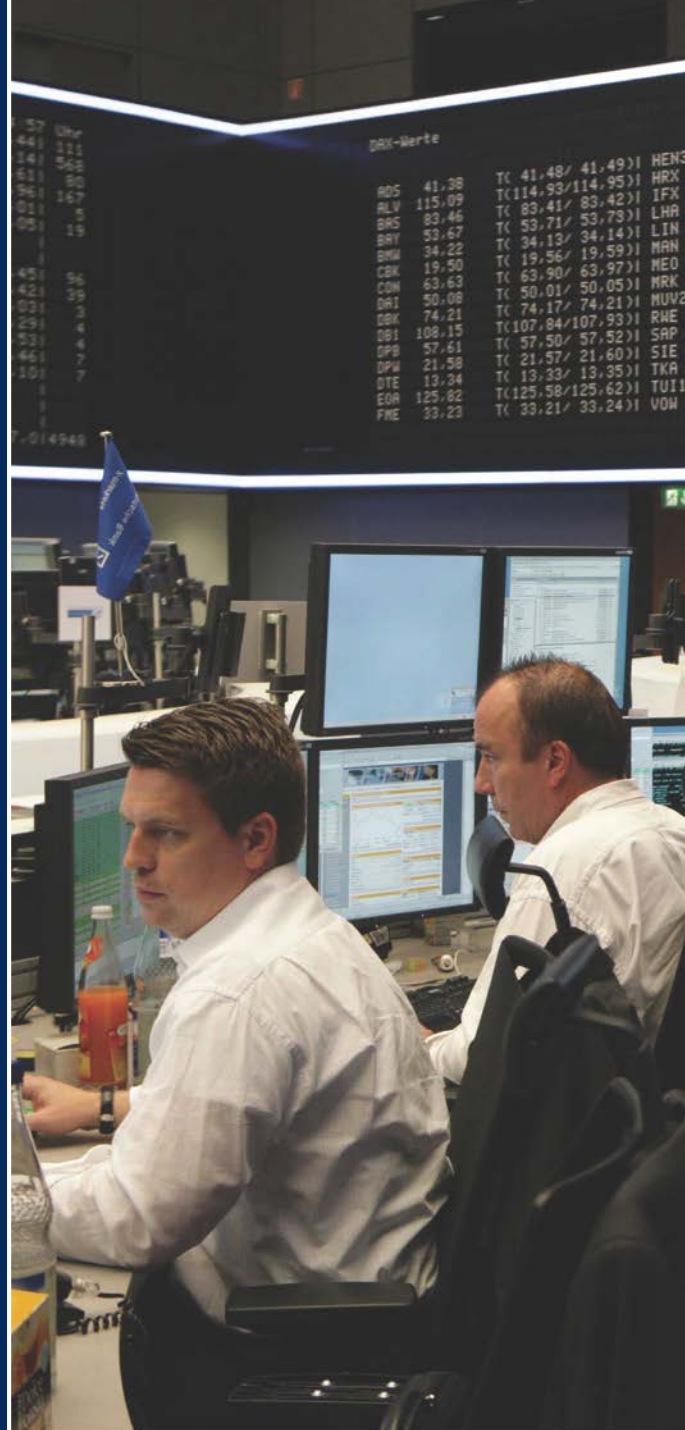


# AFMA Accreditation Guidelines

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AUSTRALIAN FINANCIAL  
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## Accreditation at a glance

By accrediting individual practitioners, AFMA, on behalf of its Member organisations, seeks to cultivate a disciplined, risk-aware, and knowledgeable market place.

Accreditation is open to employees of AFMA Member organisations who meet the following eligibility criteria:

- have a minimum of six months appropriate industry experience
- have been recommended by their employer (a Member of AFMA)
- have successfully completed all relevant requirements of one of the following:
  - AFMA Financial Markets Program
  - AFMA Responsible Managers Program
  - AFMA AML/CTF Graduate Program
- have committed to undertake the appropriate annual continuing education (CE) activities
- have committed to conduct themselves in accordance with the AFMA Code of Conduct

If all the eligibility criteria are met, individuals are awarded one of the following Accreditation designations:

- AFMA Accredited Individual (Advising)
- AFMA Accredited Individual (Dealing)
- AFMA Accredited Individual (Operations)
- AFMA Accredited Individual (AML/CTF)

AFMA has determined that the annual CE requirement for Accredited Individuals is 20 hours per annum. A broad range of training activities is acceptable CE, including:

- on-the-job training
- formal training courses
- conferences
- participating in AFMA or other industry committees
- mentoring and coaching
- reading media (maximum 5 hours per annum)
- publishing in the media
- outreach activities.

Not all of an individual's CE can be claimed from a single training methodology; there is an overarching requirement that an individual's CE be drawn from at least two different eligible methodologies.

The AFMA Accreditation Board monitors the AFMA Accreditation Guidelines as well as the eligible AFMA Accreditation Programs, and ratify all candidate applications for Accredited Individual status.

All AFMA Member organisations that wish their staff to be awarded accredited individual status must appoint an Accreditation Representative, who is responsible for accreditation applications and annual certification that accredited individuals have met their continuing education requirements in accordance with these Guidelines.

The pages that follow provide detailed guidelines for gaining and maintaining AFMA Accreditation.

# 1 About AFMA Accreditation

The purpose of AFMA accreditation is to provide a minimum education and training standard for individuals working in financial markets for our Member organisations. Accreditation within the financial markets has been designed to enhance efficiency and increase the market's credibility, both domestically and internationally. By accrediting individual practitioners, AFMA, on behalf of its Member organisations, seeks to cultivate a disciplined, risk-aware, and knowledgeable market place.

Industry-based self-regulation is a constructive force in wholesale financial markets. Internationally there is an acceptance that participants should meet approved industry-developed competencies. Licensing or accreditation of participants is best practice in all developed financial centres and markets. Moreover, development of industry standards for individuals also makes good business sense, in addition to providing assurance to regulators of the high professional standards within Australia's traded financial markets.

The accreditation of financial market participants by AFMA involves two key phases.:

1. **achievement of the initial level of education, training and experience required to fulfil a role within the traded financial markets environment (i.e. gaining accreditation – see Section 2); and**
2. **on-going development and extension of an individual's knowledge, skills and expertise through undertaking continuing education (i.e. maintaining accreditation – see Section 3).**

The accreditation guidelines for when staff of Member firms are no longer actively employed or take extended leave of absence are set out in **Section 4**.

Codes of ethics and conduct are fundamental to professionalism and articulate the standards of behaviour expected of professionals, in particular when they are providing services to clients and interacting with colleagues. **AFMA Accredited Individuals are required to adhere to the AFMA Code of Conduct. See Section 5 for further information.**

AFMA accreditation is a co-operative process that relies on the AFMA Accreditation Board and Members' Accreditation Representatives. The roles and responsibilities of the AAB and Accreditation Representatives are described further in **Sections 6 and 7**.

## 2 Gaining accreditation

### 2.1 Accreditation application criteria

AFMA will accept applications for accreditation from those who meet **all** of the following criteria:

- have a minimum of six months experience; and
- have been recommended by their employer, a Member of AFMA, having been assessed by their employer as suitable; and
- have successfully completed all relevant requirements of an AFMA education program; and
- commit to undertake appropriate continuing education activities (see Section 3 for AFMA's policy on continuing education); and
- commit to conduct themselves in accordance with the AFMA Code of Conduct. (see Section 4)

### 2.2 Eligibility for accreditation and employer recommendation

For the purposes of AFMA Accreditation (Advising, Dealing or Operations), an individual is eligible to apply for accreditation if **“the individual participates in Australian financial markets (or manages those who do so) and is operating on behalf of an AFMA Member at the time”**.

For the purposes of AFMA Accreditation (AML/CTF), an individual must work in a role **“where at least 50% of their responsibilities concern AML/CTF Compliance.”**

For all types of Accreditation, an individual must have a minimum of six months experience and be recommended by the AFMA Member firm's Accreditation Representative.

Individuals are not eligible to apply for AFMA Accreditation if they do not work for a Member organisation. However AFMA recognises that they may still benefit from undertaking the *Financial Markets Accreditation Program*, *AML/CTF Graduate Program* or the *Responsible Managers Program — Specialist Pathway*. Therefore individuals who do not work for a Member organisation are still able to enrol and complete these programs.



## 2.3 Completing an AFMA Accreditation Program

The type of AFMA Accreditation an individual is eligible to apply for depends on which of the AFMA education programs an individual has completed. Individuals may apply for AFMA Accreditation upon the successful completion of the **relevant components** of one of the following programs:

- [Financial Markets Program](#)
- [Responsible Managers Program](#)
- [AML/CTF Graduate Program](#)

These programs provide an industry training and assessment framework for individuals working in the Australian OTC and exchange-traded financial markets. The benchmark minimum knowledge and competency standards have been aligned to the regulatory requirements for market professionals. The AFMA Accreditation Board has endorsed these award qualifications for this purpose and recommends that AFMA Members adopt them to accredit staff.

### ***Financial Markets Program***

The Financial Markets Program aims to ensure that persons operating in the Australian traded financial markets have had their knowledge and skills objectively evaluated against agreed industry standards in the general areas of the economic environment, operation of financial markets, financial products and regulation and compliance and a specialised area (e.g. debt markets, foreign exchange markets and equity markets).

The advising stream of the *Financial Markets Program* also meets the Tier One requirements of ASIC Regulatory Guide 146 *Licensing: Training of financial advisers* in the areas of Generic knowledge [RG 146.137]; Specialist knowledge in Securities [RG 146.142], Derivatives [RG 146.143], and Foreign Exchange [RG 146.149]; and Skill requirements [RG 146.153].

### *Advising/Dealing*

Individuals who successfully complete the advising or dealing streams of the Financial Markets Program receive the Diploma of Financial Markets FNS51015, a Level 5 qualification within the Australian Qualifications Framework. They are then eligible to apply for AFMA Accredited Individual status and depending on the stream completed will be designated one of:

- |  |
|--|
| • <b>AFMA Accredited Individual (Advising)</b> |
| • <b>AFMA Accredited Individual (Dealing)</b>  |

## *Operations*

The aim of the operations stream of the Financial Markets Program is to ensure that individuals working in operations roles in Australian traded markets possess the industry agreed skills and knowledge standards in the general areas of the economic environment, operation of financial markets, core operations functions, financial products and regulation and compliance, and risk management.

Individuals who successfully complete the operations stream of the Financial Markets Core module in the *Financial Markets Program* will achieve five competencies in the Diploma of Financial Markets FNS51015, a level 5 qualification in the Australian Qualifications Framework. In addition, they are eligible to apply for AFMA Accredited Individual status with the following designation:

- |  |
|--|
| <ul style="list-style-type: none"><li>• <b>AFMA Accredited Individual (Operations)</b></li></ul> |
|--|

## ***Responsible Managers Program***

The purpose of this program is to ensure that persons operating as responsible managers for AFSL holders in Australian traded financial markets have had their knowledge and skills objectively evaluated against the requirements of Regulatory Guides 105 (and 146 if advising stream is selected).

Individuals who complete the *Responsible Managers Program* receive an Advanced Diploma in Financial Licensing Management FNS60715, a Level 6 qualification within the Australian Qualifications Framework. It is currently the only nationally recognised workplace vocational qualification in financial licensing management.

Individuals requiring compliance with ASIC Regulatory Guide 105 *Licensing: Organisational Competence* may undertake the *Financial Markets Program* or the *Responsible Managers Program*, which offers an alternative route to obtaining RG146 if enrolled in the advising stream within the specialist module selected

An individual who has successfully completed the *Responsible Managers Program* is eligible to apply for AFMA Accredited Individual status only upon completion of a Specialist module from the AFMA Financial Markets Program. Depending on the stream completed of the specialist module, the individual will be designated one of the following:

- |  |
|--|
| <ul style="list-style-type: none"><li>• <b>AFMA Accredited Individual (Advising)</b></li></ul> |
| <ul style="list-style-type: none"><li>• <b>AFMA Accredited Individual (Dealing)</b></li></ul>  |

### **AML/CTF Graduate Program**

The program aims to ensure that individuals working in AML/CTF functions in the Australian financial services sector have had their skills and knowledge measured objectively against agreed industry standards in the areas of AML/CTF regulatory framework, operational controls, customer due diligence and designing and developing Part A of an AML/CTF Program.

Individuals who complete the three modules in the *AML/CTF Graduate Program* will be awarded the Graduate Diploma of Anti Money Laundering and Counter Terrorism Financing Management FNS80115, a Level 8 qualification in the Australian Qualification Framework.

An Individual who has successfully completed the previously offered *AML/CTF Management Program* or *AML/CTF Graduate Program* is eligible to apply for the following accreditation designation:

- **AFMA Accredited Individual (AML/CTF)**

## **2.4 AFMA Application process**

The process for applying for accreditation is illustrated in Figure 1:

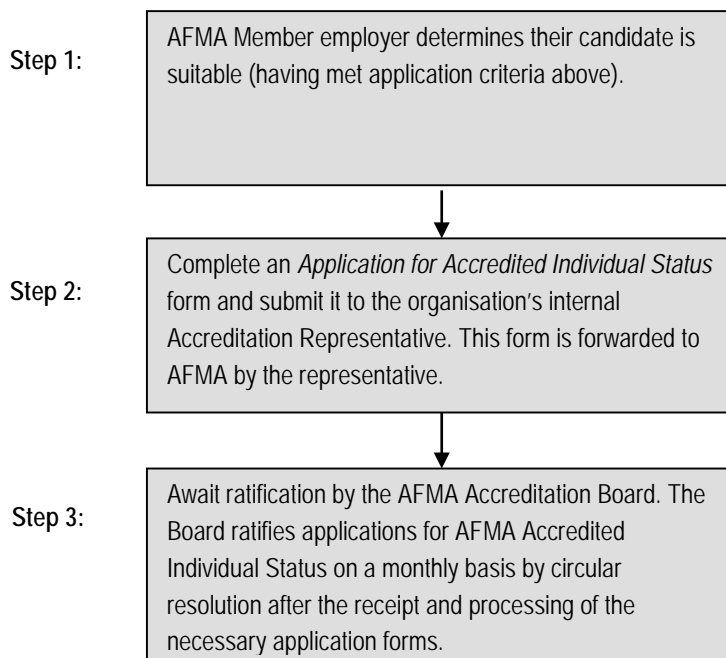


Figure 1: The application process

## **2.5 Member organisation procedures**

### **Appointment of an Accreditation Representative**

All AFMA Member organisations must appoint an Accreditation Representative and notify AFMA of this individual's contact details.

The Accreditation Representative is responsible for internally co-ordinating information about the accreditation process and its requirements and liaising with prospective candidates and AFMA on accreditation matters. Individual inquiries, although welcomed by AFMA, should be directed to the organisation's Accreditation Representative in the first instance.

### **Assessing candidates seeking accreditation status**

Each candidate for AFMA Accredited Individual Status will first need to be assessed by their AFMA Member organisation in order to ensure that they meet the criteria for AFMA Accredited Individual status.

Each Member organisation then submits their application(s) for AFMA Accredited Individual Status to AFMA.

### **Completing the program**

Accreditation Representatives will be notified within 10 days of a candidate having completed their course requirements successfully.

### **Accreditation application and transfer forms**

Eligible individuals who meet the criteria for AFMA Accreditation need to complete the *Application* form while individuals changing from one Member organisation to another must complete an *Application for Transfer* form. Both forms must be completed and signed by the Member Accreditation Representative and applicant.

AFMA will accept electronic copies of the forms via email, facsimile or printed versions via regular post.

AFMA maintains a detailed database of all past and present AFMA Accredited Individuals. This database is used solely by AFMA and is subject to appropriate security, confidentiality and privacy controls.

## 2.6 Recognised accreditation alternatives

### Exemptions for AFMA Accredited Individual Status pre 1999

Until December 31 1998, AFMA accepted applications for AFMA Accredited Individual Status by exemption from individuals who met the specified criteria.

However, it should be noted that persons gaining AFMA Accredited Individual status prior to December 31 1998 through exemption do not satisfy the requirements of ASIC Regulatory Guide 146. These persons are required to successfully complete the advising stream of the *Financial Markets Program* or the *Responsible Managers Program* should they wish to meet the requirements of ASIC Regulatory Guide 146.

### AFMA Accreditation 1998-2002

Individuals who passed the AFMA Accreditation Examination as part of the AFMA Dealer Accreditation Program prior to 31st December 2002 are RG 146 compliant today, assuming the following:

1. the area in which they operate is substantially the same as when they undertook the accreditation training; and
2. they have met the requirements of Section 3 – Maintaining Accreditation, in these Guidelines.

If the individuals no longer work in an area that is substantially the same as when they undertook the AFMA Accreditation Program, they will need to undertake the current *Financial Markets Program* to ensure their RG 146 compliance.

### Acceptance of international accreditation

AFMA accepts that many Australian financial markets participants may have obtained overseas accreditation, certificates, or professional status, or be operating at a senior level due to their experience. Participants in this situation should contact AFMA for advice on their accreditation options. AFMA's Alternative Completion Information Kit, which clearly describes the eligibility and process for individual assessment and exemptions (credit transfer and recognition of prior learning), is available from the AFMA website.

We strongly recommended, however, that overseas transferees complete the *Financial Markets Program*, *AML/CTF Graduate Program* or *Responsible Managers Program* to ensure that they have met the Australian benchmark established in these Guidelines and any regulatory and compliance requirements (e.g. Australian regulations, and compliance issues affecting local markets).

## 3 Maintaining accreditation – CE Guidelines

Once accredited, it is important that accredited individuals proactively seek to extend and further develop their expertise, or take on new areas of knowledge and skill. This is best done by undertaking ongoing education.

The purpose of AFMA's Continuing Education (CE) Guidelines is to ensure that there exists a framework for organisations to work with their accredited employees to plan their ongoing education. It also sets out the management and administration of adherence to the guidelines.

Additionally, meeting AFMA's Accreditation Guidelines means that individuals who are RG 146 compliant are also likely to meet ASIC's ongoing education requirements. AFMA, as an industry body, has determined the minimum CE hours for accredited individuals as a guide for AFS Licensees.

### 3.1 How to stay accredited

In order to maintain accreditation, Accredited Individuals must:

- undertake 20 hours per year of continuing education (CE) under the framework outlined below
- record and report their education activities, as outlined below
- remain employed by an AFMA Member organisation.
- conduct themselves in accordance with the AFMA Code of Conduct.
- work in roles where at least 50% of their responsibilities concern AML/CTF compliance (AFMA Accredited Individual AML/CTF only)

These guidelines derive from AFMA's mission of building Australia's financial markets by promoting 'efficiency, integrity and professionalism'. Our CE Guidelines have as their primary goals the development and extension of an individual's professional expertise. By focusing on extending and developing individuals' knowledge, skills and expertise, the CE Guidelines play an important part in increasing the integrity and professionalism of individuals working in Australian financial markets.

Expertise has three key dimensions: knowledge, skills and professional judgement (the ability to act where there is no right answer). These Guidelines encourage individuals to develop in each dimension via a variety of methodologies.

In essence, the goal of AFMA's CE Guidelines is to develop reflective practitioners who use unexpected situations to think in different ways and to learn. In this process, they reframe and solve problems, and in reflecting on their response to the problem, acquire new knowledge for future actions.

## 3.2 CE hours required

To maintain AFMA Accredited Individual status, individuals must complete 20 hours of CE activities each reporting year. These activities must be drawn from the eligible methodologies listed in Table 2.

Any CE hours accumulated in excess of the twenty (20) hours required for the reporting year may not be carried-over to the subsequent reporting year.

If the individual is in their first year of accreditation they are required to complete 20 hours CE on a pro-rata basis. The requirement is effective from the date on which the AFMA Accreditation Board approves their AFMA Accredited Individual Status.

### Standard CE year

The standard CE reporting year is 1 October to 30 September.

Organisations may vary their CE reporting year to align the reporting of their continuing professional development activities with other reporting responsibilities.

The following other options are available in lieu of the standard 1 October to 30 September reporting year:

- 1 January – 31 December (Calendar year)
- 1 July – 30 June (Australian financial year)

Members wishing to take up one of the alternatives listed above need to formally notify AFMA via their Accreditation Representative that the organisation wants to alter the timing of their CE year.

Pro-rata arrangements will be organised for the transition period, with the transition period being no less than 6 months.

Examples of calculations of CE hours during the transition period are:

### Example 1

A 9 month transition period, 1 October 2014 – 30 June 2015 would require individuals to achieve 15 CE hours.

### Example 2

A 15 month transition period, 1 October 2014 – 31 December 2015 would require individuals to achieve 25 CE hours.

All individuals must complete 20 hours of CE per year, whether they are full time or part time employees.

### **3.3 Annual CE development plans**

Each RG 146 accredited individual (i.e. if they have completed the advising stream of the *Financial Markets Program* or *Responsible Managers Program*), must complete a plan for the continuing education that they will undertake for that year at the commencement of each CE reporting year,. This is a requirement under RG146.122.

There is no legal requirement for accredited individuals who completed the dealing or operations stream of the *Financial Markets Program*, the *AML/CTF Graduate Program*, *AML/CTF Management Program* or the dealing pathway in a specialist module pathway in the *Responsible Managers Program* to prepare an annual CE professional development plan. However, AFMA strongly recommends doing so as the most effective means by which AFSL holders can meet their obligations under RG104 (see RG 104.77 and 104.82).

Development plans should set out clear learning and development goals and specify the training that the Accredited Individual will undertake over the year in order to achieve these goals. These plans should be prepared in consultation between the individual and their manager.

AFMA notes that most organisations already plan an individual's development annually via their internal performance planning and appraisal process, and a copy of this is acceptable. Alternately, those who do not have a development plan at their workplace could use something similar to the template provided in Appendix 2. A soft copy of this can be obtained from AFMA for those firms wishing to utilise it. Firms may of course use their own recording mechanism, provided it contains all the data required in some equivalent form.

All development plans must be authenticated by the individual's manager.

AFMA recognises that our industry is one of constant innovation and change, and thus a development plan may need to change in response to industry changes, changes in the individual's role and the emergence of different training options/opportunities that prove more appropriate. Consequently CE development plans may be amended throughout the reporting year.



### 3.4 Eligible topic areas for continuing education

Training may cover three skill areas — technical, managerial or conceptual. These three areas have been identified as the three key skill areas for managers and professionals (Robert Katz, 1974).

Research demonstrates that the skills required by a professional change as their career develops, moving from a primary reliance on technical work skills at the beginning of their career to a greater reliance on both managerial skills (the ability to build cooperative effort in the teams and individuals they work with and lead) and conceptual skills (the ability to see the business as whole, recognise how the different functions depend on each other and how changes in one part affect the others).

Listed below are the types of training that may be appropriate, although this list is by no means exhaustive:

**Table 1: Eligible categories with suggested training topics**

Skill area	Example training topic only
Technical	<ul style="list-style-type: none"> <li>▪ Financial products</li> <li>▪ Processing systems</li> <li>▪ Trading systems</li> <li>▪ Financial markets legislation</li> </ul>
Managerial	<ul style="list-style-type: none"> <li>▪ Managing self and teams</li> <li>▪ Building high performance teams</li> <li>▪ Fostering and leveraging relationships</li> </ul>
Conceptual	<ul style="list-style-type: none"> <li>▪ Strategic management</li> <li>▪ Understanding the organisation and how it works</li> <li>▪ Understanding the organisation and its relationship to the industrial, economic, social and/or political environment</li> </ul>

As the amount of training each individual requires in each of the three skills will vary, according to their job and seniority, AFMA does not specify minimum hours for these categories. AFMA does not require a minimum number of regulation and compliance hours be undertaken. We understand that some Member organisations may have their own policies in this regard, and regulation and compliance-based training will of course

still be recognised by AFMA provided that it meets all other criteria regarding methodology, category and is not just a refresher.

As stated before, because our industry is constantly evolving and innovating, AFMA will not mandate a list of acceptable topics — what is an appropriate topic for an individual can only be determined by that person in conjunction with their manager.

However, any training undertaken must be technical, managerial or conceptual in nature, although it can take the form of any of the eligible methodologies listed below.

### **Note: Repeated training and CE**

To qualify as CE, any training undertaken should clearly demonstrate that it is either extending existing knowledge and skill or developing new knowledge and skills. Hence it is strongly recommended that a training course is only included once in CE records unless it has been materially altered. If an individual repeats a training course as a 'refresher', it is generally not eligible for CE points a second time. However AFMA recognises that a number of Members have automated systems that record completed online learning directly onto the learning management system used for tracking CE; only in these circumstances may refresher training be recorded on an individual's CE record.

Nevertheless the key criterion is that whatever activity or learning has taken place, it must *build upon or further develop* the individual's knowledge and skill set. The onus is on the individual undertaking the training to identify if it is a repeat or refresher training that they have completed before, and ensure that they do not include it on their CE record more than once.

## **3.5 Acceptable continuing education methodologies**

AFMA's goal in preparing these Guidelines is to provide Members with flexibility on how they wish to manage their ongoing CE obligations. Table 2 lists the CE training methodologies that AFMA currently regards as acceptable.

Note that there is a large body of research that has established that on-the-job experiential learning is a very effective training methodology — so AFMA strongly encourages the inclusion of on-the-job training within individual's development plans.

**Important note:** Not all of an individual's CE can be claimed from a single training methodology. Eligible CE must be drawn from at least two (2) different training methodologies.

**Table 2: Acceptable training methodologies and examples**

Training methodology	Examples
<p><b>On-the-job training</b></p> <p>On-the-job experiential learning encompasses a large range of activities from implicit learning where there is implicit linking of memories with current experience, to deliberative learning where there is an intention to learn and engagement in activities where there is a clear work-based goal with learning as a by-product. Only deliberative learning is eligible for continuing education. When undertaking on-the-job learning individuals must have articulated a learning goal.</p>	<ul style="list-style-type: none"> <li>▪ Participation in project groups set up for a special process such as audit or implementation of a new system</li> <li>▪ Consultations with people inside and outside the organisation to build knowledge or skills in new areas</li> <li>▪ Working alongside senior managers to observe, listen and so learn new practices and perspectives</li> <li>▪ Tackling challenging tasks outside of the individual’s usual work activities</li> <li>▪ Problem solving in groups or individually</li> <li>▪ Exchanging knowledge with clients</li> <li>▪ Extending and refining skills when supported by coaching or feedback</li> </ul>

Training methodology	Examples
<b>Formal training courses</b>	<ul style="list-style-type: none"> <li>▪ Structured training courses requiring participation, with an agenda, learning outcomes, prepared materials and a participant feedback mechanism</li> <li>▪ Short courses offered by RTOs and longer courses from universities and other higher education providers</li> <li>▪ Self-study of learning materials</li> <li>▪ Computer based training courses</li> </ul>
<b>Conferences</b>	<ul style="list-style-type: none"> <li>▪ Attending conferences</li> <li>▪ Preparing/presenting papers at conferences or speaking on panels</li> </ul>
<b>Mentoring and coaching</b>	<ul style="list-style-type: none"> <li>▪ Providing mentoring or coaching to an individual</li> <li>▪ Being mentored or coached</li> </ul>
<b>AFMA or other committees</b>	<ul style="list-style-type: none"> <li>▪ Participating as a member of an AFMA committee or other appropriate industry committee</li> </ul>
<b>Professional reading*</b>	<ul style="list-style-type: none"> <li>▪ Reading professional journals</li> <li>▪ Reading finance-related books, either on technical knowledge or major events</li> <li>▪ Viewing finance-related documentaries, podcasts, vodcasts, etc. on technical knowledge or major market events</li> </ul>
<b>Writing/publishing</b>	<ul style="list-style-type: none"> <li>▪ Publishing in professional journals</li> <li>▪ Contributing to finance-related books</li> <li>▪ Writing/contributing to finance-related blogs, podcasts and vodcasts on technical knowledge or major market events</li> </ul>
<b>Outreach (volunteer) activity (must be related to individual's field of competence)</b>	<ul style="list-style-type: none"> <li>▪ Assisting in remedial numeracy and literacy classes at schools</li> <li>▪ Providing financial management classes to disadvantaged schools/ community groups</li> </ul>

\* Capped at five hours per annum. AFMA will not recognise more than five (5) hours of CE drawn from the 'Professional reading' methodology. If claiming CE drawn from this methodology, Accredited Individuals must complete a reading log for each item; see Appendix 4 for a sample template.

Each Member organisation may choose to further refine this list to only allow certain combinations from those listed as they see appropriate; this is entirely at their discretion.

### **3.6 Recording the CE undertaken**

See Appendix 1 for further guidance on calculating CE hours for formal training and on-the-job training.

See Appendix 2 for a sample template for recording the CE hours undertaken. This is merely a completed version of the personal CE development plan discussed in Section 3.3 above.

#### **Recording CE not based on a record of attendance**

If individuals are claiming CE in a methodology that does not produce an assessment record or attendance certificate, then they must capture what learning took place and how (for example, formal training, on-the-job or outreach work. Note professional reading has its own requirements; see above).

This must be done via the preparation of a tangible record of the learning event that describes it, what was learned and how the individual will apply it at work.

AFMA recommends that this information be captured via the preparation of a reflection (which can be written, recorded or presented) that describes the effect the experience has had on the individual, what they have learned and how they will use this new knowledge or skill in their current role.

AFMA requires this because not only does it provide efficient, tangible proof of training having taken place for compliance purposes, but also because it is good professional practice to reflect on what you have learned and how you might use it. It is through reflecting on what they have done that professionals develop critical self-awareness. Professional knowledge is grounded on reflecting on different work experiences (including training courses), and exploring why individuals acted as they did, what they learned and how that learning fits with their existing knowledge and understanding.

Please see Appendix 3 for an example of how a reflection can be structured. Once prepared, reflection notes can be included within or appended to an individual's learning plan. This is a suggestion only, but we note that ASIC prefers tangible evidence of training/learning having taken place – see RG 146.123. Organisations may have their own methodology but this must meet the requirements of AFMA or the regulator.

### **3.7 Reporting the CE that has taken place**

At the conclusion of each reporting year, every Member organisation must verify that Accredited Individuals have fulfilled their CE requirements and are still in the employ of the Member organisation. This will be requested on an annual basis in aggregate form.

AFMA will send an Excel spreadsheet to the Accreditation Representative within each firm detailing the Accredited Individuals we believe are in their employ. After first noting which individuals have moved on from the firm, the Accreditation Representative must complete the spreadsheet and return it to AFMA certifying that the remaining individuals have met their requirements by the appropriate methodologies, or not as the case may be.

Members are required to return the spreadsheet to AFMA within one month from receipt of the spreadsheet. Failure to do so may result in individuals no longer being recognised as being AFMA Accredited.

AFMA does not require that the personal development plans or other evidence of training be submitted, but they must be retained by Member organisations for up to two years.

#### **When Accredited Individuals transfer Member organisations**

When requested, each AFMA Member organisation must provide an up-to-date copy of an AFMA Accredited Individual's evidence of training to another AFMA Member organisation when an AFMA Accredited Individual's employment has changed from one to the other.

The training evidence must detail the following:

- name and dealer number of AFMA Accredited Individual
- total numbers of training hours completed during requested period
- details of training completed
- category or classification of training
- date training completed
- number of training sessions and hours per session
- all reflections completed.

The evidence provided by the requested AFMA Member organisation can be used by the requesting AFMA Member organisation as their own evidence for the purposes of demonstrating that the CE requirements of the transferring AFMA Accredited Individual have been satisfied for the reporting period.

### **3.8 Assurance Review of CE records**

AFMA reserves the right to review records to verify that all CE Guidelines are being followed and that all details reported are correct.

AFMA intends to undertake a regular program of assurance reviews after the introduction of these revised guidelines. The purpose of these visits is to assist organisations to implement a consistent approach to the Guidelines and resolve issues as they arise; it is not intended to be policing. However, where material irregularities in records and Guideline application occur within a Member organisation, it will be referred to AFMA's Head of Education who may seek guidance from the AFMA Accreditation Board regarding the accreditation status of the organisation's staff.

The assurance reviews will require Member organisations to make available to AFMA the CE records of their Accredited Individuals (e.g. initial and completed personal development plans for each year). Organisations will be provided with reasonable advance notice of any requests by AFMA.

## **4 Altering Accreditation or leave of absence**

### **4.1 Suspension or termination of accreditation**

An AFMA Accredited Individual who is no longer employed or placed into an inactive employee status for whatever reason by an AFMA Member organisation will have their accreditation suspended. An AFMA Accredited Individual may suspend their accreditation until they are employed by another AFMA Member organisation or returned to active employment status by their existing employer.

Member organisations and AFMA Accredited Individuals are encouraged to inform AFMA of an employment termination or placements into inactive employee status in writing or by email notification to ensure that the AFMA Accreditation database remains up to date.

Suspended AFMA Accredited Individuals who wish to re-activate their accreditation (within the 2 year time limit for leave of absence and 4 year time limit for overseas absence) need to complete an AFMA Accreditation Transfer Form accompanied by a letter of declaration from their AFMA Member employer organisation stating that the individual has maintained the appropriate amount of continuing education (as outlined in Section 3 of these guidelines) for the period of suspension.

Should the period of suspension or termination exceed two years (four years for overseas), or the Member organisation is unwilling or unable to submit a letter of declaration, then individuals are required to complete the *Financial Markets Program*, *AML/CTF Management Program* or *Responsible Managers Program* again in order to regain accreditation.

If it is considered by the Member organisation or accredited individual that special circumstances should be taken into consideration for the re-activation of an individual's AFMA Accredited Individual Status then a letter outlining the reasons should be sent to AFMA for consideration.

### **4.2 Leave of absence, calculation of CE hours**

Accredited staff of AFMA Member organisations who are on officially sanctioned leave for extended periods of time, while still remaining employees of the Member organisation, can maintain their accredited status by undertaking CE activities (as outlined in 4.1 above) on a pro-rata basis.

This provision applies to absences of up to a maximum of two years.



For example, if an employee takes parental leave for 6 months, then they need to accumulate 10 CE hours to maintain their accredited status.

The pro-rata requirement is calculated as  $6/12$  of the required 20 hours = 10 CE hours.

Similarly, if an employee takes parental leave for 18 months, then they need to accumulate 10 CE hours to maintain their accredited status.

The pro-rata requirement is calculated as  $6/24$  of the required 40 hours (2 years of CE hours) = 10 CE hours.

### **4.3 Overseas posting, calculation of CE hours**

When an AFMA Accredited Individual is posted overseas they are still required to meet the 20 hour CE requirements.

Should their overseas absence extend beyond 4 years, the individual will be required to undertake the accreditation process upon their return to work in Australia.

## 5 Accreditation and the AFMA Codes

In the view of Professions Australia, adherence to an ethical code is central to any professional:

*It is inherent in the definition of a profession that a code of ethics governs the activities of each profession. Such codes require behaviour and practice beyond the personal moral obligations of an individual. They define and demand high standards of behaviour in respect to the services provided to the public and in dealing with professional colleagues. Further, these codes are enforced by the profession and are acknowledged and accepted by the community.*

(Professions Australia, *Definition of a Profession*, <http://www.professions.com.au/definitionprofession.html>, (accessed 11 Nov 2014).

The AFMA Code of Conduct clearly articulates the ethical principles for acceptable standards of behaviour in the OTC markets and promotes responsible decision making.

All AFMA Accredited Individuals are expected to operate at a high level of integrity, professionalism and competence. This ensures that the people using and relying on Australia's OTC and exchange-traded markets have complete confidence in the market participants representing them.

AFMA Accredited Individuals commit themselves to accordance with the AFMA Code of Conduct when applying for accredited individual status.

## **6 Role of the AFMA Accreditation Board**

The AFMA's Accreditation Program is overseen by the AFMA Accreditation Board (AAB).

### **6.1 AFMA Accreditation Board members**

AFMA Accreditation Board members are recognised practitioners in their fields and drawn from various disciplines including dealing, operations, compliance, law and education.

### **6.2 Responsibilities**

The AAB is responsible for:

- Ratifying candidates' applications seeking AFMA Accredited Individual status
- Monitoring the Financial Markets Program, AML/CTF Graduate Program and Responsible Managers Programs
- Monitoring the student appeals process through the AAB Appeals Sub-Committee
- Monitoring the AFMA Accreditation Programs Guidelines
- Maintaining alignment of the AFMA Accreditation Programs with the Australian regulatory environment

### **6.3 Ratification of accreditation candidates**

The AAB ratifies applications for AFMA Accredited Individual status.

The AFMA Secretariat reviews and prepares all applications before submitting them to the AAB for ratification each month.

Applications may be rejected on the basis of non-fulfilment of any of the criteria established in these Guidelines.

### **6.4 Monitoring of the qualifications offered by AFMA**

The AAB meets on a quarterly basis to monitor the strategic direction and purpose of the qualifications that are pre-requisites for AFMA Accreditation. This currently includes the following:

- Financial Markets Program
- AML/CTF Graduate Program
- Responsible Managers Program.

This responsibility can include the review of all aspects of the programs, and can include:

- program learning and assessment design
- module materials, exam questions and assessment tools
- AFMA Accreditation database
- program logistics
- review and ratification of AFMA Accredited Individual candidates
- any other AFMA Accreditation matter
- monitoring of the student appeals process through the AAB Appeals Sub-Committee

The AAB has developed an appeals process for accreditation-related decisions. All appeals will be considered by the AAB Appeals Sub-Committee.

## **6.5 Monitoring of the AFMA Accreditation Guidelines**

The AAB is responsible for the ongoing development and maintenance of the *AFMA Accreditation Guidelines*, including the continuing education guidelines and the requirements for accreditation applications.

## 7 Role of Accreditation Representatives

The Accreditation process relies upon the co-operative approach taken by AFMA Secretariat and its Member representatives. In order to ensure that accreditation remains an effective way of enhancing efficiency and maintain market credibility, AFMA relies on the Accreditation Representatives of Member firms.

As noted in Section 2.5, **all AFMA Member organisations that wish to have their staff awarded accreditation status must appoint an Accreditation Representative and notify AFMA of this individual's contact details.**

The Accreditation Representative is an essential element of the accreditation process and is responsible for the following:

- authorising and submitting applications for accredited individual status (see Section 2.2 and Section 2.5).
- internally co-ordinating information about the accreditation process and its requirements and liaising with prospective candidates and AFMA on accreditation matters (see Section 2.5).
- certifying to AFMA on an annual basis that Accredited individuals have met their continuing education requirements by the appropriate methodologies (see Section 3.7)

In appointing an Accreditation Representative, AFMA Member firms should be mindful of that person's capacity and expertise to effectively and independently manage the above responsibilities. Unless impractical to do so, Accreditation representatives should be chosen from the compliance or learning and development areas within the Member firm.

Whilst one Accreditation Representative per member is preferable for administrative purposes, this may not always be practical for some firms. Members can have up to 4 Accreditation Representatives, provided that as a whole, the Representatives take responsibility for all accredited individuals within the firm. For example, it may be beneficial for a firm to have an Accreditation Representative for each type of accredited individual (Dealing, Advising, Operations, AML/CTF).

To assist Accreditation Representatives in certifying that an Accredited Individual has met their continuing education requirements in accordance with these Guidelines, a checklist has been provided as Appendix 5.

## **Appendix 1: Calculating CE eligibility — more information**

### **Further guidance on what qualifies as a formal training course**

For a workshop, seminar or course to qualify as a formal training course it must meet the following objectives:

- follow a formalised (i.e. written), pre-prepared structure; and
- require the personal involvement of the participants;
- and at least one of the following:
  - require participant interaction through workshops, case studies and/or questions; or,
  - include formal assessment at the completion of the activity; or,
  - provide papers or materials to the participant relevant to the subject matter of the workshop, seminar or course.

For those workshops, seminars or courses seeking to have the formal assessment component recognised as part of the CE hours the following additional criteria must all be satisfied. The formal assessment:

- must be assessed against the competencies or learning objectives of the continuing education program, course and/or workshop; and
- must take place in an environment which seeks to prevent cheating, or any similarly unethical or unacceptable behaviour; and
- must be assessed by an assessor who is an expert in the subject matter being examined; and
- must be in English language; and
- must have a supervisor or nominee available at the beginning, duration and end of the assessment.
- The nominal duration of the assessment should be in accordance with the expected time of completion; and
- The candidate must achieve a satisfactory result, as determined by the training provider; and
- If issued, the assessment information must:

- determine whether the assessment is closed book, open book or restricted open book<sup>1</sup>; and
- indicate which aids, if any, are allowed to be used in the assessments, and state, where appropriate, that data stored in a candidate’s calculator must be removed before attending an assessment.

## Calculating eligible CE via formal training and assessment

The number of CE hours earned through training under any of the eligible methodologies is determined on an hour for hour basis, e.g. an individual will be awarded two CE hours for participating as a committee member in a two-hour AFMA committee. AFMA maintains records of the attendees to its committees. Member accreditation representatives or accredited individuals can request AFMA committee attendance summaries from AFMA’s Secretariat.

### Workshops or seminars

For students attending a workshop or seminar with an optional, formal assessment, the number of hours attributed to the completion of the assessment component can be added to the number of CE hours attained from attending the workshop or seminar.

Students must pass the assessment for assessment hours to be counted towards their CE hours.

### Example of CE hours calculation for workshops or seminars

The following example is for an individual who attends a 2-day workshop from 9.00am-5.00pm with a morning and afternoon break and lunch and who successfully completes the optional assessment (75% or higher score).

- |                               |          |
|-------------------------------|----------|
| ▪ 6.5 hour per day × 2        | 13 hours |
| ½ hour assessment (75% grade) | ½ hour   |

The hours that can be counted towards CE include only hours engaged in the activity, self-study, or assessment time, but should not include time devoted to lunch and/or refreshment breaks.

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<sup>1</sup>

- Open Book Assessment: examinees may use any materials without restriction
- Closed Book Assessments: examinees must only bring specified material into the assessment room
- Restricted Open Book : examinees may use reference materials specified prior to assessment

## Calculating eligible CE for on-the-job training

On the job training is when employees undertake training at their place of work, typically using the same tools, techniques or practices as their day-to-day job. This training is customised, has a stated learning goal (i.e. planned), encompasses real work experiences and is relevant to the individual and the organisation.

Examples include:

- Demonstrating/instructing a new team member on how to do their job or an existing team member taking on a new task
- Coaching a new team member on performance or skills short-term as they settle into a new job (NB: coaching or receiving coaching also an acceptable CE methodology for non-team members)
- Job rotation — if an individual's role has been rotated temporarily to undertake a new role within the firm for the express purpose of building their knowledge and skills (e.g. a market risk manager may spend time on developing new EaR models when they ordinarily specialise in VaR)
- Being assigned to a project team or organisational change initiative that provides exposure to other parts of the business and allows the individual to take part in new activities.

Hours for this can be claimed on an hour for hour basis i.e. three hours in project team meetings are three eligible CE hours. Note that not all of an individual's CE can be claimed in this way as there is the overarching requirement to ensure that CE claimed is drawn from at least two (2) different eligible methodologies.

Because this type of training is typically not assessable, it must be captured by the firm in some tangible form. For this reason, AFMA requires a written reflection is d submitted when this methodology is claimed as CE.



## Appendix 2: Professional Development Plan template



### Sample Professional Development Plan 1 October 2015 — 30 September 2016

Name:

Dealer ID:

Organisation:

Key professional development objective (establish this with your mentor/manager)	How training will take place — eligible methodology chosen (incl. full references for any written materials e.g. readings)	Training completed	Hours claimed	Reflection recorded/ attached

## Appendix 3: Reflection template



### Reflection

Complete a reflection piece for each separate piece of training that does not produce an assessment or record of attendance as listed under your personal development plan.

See AFMA's *Guide to writing reflections* for more details on how to complete this template.

Steps in the reflection process	Your response
<b>Identify the training event.</b> What was the event? What was your learning objective?	
<b>Describe the training event.</b> What did you do? What skills, values and knowledge were covered?	

Steps in the reflection process	Your response
<p><b>Analyse the event.</b> What happened and what did it cause you to realise? How did the learning connect to your existing understanding?</p>	
<p><b>Evaluate the event.</b> Has the training changed the way you think about your job role or how you perform your job? What skills and knowledge did you learn and how can they be applied elsewhere? Has the training event highlighted further areas in which you would like to extend your knowledge and or skills??</p>	

## Appendix 4: Professional reading log template



### Reading log

Complete a reflection piece for each separate piece of professional reading that you include in your CE log for each year as part of your personal development plan.

Reflection question	Your response
Provide full details of the reading (author, journal/article/book title, and full publication details including year).	
What did you learn from reading this item?	
What surprised or challenged your existing understanding of this topic? What have you changed your mind about as a result of this reading?	
Are there any issues that you think you would like to explore as a result of this reading?	

## Appendix 5: Accredited Individual CE checklist

Name of AFMA Accredited Individual:

Accreditation type: AFMA Accredited Individual (Advising)  AFMA Accredited Individual (Dealing)  AFMA Accredited Individual (Operations)  AFMA Accredited Individual (AML/CTF)

Criteria	Y/N/NA	Evidence	Comments
<b>CE Development Plan</b>			
Clear learning and development goals <i>AFMA Accreditation Guidelines Section 3.3</i>			
Type of training to be undertaken identified <i>AFMA Accreditation Guidelines Section 3.3</i>			
Manager consultation and authentication of plan <i>AFMA Accreditation Guidelines Section 3.3</i>			
<b>CE activities undertaken</b>			
Record of 20 hours of CE activities completed for the reporting year <i>AFMA Accreditation Guidelines Sections 3.1</i>			
CE hours do not include any repeat refresher training as this is not eligible for CE hours <i>AFMA Accreditation Guidelines Section 3.4</i>			
CE activities meet the eligible skill categories- technical, managerial and/or conceptual <i>AFMA Accreditation Guidelines Section 3.4</i>			
CE activities either extend existing knowledge and skill or develop new knowledge and skill. <i>AFMA Accreditation Guidelines Section 3.4</i>			

<p>Minimum of 2 acceptable CE methodologies undertaken</p> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>On job Training:</p> <ul style="list-style-type: none"> <li>• Deliberative</li> <li>• Articulated goals</li> </ul> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Formal training courses</p> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Conferences</p> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Mentoring and coaching</p> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Participation in AFMA or other committees</p> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Professional reading:</p> <ul style="list-style-type: none"> <li>• No more than 5 hours</li> <li>• Reading log</li> </ul> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Writing/publishing</p> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Outreach(volunteer) activity: Related to individuals field of expertise</p> <p><i>AFMA Accreditation Guidelines Section 3.5</i></p>			
<p>Reflection records must include:</p> <ul style="list-style-type: none"> <li>• Description of the activity</li> <li>• What was learnt</li> <li>• Application to own work</li> <li>• Attached to CED plan</li> <li>• <i>AFMA Accreditation Guidelines Section 3.6</i></li> </ul>			

