

Unit Trust Consultant Continuing Professional Development

1. Preamble

- 1.1 As the financial industry is constantly in flux and new initiatives/ideas arise almost on a monthly basis, it is important that unit trust consultants (UTCs) are kept up to date with their knowledge and skill base. UTCs need to be updated in their knowledge and have the ability to transfer relevant knowledge attained to their clients. The ability to transfer knowledge involves human interaction, requiring good communication/interpersonal skills. A good grasp of both comprehensive interpersonal and technical skills will help develop confidence between clients, UTCs and the unit trust industry.

2. What is the Continuing Professional Development (CPD) Programme?

- 2.1. It is a programme of continuing education for UTCs, enabling them to acquire knowledge and achieve professionalism through a series of training exercises and workshop environments; helping them meet stringent knowledge requirements and technical proficiency as UTCs. This programme is designed to ensure that UTCs develop and maintain the technical and professional competency necessary, in providing good advice and services to their clients.
- 2.2. The continuing professional development programme is developed to ensure that UTCs give the very best of their ability, and adhere to the very high standards FIMM is setting, hence the requirement for a high degree of benchmarking and standard setting within the industry.
- 2.3 FIMM opined that the financial expertise and knowledge requirements for UTCs should be industry informative and broad-based, while also providing excellent people skills. These are essential as UTCs review individuals' finances and their fiscal management, to formulate investment plans for their clientele.

3. What are the objectives of the CPD programme?

- 3.1 *To maintain, and improve upon, financial knowledge and skill sets possessed by UTCs.*

Provide specialist industrial training and courses which include technical knowledge based upon industry requirements, and the updating of general fiscal knowledge base/skills for UTCs.

- 3.2 *To assist UTCs in understanding industry developments and assess/explain impact to clients as well as meeting changing requirements and investors expectations.*

Soft skills training is required to assist UTCs with client interaction; providing better insights into the nature, benefits and risks of collective investment schemes in the most transparent way possible, using honed person to person skills.

- 3.3 *To provide confidence to the public that UTCs possess and continuously upgrade their competency and knowledge to perform their duties.*

It is the UTCs individual responsibility to develop and maintain clientele confidence in their advisory capacity, and in the information/advice offer as part of a service to clients.

Confidence may be achieved through good interpersonal skills, high ethical standards, professional transparency, current knowledge of the industry, and the UTC's own ability to impart these to their clients.

Further client confidence may be generated through media campaigns and other forms of informative advertising, demonstrating to clients, and potential clients, that unit trusts are good investment vehicles, and that the professionals managing unit trusts are reliable, knowledgeable and trustworthy.

4. What is the Continuing Professional Development Programme (CPD) format?

4.1 FIMM plans to launch a *structured* and *flexible continuing professional development* programme for UTCs. The programme is structured to validate only **verifiable** approved activities, as set out in Appendix 1.

4.2 UTCs will be able to choose courses relevant to their level of needs, at times and schedules agreed by them and the training providers.

4.3 *Compulsory*

4.3.1 A total of 24 CPD points must be accumulated for a period of two years from 2011 and 2012. However, UTCs will be allowed to utilise any CPD points obtained in 2010 for meeting the total of 24 points required for 2011 and 2012.

Thereafter, 16 CPD points must be obtained for subsequent years.

4.3.2 The CPD programme is mandatory for all UTCs
(a) having an agency contract with UTMC or
(b) attached to IUTA and CUTA.

CPD points awarded are based on an annual basis, valid for one registration renewal for UTC. The only exception is given for 2011 and 2012, when CPD points accumulated in the year 2010, 2011 & 2012 will be valid for registration renewal as at end-December 2012. UTCs for 2011 will not be subjected to any CPD requirements.

4.3.3 In case of moving to a new principal, the CPD points earned can be utilised from the former to the new principal (UTMC, IUTA and CUTA).

4.4 *Implementation*

4.4.1 Existing UTC whose agency contract with the principal expires immediately after the implementation date of the CPD programme may renew their agency contract accordingly. However, the UTC must attain the required 8 CPD points upon the next renewal of his contract with his principal. Thereafter, the UTC must attain the required 16 CPD points upon each contract renewal.

Example: An existing UTC whose contract renewal date with his principal is 16 March 2010, will be required to attain his CPD points by the next contract renewal date of 16 March 2011.

4.4.2 Any new UTC who joins the principal after the implementation date of the CPD programme, must attain the required 8 CPD points upon his next contract renewal with the principal and thereafter, attain the required 16 CPD points upon each contract renewal.

Example: A UTC who joins a principal on the 8th September 2010 must attain 8 CPD points by 7th September 2011 and 16 CPD points by the 7th September following year of 2012

4.4.3. For those UTCs who do not have an agency contract with the principal, they are required to fulfil the required CPD points at the end of each anniversary year of employment.

4.4.4 FIMM may request the principal to produce the relevant documentary evidence, where necessary, to support attendance or completion of the CPD activities. Any UTCs making incorrect statements regarding fulfilling required CPD hours may be suspended for a period of one year, following an investigation and/or inquiry.

4.4.5 When attending external CPD approved courses/seminars UTCs are required to inform their principals of their CPD points acquired, by completing the form in Appendix 2. The principal shall update its records accordingly regarding all seminars/courses attended by UTCs. The principal shall advise FIMM on 31st December, annually, regarding those UTCs who have not met the required CPD points, with a view to deregister them. This measure is to ensure that every principal is responsible in monitoring UTCs CPD

4.5 *Course content*

4.5.1 The CPD programme covers various topic areas, incorporating technical knowledge and interpersonal skills. Details of the CPD scopes are set out in Appendix 3 and 4.

4.5.2 Courses provided in-house by the principals are deemed as pre-approved. This includes external courses which the principals have agreed that their UTCs are to attend to.

4.5.3 UTC shall maintain the true spirit of CPD programme by attempting to strike a 50/50 balance between technical knowledge and interpersonal skills when acquiring the CPD points. However principals have the discretion to vary the weight of courses, dependant on the needs of UTCs.

4.6 *Mode*

4.6.1 Mode of courses and trainings are at discretion of principals.

4.7 *Monitoring of CPD programmes offered.*

4.7.1 UTCs may check the programme either through their principals training provider website, or FIMM website.

4.7.2 The principals and external training providers will monitor each UTC achievement by registering UTCs Id, subsequently endorsing their points.

4.8 *Definition of CPD points*

4.8.1 Each CPD point is equivalent to 1 hour of attendance on CPD programmes.

4.9 *Checks and balances*

4.9.1 The programme is open for review and will be closely monitored, for its effectiveness in addressing issues, and meeting FIMM objectives.

4.10 *Categories of obtaining CPD points other than from principal.*

4.10.1 CPD – recognised professional qualification/courses

- a. FIMM recognised the following professional qualifications obtained as CPD activities.

List of CPD – recognised professional qualifications

No	Professional Qualification
1.	PhD (Majors: Finance & Business)
2.	Masters (Majors: Finance & Business)
3.	Basic degree (Majors: Finance & Business)
4.	Chartered Financial Analyst (CFA)
6.	Chartered Financial Consultants (ChFCs)
7.	Diploma in Corporate Governance (MICG)
8.	Graduate Diploma in Applied Finance and Investment (PNBI)

10.	International Fixed Income and Derivatives (IFID) Certificate
11.	Registered Financial Planner (RFP)

- b. The above recognised qualification will earn the UTC 16 CPD points, valid for the year obtained, and based on the date stated in the examination results notification/transcript.
- c. The financial planning courses conducted by the Financial Planning Association of Malaysia (FPAM) will earn the UTC the corresponding CPD points, valid for the year obtained, and based on the date stated in the examination results notification/transcript, as indicated in the following table:

Module	Approved CPD Points
Certified Financial Planning (CFP) Modules 1, 4 & 6	10 CPD Points each
CFP Modules 2, 3 & 5	5 CPD Points each
Islamic Financial Planner (IFP) Modules 1, 3 & 6	10 CPD Points each
IFP Modules 2, 4 & 5	5 CPD Points each

4.10.2 Teaching/Speaking on CPD-approved courses, or courses relating to the development of the capital market.

- i) CPD points awarded to all speakers and lecturers will be based on the duration of the course presented:
- 4 CPD points for a course of three hours or less.
 - 8 CPD points for courses longer than 3 hours

4.10.3 Writing articles in a recognised business or financial publication.

- i) CPD points awarded for articles published, is as follows:
- 4 CPD points for an approved article.
 - 8 CPD points for two or more articles published in a year.
- ii) 16 CPD points will be awarded for a published book, and its subsequent updates. No additional CPD points will be awarded for same article/book republished in the same or different year.

iii) FIMM will not be responsible for the contents of the approved articles/books

4.10.4 Attendance of all courses on *capital markets* conducted by Securities Industry Development Corporation, Financial Planning Association of Malaysia, Malaysian Financial Planning Council and Malaysian Association of Chartered Financial Consultants.

i) CPD points awarded to all courses on *capital markets*, will be similar to the number of CPD points accorded by the above organisers.

4.10.5 CPD points awarded on all courses/seminars conferences organised by FIMM

- 4 CPD points for a course of three hour or less
- 8 CPD points for a course longer than 3 hours

4.10.6 To ensure a balanced mix of activities are undertaken by UTCs to obtain the prerequisite CPD points in a year, the following table outlines the maximum point allocation that UTCs must comply with when fulfilling their CPD points:

Activity	Maximum CPD Points Allocated per Year	Maximum % of the Total of 16 Points per Year
e-Learning	8	50%
Attending capital market courses conducted by FIMM, SIDC, FPAM, MFPC and MACFC*	16	100%
Teaching or speaking on CPD-approved courses, or courses related to the development of the capital market	8	50%
Writing CPD-approved articles	8	50%
Coaching & Training	8	50%
Completion and passing of CFP and IFP modules	16	100%

*SIDC – Securities Industry Development Corporation, FPAM – Financial Planning Association Malaysia, MFPC – Malaysian Financial Planning Council & MACFC- Malaysian Association of Chartered Financial Consultants. Such full-day seminars allow UTCs to gain 8 CPD Points, while half-day seminars or industry briefings allow UTCs to gain 4 CPD Points.

Appendix 1

Examples of Learning Activities, and evidence.

This appendix provides examples of different types of learning activities, and how such learning may be verified.

The following are examples of different learning activities. They are by no means exhaustive. Activities may also be carried out using electronic means, and e-learning opportunities.

- Participation in courses, conferences, seminars, forums
- Organised on-the-job training courses.
- Teaching a course or CPD session in an area related to capital market.
- Participation as speaker in conferences, briefing sessions, or discussion groups
- Published professional or academic writing
- Participation and work on technical committees.
- Writing technical articles, papers and books

One single, repetitive activity, for example, teaching introductory investments to different audiences, should not constitute a UTC's total CPD activity.

Appendix 2

Continuing Professional Development (CPD) Record

Name of UTC _____

FIMM No _____

UTMC _____

Period Covered Jan 1 _____ to December 31 _____

Date/ Period	Description of Activity (course title, type of activity)	Organisation Presenting Activity	No of hours	
			Verifiable	Not verifiable

Acknowledgement

I hereby confirm that I have completed the CPD activities recorded herein.

Signature: _____ Date: _____

Evidence of for verification

- Course outlines, teaching materials.
- Attendance record, registration forms or confirmation of registration from provider.
- Independent assessment that a learning activity has occurred.
- Confirmation by an instructor, mentor or tutor of participation.
- Confirmation by an employer of participation in an in-house programme.

Appendix 3

The scope of technical knowledge.

The technical knowledge module generally focuses on *capital market*:

1. General investment features of products and services with emphasis on unit trust investments.
2. Basic factors determining the value of investment products and strategies.
3. Risk factors affecting investment strategies, interest rates, political stability, currency, inflation and related risks.
4. Product liquidity including considerations affecting it, such as monetary and fiscal policies, conversion and calls.
5. Suitability of products, services or strategies for different types of investors, given their investment objectives and constraints, financial position and level of sophistication
6. Knowledge of market operations and infrastructures relating to unit trust investments.
7. Relevant legal and regulatory aspects and considerations within unit trust industry.

Appendix 4

The scope of interpersonal skills

The ability to work well with others, continues to be a harbinger of success in professional life, and is vital to client – UTC interaction.

Interpersonal skills rank as the most important communication ability for advisors, including UTCs.

Effective working with other people means having good Interpersonal skills and first-rate communication expertise. This includes the ability to support and encourage others, being able to give, and receive, constructive criticism as well as having good negotiation aptitude.

The Interpersonal skills module generally covers the following areas, and is by no means exhaustive.

1. Marketing and Distribution practices and techniques.
2. Managing clients' expectation and trust.
3. Recruiting and coaching skills.
4. Leadership and team building.
5. Personal motivation and development.
6. Industry code of ethics and standards of professional conduct.