



## PJC INQUIRY Q&A

October 2014

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### FPA's submission to the PJC Inquiry into professional, ethical and education standards for financial advisers

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#### Question

I have been providing financial advice for many years, completed the education required at the time, and have maintained CPD throughout my career. Will I be required to complete a degree to be able to continue to provide advice?

#### Answer

We have recommended to the PJC that further consultation is required, to identify how the introduction of new standards could be achieved, for both new entrants into the profession and existing financial planners. While the FPA believes no blanket grandfathering should apply, there is a need to acknowledge Recognised Prior Learning (RPL), including existing qualifications, ongoing Continued Professional Development (CPD) and licensee required training, as well as relevant experience, of existing financial planners.

#### Question

What transitioning arrangements has the FPA recommended in its submission to the PJC Inquiry?

#### Answer

The FPA has recommended that transition arrangements should provide exemptions, bridging and assessment options that appropriately acknowledge the previous education, qualifications, CPD and experience in providing tier 1 financial advice, of existing financial planners.

Depending on your existing qualifications, you may be required to complete:

- a bridging course or units of study to fill knowledge and education 'gaps', or
- additional education of four set units of study from an approved program at a minimum of AQF7 level, or
- assessment options in the knowledge or education 'gaps', if appropriate.

The FPA has also recommended that the transition arrangements for existing financial planners who work full-time, must allow an appropriate timeframe, so that any necessary upgrading of initial qualifications can be done through part-time study.

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#### Question

I am a CFP® professional. Will I be required to undertake additional study to meet the FPA proposed education requirements?

#### Answer

Under the FPA's suggested transition arrangements, all practitioners who hold the CFP designation would be exempt from the FPA's proposed education requirements.



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### Question

I already hold a relevant degree. Will I be required to undertake additional study?

### Answer

Under the FPA's suggested transition arrangements, if you are an existing financial planner and hold a degree in a discipline related to finance, financial planning, commerce, economics, business, tax, accountancy, or law, you will be exempt from the proposed new education requirements.

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### Question

I am thinking of entering the financial advice profession. What do I need to do to qualify under the FPA's proposed new education and experience requirements?

### Answer

Under the FPA's proposed new education standards, new entrants into the profession must hold an approved degree and meet relevant experience requirements of one year in the previous three years.

The degree should be approved by the Financial Planning Education Council (FPEC).

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### Question

I am currently enrolled in an RG146 Diploma course as I would like to become a financial planner. Will this qualification be recognised under the FPA's proposed new education and experience requirements?

### Answer

Under the FPA's proposal, if you are not an existing financial planner or financial adviser at the time when the new education requirements are introduced, you will need to hold an approved degree (AQF7 course or higher) to be able to practice.

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### Question

Why is the FPA focusing on education standards?

### Answer

The FPA has provided a package of recommendations to the PJC. We have recommended restricting the use of the term financial adviser and financial planner to those who are members of a recognised professional body, changing the definition of 'general advice' to general or product information, along with our proposed education framework.