



# The Future Financial Planning Profession

SENATE ECONOMIC LEGISLATION COMMITTEE HEARING INTO FOFA AMENDMENT BILL | 22 MAY 2014

## FPA's 10 Point Plan to raising standards in the financial planning profession

1. Raise the minimum criteria so that the term financial planner/adviser is restricted under the Corporations Act and the individual must:
  - a. Have membership of an ASIC approved professional body; and
  - b. Hold minimum education standards of a relevant university degree, and three years experience over a 5 year period; and
  - c. Maintain minimum continuing professional development of 90 CPD points over a triennium.

---

2. Amend the law to develop criteria so that ASIC can approve professional bodies such as those prescribed in the Tax Agent Services Act or the approach proposed by the FSA in the UK.

---

3. The immediate establishment of a financial planner education-working group (FPEWG) to develop a considered, strategic and holistic financial planner education framework. With the aim of lifting minimum education and experience standards to a relevant university degree and three years experience over a 5-year period.

---

4. The term 'Commission' to be defined and then banned under the General Advice exemption.

---

5. General Advice should be re-termed 'general or product information' and be limited to the provision of 'factual information and/or explanations' relating to financial products.

---

6. The development and implementation of a co-regulatory design, which recognises and facilitates the role of 'approved' professional bodies in assisting ASIC to achieve its consumer protection and confidence mandates.

---

7. The establishment of a public register which is managed by ASIC, with a requirement for all financial planners/advisers (including employed representatives) who provide personal advice to be individually registered.

---

8. ASIC should have suspension powers for financial planners/advisers suspected of material and systemic breaches of the best interest duty. ASIC must have a justifiable position and the financial planner/adviser has the right of appeal to AAT.

---

9. Once the Federal Budget position has been improved, that the government commence consultation with industry to determine the benefit to have the preparation of an initial financial plan be expressly stated to be tax deductible.

---

10. A review into lifting the criteria of a sophisticated investor.

---

### For further information

Dante De Gori, General Manager Policy and Conduct, Financial Planning Association 02 9220 4500 / [policy@fpa.asn.au](mailto:policy@fpa.asn.au)