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# AFMA Accreditation Guidelines



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## Accreditation at a glance

By accrediting individual practitioners, AFMA seeks to cultivate a professional, risk-aware, and knowledgeable marketplace.

Accreditation is open to employees of AFMA Member organisations who satisfy the following eligibility conditions:

- i. have successfully completed the Macquarie Business School [Financial Markets Certificate](#) that is endorsed by AFMA;
- ii. have a minimum of six months appropriate industry experience;
- iii. have been recommended for accreditation by their employer, who is a Member of AFMA;
- iv. have committed to undertake the appropriate annual Continuing Education (CE) activities;
- v. have committed to conduct themselves in accordance with the [AFMA Code of Conduct](#).

Subject to all the eligibility criteria being met, individuals can be awarded the designation 'AFMA Accredited Individual'.

A limited accreditation option is currently available to individuals working in financial market operations roles who meet conditions (ii) to (v) and have completed the core modules of the Financial Markets Certificate. They are designated as 'AFMA Accredited Individual (Operations)'.

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.

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 CE requirements in accordance with these Guidelines.

The following sections provide more detailed information on the requirements to gain and maintain AFMA Accreditation.

# 1 About AFMA Accreditation

The purpose of AFMA accreditation is to provide a minimum education, training and experience standard for individuals working in financial markets for 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 seeks to cultivate a professional, risk-aware, and knowledgeable marketplace.

A professional is a person who is technically competent in completing their duties in accordance with the applicable law. They must also observe the policies of their employer, understand relevant industry standards and have the ability to make judgments in accordance with these values.

The benefits of being a well-trained professional in financial markets are considerable:

- For the individual, it is a vital step on the pathway to a satisfying and rewarding career;
- For the firm, employees that exhibit strong professional values earn regulator respect and promote client confidence that sustains business and creates new opportunities.

AFMA's Accreditation program is designed to help sustain and build this capacity in our financial markets. The program 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 position of accredited individuals whose circumstances change, so that they are no longer actively employed by an AFMA member firm or they 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 Governance Committee (AGC) and Accreditation Representatives. The roles and responsibilities of the AGC 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 individuals who can satisfy all the following conditions:

- i. have successfully completed the Macquarie Business School [Financial Markets Certificate](#) that is endorsed by AFMA;
- ii. have a minimum of six months appropriate industry experience;
- iii. have been recommended for accreditation by their employer, who is a Member of AFMA;
- iv. have committed to undertake the appropriate annual continuing education (CE) activities (see Section 3 for AFMA's policy on continuing education); and
- v. have committed to conduct themselves in accordance with the [AFMA Code of Conduct](#) (see Section 4).

A limited accreditation option is currently available to individuals working in financial market operations roles who meet conditions (ii) to (v) and have completed the core modules of the Financial Markets Certificate.<sup>1</sup> They are designated as 'AFMA Accredited Individual (Operations)'.

### 2.2 Eligibility for accreditation and employer recommendation

For the purposes of AFMA Accreditation, 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”**.

An individual must have a minimum six months of appropriate industry 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.

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<sup>1</sup> The Operations Accreditation option for new program participants is under review. Members will be informed of any changes that might be made well in advance of them taking effect.

## 2.3 AFMA Application process

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

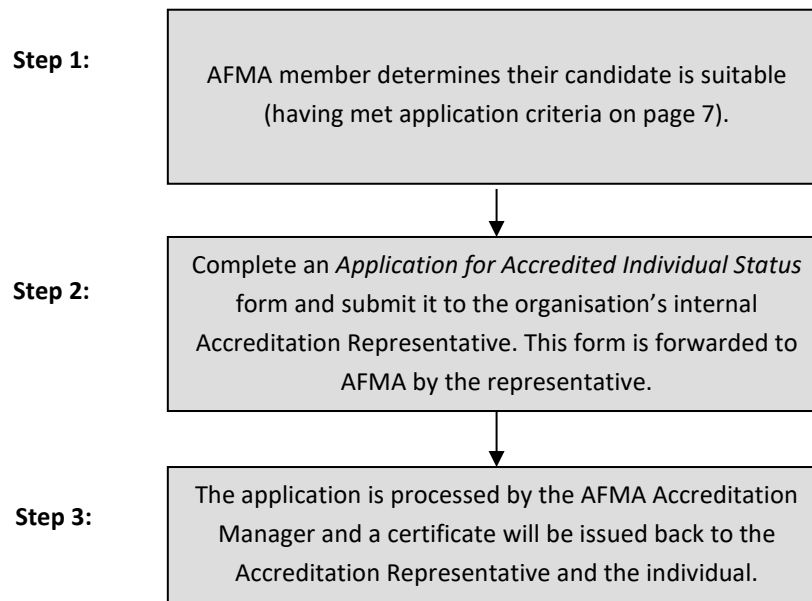


Figure 1: The application process

## 2.4 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 coordinating information about the accreditation process and its requirements and liaising with prospective candidates and AFMA on accreditation matters. Individual inquiries, although welcome 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 to ensure that they meet the criteria for AFMA Accredited Individual status.

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



## **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 and submitted to AFMA.

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.

## **Completing the program**

AFMA will notify the Accreditation Representative within 10 days of a candidate having successfully completed the requirements to be accredited.

## **2.5 Recognised alternative accreditation avenues**

### **Experienced Professional Assessment (EPA)**

Highly experienced individuals may apply directly to AFMA for entry into its 'Experienced Professional Assessment' (EPA) as an alternative to completing the Macquarie Business School Financial Markets Certificate for the purpose of accreditation. If determined by AFMA to be eligible for this option, the individual must pass a formal assessment process that is based on their employment responsibilities and experience and is conducted by Macquarie Business School on behalf of AFMA. As part of the EPA, the individual will be required to complete a regulation/ethics bridging course. No academic award will be granted for completing the EPA.

An Individual who successfully completes Experienced Professional Assessment and satisfies the other conditions for accreditation are eligible to be awarded the designation 'AFMA Accredited Individual'.

### **Exemptions for AFMA Financial Markets Program Pre-June 2021.**

Individuals who have completed the relevant components of the AFMA Financial Markets Program in the period from end-June 2014 to end-June 2021, satisfy the entry point education requirement to gain AFMA Accreditation. These individuals would have achieved the FNS51015 Diploma of Financial Markets, a Level 5 qualification within the Australian Qualifications Framework. The individual must also meet the other pre-conditions to be eligible to gain accreditation.<sup>2</sup>

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<sup>2</sup> This includes completion of the Professionalism: Conduct and Ethics course, or equivalent, no later than 31 December 2021.

## **2.6 Accredited Individuals as at End-June 2021**

For clarity, it is confirmed that all individuals who were AFMA Accredited as at 30 June 2021 will continue to be recognised as such going forward subject to having met the requirement to complete the Professionalism: Conduct and Ethics course, or equivalent, no later than 31 December 2021, and subject to the requirements of maintaining accreditation.

All individuals who have met the requirements for AFMA Accreditation will be referred to as 'AFMA Accredited Individual', unless they were classified as 'AFMA Accredited Individual (Operations)', in which case they will retain this designation.

However, individuals who were awarded the accreditation in the following streams will retain the specific category designation in AFMA's accreditation records:

- AFMA Accredited Individual (Dealer Exam)
- AFMA Accredited Individual (Advising)
- AFMA Accredited Individual (Dealing)
- AFMA Accredited Individual (AML/CTF)

## **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.

### **3.1 How to stay accredited**

To maintain accreditation, accredited individuals must:

- undertake 20 hours per annum 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.

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. These Guidelines encourage individuals to develop in each dimension through 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 Requirement for CE hours**

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 approves their 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 when moving from one reporting year timeline to another (for example, from calendar year to Australian financial year), 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**

AFMA strongly recommends that each Accredited individual should prepare an annual CE professional development plan 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 to achieve these goals. These plans should be prepared in consultation with the individual and their manager.

AFMA notes that most member 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 CE

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).<sup>3</sup>

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></ul>

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<sup>3</sup> <https://hbr.org/1974/09/skills-of-an-effective-administrator>

	<ul style="list-style-type: none"> <li>▪ Trading systems</li> <li>▪ Financial markets regulation and 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>
Conduct	<ul style="list-style-type: none"> <li>▪ Understanding of ethics and compliance-related matters to minimise the risk of the organisation's staff becoming involved in practices that contravene laws, industry standards and organisational values</li> </ul>

As the amount of training that 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 to 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.

Specific consideration should be given to conduct training that will assist an individual to maintain a professional approach to meeting their responsibilities in a financial markets role. Conduct training is training in ethics and compliance-related topics that is designed to minimise the risk for an organisation of becoming involved in practices that contravene laws, industry standards and organisational values. AFMA has developed a Framework for Industry Conduct Training that is a useful guidance tool in this area.<sup>4</sup>

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.

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<sup>4</sup> See - [https://afma.com.au/Site/media/Media/Documents/Standards/Guidelines/PG-01-Framework-for-Industry-Conduct-Training-\(November-2020\).pdf](https://afma.com.au/Site/media/Media/Documents/Standards/Guidelines/PG-01-Framework-for-Industry-Conduct-Training-(November-2020).pdf)

## Features of qualifying CE

To qualify as CE, training undertaken should extend an individual's existing knowledge and skill, or develop new knowledge and skills, or help the individual to otherwise stay current as a professional in the marketplace.

A training course that is taken by an individual should only be included in CE records once, unless its content has been materially and substantively altered since first taken. A course that incorporates new information about the law, regulation, market operations or business practices would generally qualify as eligible CE, though it may otherwise be considered a 'refresher' training course. Member firms should apply reasonable judgement when determining the scope of CE courses eligible for their staff.

### 3.5 Acceptable CE 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.

We note that there is a large body of research that has established that on-the-job experiential learning is an effective training methodology and thus AFMA strongly encourages the inclusion of on-the-job training within the 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* 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</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></ul>

Training methodology	Examples
learning individuals must have articulated a learning goal.	Extending and refining skills when supported by coaching or feedback
<b>Formal training courses</b>	<ul style="list-style-type: none"> <li>▪ Structured training courses requiring participation, with 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> </ul> <p>Providing financial management classes to disadvantaged schools/ community groups.</p>



\* 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 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.

#### **Treatment of CE that does not create a formal training record**

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

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 an efficient, tangible proof of training having taken place for compliance purposes, but also because it is good professional practice to reflect on what the individual has learned and how they might use it. It is through such reflection 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. While this is only a suggestion, 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.

#### **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 between Member organisations**

When requested, each AFMA Member organisation must provide an up-to-date copy of an AFMA Accredited Individual's evidence of CE to another AFMA Member organisation where an AFMA Accredited Individual has transferred.

The CE evidence must detail the following:

- name and dealer number of AFMA Accredited Individual
- total numbers of training hours completed during requested period
- details of CE training completed
- category or classification of CE training
- date when the CE 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.

### **3.7 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. The purpose of these reviews 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 Guidelines application occur within a Member organisation, it will be referred to AFMA's Accreditation Manager who may seek guidance from the AGC 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 Mechanisms to Adjust Accreditation Status

### 4.1 Suspension or termination of accreditation

An Accredited Individual who is no longer employed by an AFMA Member organisation will have their accreditation terminated.

An Accredited Individual who is placed into an inactive employee status by their AFMA member employer for whatever reason will have their accreditation terminated. However, the accredited individual or their member organisation employer may in this situation apply to AFMA to have their accreditation placed-on hold until they are returned to active employment status by their existing employer.

Member organisations must notify AFMA of an accredited employee termination or placement into inactive employee status in writing (e.g. by email) to ensure that the AFMA Accreditation database can be kept up to date.

The member organisation employer should inform the accredited individual that it has advised AFMA of their change in circumstances, which may affect their accreditation status.

AFMA will directly contact the accredited individual to advise them of the change to their accreditation status, where this is feasible.

Individuals who have their accreditation status terminated or suspended and wish to re-activate their accreditation (within the 2-year time limit for leave of absence and 4-year time limit for overseas absence from the date of suspension) must complete an AFMA Accreditation Transfer Form. This form must be accompanied by a letter of declaration from their current 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 non-accreditation.

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 the individual is required to complete the Financial Markets Certificate to regain accreditation.

However, an individual who has had their AFMA accreditation terminated previously and wishes to become re-accredited may be eligible for the EPA option (as outlined in 2.5 above), as an alternative to completing the Macquarie Business School [Financial Markets Certificate](#). Re-accreditation is subject to the individual meeting all the requisite eligibility criteria.

If the Member organisation or the accredited individual considers that special circumstances should be taken into account by AFMA in a making decision about re-activation of the individual's accreditation status, then a letter outlining the reasons should be sent to AFMA for its 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 Code of Conduct

In the view of Professions Australia, adherence to an ethical code is central to any professional<sup>5</sup>:

*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.*

The [AFMA Code of Conduct](#) clearly articulates the ethical principles for acceptable standards of behaviour in financial markets and promotes responsible decision making.

All AFMA Accredited Individuals are expected to operate in a professional manner by exhibiting a high level of integrity, good judgement and technical competence. This ensures that the people using and relying on Australia's financial markets have complete confidence in the market participants representing them.

When applying for Accredited Individual status, the individual must commit to observe the AFMA Code of Conduct in the course of work.

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<sup>5</sup> Professions Australia, *Definition of a Profession*, <http://www.professions.com.au/definitionprofession.html>, (accessed 11 Nov 2014)

## 6 Role of the AFMA Accreditation Governance Committee

The governance of AFMA's Accreditation Program is undertaken by the by the AFMA Accreditation Governance Committee (AGC).

### 6.1 Members of the Accreditation Governance Committee

The AGC members are AFMA member firm representatives who are committed to supporting professionalism in Australia's financial markets and have relevant industry experience in relation to HR, staff training and education programs, financial markets, compliance and law.

### 6.2 Responsibilities

The Committee will provide technical oversight of AFMA's Accreditation and training activities and AFMA's Secretariat will implement the policies and procedures agreed to by the Committee. Activities the Committee will undertake in this regard include to:

- Determine the requirements an individual must satisfy to gain AFMA Accreditation (e.g. education, experience, code of conduct commitment).
- Determine requirements for an individual to retain AFMA Accreditation (e.g. continuing education).
- Approve the Accreditation Curriculum that the third-party education provider is required to teach and any revisions to necessary to keep the Curriculum current over time.
- Establish working groups and subject matter committees to provide guidance to the third-party education provider on the design, coverage, and content of its courses from an accreditation user perspective.
- Approve the Continuing Education requirements and guidelines for accredited individuals.
- Conduct continuous improvement activities associated with Accreditation program.
- Provide guidance on mechanisms to promote industry wide adoption for the marketing the Accreditation program.
- Serve as the administrative appeals body for individuals who want to contest a decision by the Secretariat in administering the Accreditation program.

- Periodically review the effectiveness of the Education Implementation Committee, appointed by AFMA's management to administer the Accreditation program, and conduct related operations.
- Assist the Education Implementation Committee to review the quality and effectiveness of the accreditation education services provided by the third-party provider.
- Contribute within the normal limit of its capacity to the Professionalism Committee's work

### **6.3 Education Implementation Committee**

The Education Implementation Committee is responsible for day-to-day management and administration of Accreditation and implementation of the Collaboration Agreement with the third-party education provider.

### **6.4 Monitoring of the AFMA Accreditation Program**

The AGC meets on periodically to monitor the strategic direction and purpose of the qualifications that are pre-requisites for AFMA Accreditation.

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

The AGC is responsible for the ongoing development and maintenance of the *AFMA Accreditation Guidelines*, including the CE Guidelines and the processes for accreditation applications.



## 7 Role of Accreditation Representatives

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 coordinating 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 CE 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 2 Accreditation Representatives, provided that as a whole, the Representatives take responsibility for all accredited individuals within the firm.

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>6</sup>; and

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6 ▪ 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

- 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. 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.

### 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 VaR 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 to be 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?	
<b>Analyse the event.</b> What happened and what did it cause you to realise? How did the	

Steps in the reflection process	Your response
<p>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  AFMA Accredited Individual (Operations)

Criteria	Y/N/NA	Evidence	Comments
<b>CE Development Plan</b>			
Clear learning and development goals			
Type of training to be undertaken identified			
Manager consultation and authentication of plan			
<b>CE activities undertaken</b>			
Record of 20 hours of CE activities completed for the reporting year			
CE hours do not include any repeat refresher training as this is not eligible for CE hours			
CE activities meet the eligible skill categories- technical, managerial and/or conceptual			
CE activities either extend existing knowledge and skill or develop new knowledge and skill.			
Minimum of 2 acceptable CE methodologies undertaken			
On job Training: <ul style="list-style-type: none"> <li>• Deliberative</li> <li>• Articulated goals</li> </ul>			

Formal training courses			
Conferences			
Mentoring and coaching			
Participation in AFMA or other committees			
Professional reading: <ul style="list-style-type: none"> <li>• No more than 5 hours</li> <li>• Reading log</li> </ul>			
Writing/publishing			
Outreach(volunteer) activity: Related to individuals' field of expertise			
Reflection records must include: <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> </ul>			