FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

2017 FPA NATIONAL ROADSHOW

FAQ from FPA Roadshow Participants

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1. Education and Professional Standards

1.1. Degree and degree equivalence

The FPA has released a draft White Paper proposing standards for the degree and degree equivalence requirements, for the FASEA to consider. This includes a draft 100 point administration system.

The White Paper presented at the FPA Roadshows were in draft form for member feedback and had not received FPA Board approval. The following FAQ is based on the draft White Paper, including the 100 points administration system, and therefore may be subject to change.

AQF Level	Qualification	Points per unit of study		
		Approved	Relevant	Non-relevant
9	Masters / Professional designation	15	8	2
8	Graduate Diploma / Professional Designation	15	8	2
	Graduate Certificate / Professional Designation	15	8	2
7	Bachelors Degree	5	4	1
6	Advanced Diploma - Financial Services	4		
5	Diploma - Financial Services	2		
CPD	CPD	2		

What is each unit of CFP worth?
The CFP Certification Program is recognised by many universities at a Masters level – AQF 9 and is able to receive advanced standing against Masters level subjects. Based on this recognition and in line with the intention of the enabling legislation, each of the five units in the CFP Program under the FPA's draft White Paper would attract 15 points.

Points would also apply for the units of study successfully completed to gain entry to the CFP Program.

It's my understanding that a grad cert and grad dip in fp are above a degree under the AQF. There is no mention of them in your slides. Do/will they count?
Yes. A Graduate Certificate and Graduate Diploma are AQF level 8 and under our draft proposal would attract:

- 15 points per unit for an approved qualification
- 8 points per unit for an relevant qualification
- 2 points per unit for an non-relevant qualification

If I have a master degree in Finance but my university is not in the approved list does it mean that I have to study again. Considering I have a CFP certificate.
Successful completion of the CFP Certification Program would attract 15 points per unit, with a total of 75 points.

The FPA has recommended the FASEA develop a definition for 'relevant discipline' based on the FPEC Curriculum. A relevant Masters would attract 8 points per unit of successfully completed study; a non-relevant Masters would attract 2 points per unit.

Based on the draft White Paper, you would also attract 2 points per year for completed CPD, capped at 7 years.

So does this mean if you have completed your ADFP units and 1-4 CFP units that you are OK and don't need to do further studies?
An ADFP would attract 4 points for each of the four unit studied at the AQF6 advanced diploma level; plus 2 points for each of the four units completed at the AQF5 diploma level.

The CFP Certification is approved at an AQF 9 level, attracting 15 points for each of the five unit (75 points).

You may also attract 2 points per year for completed CPD, capped at 7 years.

How old can a qualification be? How do you demonstrate relevant units in your degree if you are the average age of a financial planner ie 54 yo? You are talking about 30+ years ago! So I Studied commerce 20years ago - I have to dig out each unit studied?
Neither the legislation nor our draft White Paper the FPA place a limit on how old a qualification can be. It is important that all relevant previous study be acknowledged and contribute to existing financial planners achieving the minimum benchmark.

All existing financial planners would need to provide an academic transcript listing all units of study of the award / qualification.

For those financial planners who completed study many years ago, the FPA suggests this information should be readily available from the university or education provider where you undertook your studies.

What makes the difference between a relevant degree and an approved degree? Beyond Financial Planning, what other degrees are approved or relevant? (E.g. Accounting, Finance, Commerce, Business etc.) Would an Accounting degree be classified as an approved degree?
Under our draft White Paper it is proposed that:

- an approved degree will be a degree course approved by FAESA
- FASEA will set a definition for 'relevant degree'
- a relevant degree will meet this definition but is not approved by FASEA

The FPA has recommended the FPEC curriculum should be used as a benchmark for measuring the difference between an approved degree, relevant degree and non-relevant degree.

Would FPA consider including acknowledgement of industry experience and months in current area of advisory work to contribute to 100pt qual.
The FPA has continually advocated for the need for the new standards to acknowledge and include relevant professional experience of existing financial planners.

Unfortunately the legislation passed by Parliament does not include recognition of professional experience for existing planners.

Does the original 8 subject DFP count as ADFP now?
The subjects in the original DFP 1-8 were transitioned to the current combined DFP/ADFP when the AQF standards were introduced. On this basis, four of the subjects are proposed to be assessed at AQF5 level (diploma) attracting 2 points each; and four subjects at AQF6 level (advanced diploma) attracting 4 points each.

How many of the 20,000 advisers don't or won't meet the education requirements?
Whether an individual adviser meets the degree equivalence depends on the previous courses they have successfully completed. Under the FPA's proposed points system in our draft White Paper this will include tertiary qualifications undertaken at a university or through a registered education provider, professional designations, specialist accreditations, and CPD.

It is expected that a number of existing planners will meet the new degree equivalent requirements?
Those that do not meet the new degree equivalent requirements, may only need to undertake one or two units of study at a graduate level, and others may decide to commence a Graduate Diploma or Masters degree, or enter the CFP Program.

Given the structure of the ASIC Financial Adviser Register – which is the only publicly available data at present – it is not currently possible to quantify how many planners may or may not currently have a degree level or higher qualification.

Will a Bachelor of commerce or accounting in combination with DFP and ADFP meet the proposed 100 points to be a degree equivalent? Or is more needed?
Under the draft White Paper a DFP general has 4 units of study, attracting 2 points per unit.

An ADFP generally has 4 units of study (on top of the 4 units studied at the DFP level), attracting 4 points per unit.

Whether a degree is considered 'relevant' will depend on the definition of 'relevant discipline' adopted by the FASEA. A 'relevant' degree would attract 4 points for each unit of study successfully completed. A non-relevant degree would attract 1 point for each unit of study.

A university degree generally has 24 units of study.

The explanatory memorandum to the legislation talks about some relevant areas, but states FASEA should do their own analysis.

Will LRS unit also count towards education degree standards if FPAs proposal is successful?
The Life Risk Specialist LRS® is considered a specialisation accreditation and has been assessed by the education regulator at AQF8 level, attracting 15 points for the 2 units of study.

Will the Deakin University Diploma of Life Insurance count towards 100 points?
A Diploma of Life Insurance may be considered a specialisation accreditation and may therefore attract the points at the relevant AQF5 diploma level which is 2 points per unit of study.

Will the FPA be allowing/encouraging the 'old CFP' holders of DFP 1-8 enrol in the current CFP program?
There is no requirement for current CFPs to do complete any additional CFP units. Once FASEA has finalised their standards the FPA will work with members to consider the most efficient and beneficial way to meet the new standards.

FPA encourages all AFP members to enrol in the CFP Program via the various entry pathways.

What is an "approved degree"?
An approved degree is a degree approved by the FASEA.

In the draft White Paper the FPA has recommended the FASEA honour those courses already approved by the FPEC.

Will Graduate Diploma or Graduate Certificate be adequate for minimum education or will we need bachelor degree?
This will be determined by FASEA when they set their Standards.

Under the draft White Paper, a Graduate Diploma and Graduate Certificate will attract the following points:

- Approved - 15 points per unit of study
- Relevant – 8 points per unit of study
- Non-relevant – 2 points per unit of study

You may also attract points for any pre-requisite study completed prior to your graduate studies, specialisation accreditations, and CPD.

Could you please clarify - does DFS plus ADFS plus CFP add up to 100 points?
A DFS would attract 2 points for each of the 4 completed units of study for a total of 8 points.

An ADFS would attract 4 points for each of the 4 units of study on top of the DFS, for a total of 16 points.

If you then completed the 5 units of study in the CFP Certification Program, you would also attract 15 points for each unit, for a total of 75 points.

You may also attract 2 points per year for completed CPD, capped at 7 years; and specialisation accreditations allocated at the appropriate AQF level.

Is it the whole degree that is approved or relevant OR the specific units of study in that degree an individual undertakes?
In our draft White Paper, the FPA has recommended that in determining relevance, the FASEA should ensure the study that has been undertaken and its learning outcomes are useful or important to the provision of financial advice to consumers.

In regards to the qualification, does that mean if you have a Masters approved by the FPA you automatically pass the proposal?
It is up to FASEA to determine what courses are approved. The existing FPEC has approved courses including degree, graduate, and masters programs. In the draft White Paper the FPA has recommended the FASEA honour the courses previously approved by FPEC.

An approved masters program would attract 15 points per unit of study successfully completed. A masters program usually involves 16 units of study.

Will an approved masters still count towards the CFP?
Yes.

Why is CPD capped?
There is a wide variety of types and facilitators of CPD content, style and assessment also vary greatly, which means some restrictions needs to be placed on CPD for practical purposes.

Further, when you benchmark CPD to AQF standards - limits need to be placed on points to ensure robustness of the proposals.

Which Professional Designations will get these points? Will the FCHFP qualify? Where do you see specialist designations - eg CPA FPS or SSA - fitting into the 100 point framework?
There are a number of professional designations and specialisations in the financial planning profession, many of which have been assessed by Universities for the purposes of providing advanced standing at various AQF level (as illustrated by the limited example list below).

Each designation or specialisation will attract points at the relevant AQF level.

i.	AQF level	ii.	Qualification
iii.	9	iv.	Certified Financial Planner®
		v.	Registered Trust and Estate Planner (TEP) STEP
vi.	8	vii.	Accredited Estate Planning Strategist professional (AEPS®)
		viii.	LIFE RISK SPECIALIST professional (LRS®)
ix.	5	x.	SMSF Specialist Advisor™(SSA™)

Are there any points granted for being a qualified member of a professional body i.e CPA? Any exemptions can be applied toward future requirements?
The FPA advocated for the introduction of a system that included registration options for individual advisers, similar to the TPB which includes registration with course exemptions for members of recognised professional bodies. This position was not accepted by the Government.

The legislation passed by Parliament requires all providers of tier 1 personal advice to meet the new minimum course requirements.

1.2. Professional Year

What does professional year actually mean?
This is still to be determined by FASEA, but the intent of the legislation is that a new financial planner will be supervised and mentored over the first 12+ months of practice to ensure they develop the practical skills required to be a professional financial planner.

Do you have an idea of what the professional year will look like?
The FPA is in the process of developing our recommendations on the Professional Year, but we expect it will involve a combination of shadowing existing planners, developing advice, and providing supervised advice over a 12 month period. The FPA also views it as being important for the development of peer groups and networking to be an important aspect of the professional year.

How is it possible to take on a Financial Adviser on a part time basis - because all fees are full time based
The professional year legislation requires a new planner to undertake a minimum of the equivalent of 12 months full time supervision. If they were part time they would need to complete enough supervised experience to equate to 12 months full time – so this might take 2 to 3 years to complete on a part time basis.

It is ok for the 1 year mentoring for FP but TPB have a two year mentoring program already in place. Why can't it be a two year program in line with TPB?
The TPB requirements are different to the requirements which will be set by FASEA. The TPB requirements are that a new tax (financial) adviser is supervised (depending on their qualifications) for 12-24 months.

The new law states that a new financial planner is required to be in a professional year program for a minimum of 12 months. We expect this to be at a higher level of supervision.

It is also possible the TPB and FASEA standards may merge over time – this is something the FPA will be looking to promote.

How will the Professional year be run and monitored to ensure consistency across licensees?
This will be up to FASEA to determine, however we would expect there will be a level of standardisation created through the standards set and the requirement to complete some form of logging or portfolio.

1.3. Exam

Do we have any detail about the 2019 exam? Eg length, content, who is running it, cost? What happens if you do not pass the required exam? Will you have the ability to resit on the failed components? Would the business have to shut down if the principal fails the exam?
The FASEA will develop the exam. All existing planners will have multiple opportunities to pass the exam between 1 January 2019 and 31 December 2020.

New financial planners must pass the exam before they can be listed on the ASIC Register and be licensed/authorised to provide financial advice to clients.

The operation of a business is a separate issue to the ability for a financial planner to be registered to provide advice, and each business would need to consider the implications where a planner no longer meets the education standards.

The FPA has now released a draft White Paper on the Exam.

How many points do you get for completing the relevant exam? Are there points awarded for completing the exam/s?
No. The requirement to pass the exam is a separate to the requirement to hold a degree or degree equivalent.

What do ASIC think should be in the exam? Given that it was their idea....
FASEA has be asked to consult with all stakeholders, including ASIC in developing the exam. At this stage, to our knowledge, ASIC has not publicly stated what they believe should be covered in the exam.

Isn't one exam just an attempt to avoid properly assessing FPA members on areas they purport to know something about? Why should people who have suitable qualifications already have to write the exam? Given that the concept of the exam was to make sure planners were competent and the proposed content is about regulation, why have the exam at all?
Passing an exam is a requirement set by the Government as one element of the package of changes to the education requirements in the law.

It is important to remember that the exam, as well as the other new education requirements, apply to all providers of tier 1 personal financial advice including:

- CFP®
- Holistic advice providers
- Graduates
- Super intra fund advice providers
- Stock brokers
- Life risk specialists
- Limited license accountants
- Aged care specialists
- Disability specialists
- SMSF specialists

- Strategic only advice providers
- Money coaches

The FPA did not support the introduction of an exam, but will work with the FASEA to ensure the exam appropriately covers the core knowledge areas that are relevant to all providers of tier 1 personal financial advice, not just financial planners.

If you've done the CFP exam - will the FPA push for FASEA exam exemptions?
The FPA pushed for an exemption for CFPs from the exam, but a decision was made by Government that no exemption would be provided to anyone. We would note that the exam is required to be at set at AQF7 standard, and the CFP-C exam is assessed at a minimum of AQF9 standard.

What's the intent / purpose under the law for the exam?
The Government's purpose for the exam is that it will represent a common benchmark across the industry.

Is the aim to have the exam made up of questions with specific answers rather than subjective answers? Is the exam going to be multiple choice? Could those results be skewered by the tenure of the adviser?
It is up to FASEA to set the exam framework. The FPA Draft White Paper is proposing a multiple choice exam to facilitate easier administration.

How will we study for the exam?
The FPA will be looking into the types of education service offerings we provide that may assist members with their preparation for the exam once we have a clear idea of what the exam requirements will be.

Why do you need technical questions in the exam when you are tested in all the studies completed and in CPD? Think it should be as suggested by Fpa eg tasa,
The FPA draft White Paper suggests the exam covers:

- Compliance with Chapter 7 of the Corporations Act 2001
- Anti-Money Laundering and Counter-Terrorism Financing Act 2006
- Tax Agent Services Act 2009
- Common law fiduciary duties
- Ethics

Can you comply with the law without good technical knowledge? How deeply has the FPA looked at the realities of an exam? We understand it is not that complex or costly to have an exam like this with some technical knowledge? Re: exam, wouldn't FPA agree that demonstrated expert knowledge regarding financial markets is essential to being credibly held out as a financial adviser?
The challenge with the exam is finding a balance between the cost of establishing and running the exam, and developing a meaningful exam that is relevant to all providers of financial advice.

Not all technical areas will be relevant to all advice providers, which creates a risk that multiple modules would be required to cover the main technical areas relevant to all advice providers. This could lead to multiple exams and would significantly impact the cost on the profession.

The FPA notes not all financial advice providers require expert knowledge of financial markets to provide the services they provide.

Why does TASA have to be in it? For the exam- What if the advice you provide doesn't require you to be registered with TASA? Would it be fair to include it?
The Tax Agent Services Act (TASA) captures financial planners who provide a tax (financial) advice service to retail clients.

As this is a minimum regulatory requirement for financial planners, the obligations in the TASA should be included in the FASEA standards.

It is also important that the FASEA work with the Tax Practitioners Board (TPB) to ensure FASEA's standards are aligned with all of the TPB's education requirements for tax (financial) advisers, including the tax and commercial law course requirements and CPD.

Is it appropriate for an exam to allow professions such as stockbrokers, insurance brokers and money coaches etc to be able to call themselves planners?
The exam in itself won't be sufficient to allow stockbrokers, insurance brokers and money coaches to be able to call themselves a financial planner/adviser – they will need to comply with the entire framework irrespective of the services they wish to offer. They all currently need to comply with the Corporations Act and TASA Act obligations in a similar way to a financial planners, they just currently use different titles to describe these roles which won't be protected under the law.

1.4. Continued Professional Development

When will FPA delink FPA Accreditation from CPD? It is too restrictive in finding affordable options.
The FPA White Paper on the CPD framework notes that accreditation of CPD content has improved the standard and robustness of CPD across all financial services compared to other professions. For this reason, in a new professional CPD standard, it is important to ensure CPD rigour is maintained.

We note that there is and always has been an ability to complete unaccredited CPD, however for FPA Members this is restricted to a proportion of CPD completed.

FASEA / TPB cooperation in CPD policy/ program development?
The FPA will be encouraging that FASEA work with the Tax Practitioners Board (TPB) to ensure FASEA's standards are aligned with all of the TPB's education requirements for tax (financial) advisers, including the tax and commercial law course requirements and CPD.

Is it a 'unit' for CPD points for study?
No. CPD points are limited to 2 points per year, capped at 7 years.

1.5. Code of Ethics

How far does the code of ethics extend? What about planners employed by certain financial institutions that have enforceable undertakings in place?
The Code of Ethics is required to be complied with by all financial planners who provide retail advice and are registered on the ASIC FAR. It is a personal obligation irrespective of licensee, and individuals will be monitored by Code Monitoring Bodies.

1.6. General questions received

What's the FPA going to do to help me meet the new education standards?
The FPA is looking into the types of education service offerings we provide that may assist members in meeting the new education standards. We are also in discussions with Universities to facilitate completion of required units of study and methods for taking into account previous education and experience into the completion of units.

Are you worried that a lot of experienced financial planners may leave the industry with these education changes? Do you feel there will be an impact on the industry with older advisers leaving?

The FPA is always concerned about the impact any regulatory change may have on individual financial planners and the profession as a whole.

However, we would encourage all financial planners to wait until FASEA have finalised all the standards, so they can assess their own circumstances and options based on the facts and details of the requirements.

When will the education standards be officially finalised (ie ticked off at federal level)
It is hard to say definitively as FASEA only commence from 1 July 2017 and it will take time to develop draft standards, consult on them, and then release them. We would expect this will take 12-18 months at a minimum from 1 July 2017 – although this depends how much of the FPA proposals and existing standards are used by FASEA.

What skills do you look for when hiring analysts into your team
It depends on the role being recruited for, but if you have interest in joining the team email fpa@fpa.com.au and we can help let you know what sort of skills we would look for in different roles.

Would be interested to know FPA views on the drawing of paraplanners into the education standards as a key part of the advice documentation process.
Paraplanner roles vary significantly across the profession, but ultimate responsibility for the advice provided sits with the registered financial planner. It would be up to the planner how much experience and education skills/knowledge the paraplanner they choose to engage has.

As association input will be important re: degree equiv, do we know what the AFA and other bodies are proposing and were they involved in the 100 pt system?
The FPA has consulted with a number of key stakeholders on our draft White Paper, including the AFA and other financial services bodies. While we have received broad support for the recommendations proposed in the White Paper including the 100 point administration system for degree equivalence, we will continue to consult with stakeholders until FASEA has finalised its standards.

Compliance and ethics evaluation is important but is the framework missing the opportunity to develop interpersonal and communication skills?
Strong interpersonal and communication skills are vital in providing quality financial advice to clients.

One of the aims of the Professional Year requirement for new financial planners is to provide a work place environment to facilitate the development of the soft skills needed when helping clients with their financial planning needs.

Will support staff from departments such as paraplanning, vetting, or compliance wanting to become financial planners after 1/01/19 be treated as new planners?
Yes. Any individual who is not registered on the ASIC Register, authorised to provide financial advice to clients, and is providing financial advice to clients, prior to 1 January 2019, will be treated as a new planner for the purposes of the new education standards.

The FPA plans to discuss this important cohort of individuals with FASEA to consider what might be put in place to help facilitate their movement into financial planning depending on how the degree standards are set.

How confident are you that FASEA will accept the FPA's recommendations? What has the early feedback been?
There has been broad initial support and a clear understanding from stakeholders, including academics, Government, ASIC, the TPB and the FASEA Board, of the benefits of FASEA taking on board the Curriculum and Assessment Framework established and operated by the existing FPEC.

There is also broad support for a points based system for ‘degree equivalence’ for existing planners given the multitude of pathways existing planners have entered the profession to date.

However, it is important to remember that the new education standards must apply to all providers of personal financial advice such as:

- CFP®
- Holistic advice providers
- Graduates
- Super intra fund advice providers
- Stock brokers

- Life risk specialists
- Limited license accountants
- Aged care specialists
- Disability specialists
- SMSF specialists
- Strategic only advice providers
- Money coaches

Therefore, the FPA is committed to continuing our engagement with all stakeholders in relation to the new education standards.

Are there difficult requirements / regulations for Financial Advisers servicing Wholesale/ Sophisticated clients only? Will FASEA cover Retail & Wholesale?
The new education standards apply to providers of tier 1 personal financial advice to retail clients. The requirements do not apply to providers licensed to provider personal advice to wholesale clients only.

ASIC is expected to shortly update RG146 based on these changes to clarify this issue.

How do the new education standards impact part time advisers such as limited license accounts and mortgage brokers offering life insurance.
The new education standards apply to all providers of tier 1 personal advice to retail clients. Both categories mention will need to comply with the new standards if they wish to continue offering these services.

What is happening with real estate agents? Why aren't mortgage broker included?
The new education requirements apply to providers of 'relevant financial products', defined as financial products other than:

- basic banking products; or
- general insurance products; or
- consumer credit insurance; or
- a combination of any of those products.

How does a robo-adviser meet the qualifications requirement?
Robo-advisers will be treated the same way as AFSLs, in that the responsible managers of licensees with advice authorisations will be required to meet the new standards.

What could an academic do to maintain currency/registration in Financial Planning?
The FPA offers an Associate Academic Membership category which provides updates and an academic community. Contact fpa@fpa.com.au for more details.

2. Use of the terms Financial Planner / Financial Adviser

Will the term Financial Planner or Financial Adviser be dependent on the AFSL allowing their representative or authorised representative to use the term?
Under the law, the terms financial planner or financial adviser can only be used by those individuals who meet the definition of "relevant provider" in the Corporations Act. This requires the person to be a Licensee, or an authorised representative or employee of a Licensee, and be authorised to provide personal advice to retail clients.

To be authorised to provide personal advice to retail clients the person must meet all elements of the new education standards and be registered on the ASIC Financial Advise Register.

How will the changes impact ancillary service providers such as paraplanner firms? Will non client facing FPA members be able to be called financial planners?
The term Financial Planner/Adviser will be protected under the law, so only those who are registered on the ASIC FAR and meet the new standards will be able to use these terms from 1 January 2019. Beyond this it will depend on the nature of the ancillary services roles and how they want to be able to refer to themselves.

3. TPB registration

If you are not a planner yet, does your experience count toward TPB registration? Especially if you have or are studying for an approved masters? What experience is counted for the 6 years experience for TPB. Ie is para-planning likely to be counted or is it just as an adviser?
The Tax Practitioners Board has published an Information Sheet on its experience requirements for tax (financial) advisers. The TPB states:

There is no definitive listing of the types of experience that will constitute relevant experience, recognising that there is significant variation in the types and descriptions of work undertaken by individuals in the financial services profession. For example, the experience that a para planner accrues may constitute relevant experience where the para planner is involved in the provision of a tax (financial) advice service. On the other hand, a para planner who merely assists a representative, by undertaking background research, would not necessarily be able to count that experience towards meeting the relevant experience requirement.

Ultimately, whether an individual satisfies the relevant experience requirement is a question of fact to be determined by the TPB on a case-by-case basis having regard to the individual's circumstances and the extent to which they are involved in the provision of a tax (financial) advice service[3].

4. ASIC funding model

If paying a levy to regulate my business why would I pay a dealer group???
Under the funding model, the ASIC levy is charged directly to and collected directly from the licensee.

If you hold your own AFSL, you will receive an invoice directly from ASIC for this levy. It is up to each licensee whether they pass these costs onto authorised representatives.

Are you happy how long it is taking ASIC to process AFS Licence variation, new application and change to RM's?
We have regular meetings with ASIC which include getting updates from ASIC on this issue. We are aware waiting times have significantly increased and have asked ASIC for updates on how they intend to address these delays.

What will the minimum funding fee for a planner giving investment. insurance and securities advice?
Under the funding model, the ASIC levy is charged directly to and collected directly from the licensee based on the authorisations held under the licence.

There is a distinct difference in the levy for authorisations to provide personal financial advice on investments, insurance and securities, versus the authorisations to deal in investments, insurance and securities.

However, where a financial planning licensee's service offering includes the implementation of advice recommendations involving products, they must hold an authorisation to 'deal' in that product.

If a licensee only provides strategic financial advice and does not hold authorisations to 'deal', it is likely they will only attract the tier 1 personal financial advice levy.

If a licensee provides tier 1 personal financial advice, including the implementation of product recommendations, it is likely the licensee will incur a levy for the tier 1 personal advice, and other levies such as the securities dealer and insurance distribution levies.

Each levy is calculated based on a distinct and separate formula and is dependent on each licensees business.

More information is available on our website here: https://fpa.com.au/policy/policy-issues/asic-funding-model/

Will there be a fixed component of the ASIC recovery fee/levy or purely a per advisor model.
The tier 1 personal advice levy has two components:

- A fixed component of $1,500, plus
- A variable per adviser component

5. AML / AUSTRAC

Is it true AUSTRAC want to move Financial Planning risk from Low to Medium?
In 2017 AUSTRAC released its Risk Assessment on Australia's Financial Planning Sector.

AUSTRAC assessed the overall risk of ML/TF activity as (a low) medium.

The report found that as financial planners facilitate access to financial services for their customers, this can make them susceptible to exploitation for criminal purposes; and means planners are well-placed to detect suspicious behaviour by their customers.

6. Opt-in/ FPA Professional Ongoing Fees Code

Cost of FPA ongoing arrangement?
At present, the FPA is not looking to charge a fee for being a member of the Professional Ongoing Fees Code.

Can we use a mix of all three opt in models specifically if we have a client that we also receive life insurance trail for?
Yes.

Does the FPA opt in arrangement mean all clients are converted to optin clients over the 3 year period? Does the new fee code apply to all clients? Currently opt-in is required for clients engaged post 1/7/13. Will the code apply to all the ongoing clients including those before FOFA?
No, you will need to enter into a new fee agreement with your client/s under the Professional Ongoing Fee Code arrangements and terms and conditions. There is no change to the status of your Grandfathered clients unless you elect to enter into a new fee arrangement with the client under the new terms.

How does the FPA OFC interact with invoice based practice fee models?
If the monthly fee arrangement is part of an ongoing fee arrangement, you would need to enter into a new fee agreement with the client, but otherwise it could continue in the same manner under the new terms and conditions.

Do you believe all Licensees will be happy to adopt the FPA POFC standard?
Many licensees have expressed an interest in the Professional Ongoing Fee Code, however systems and processes have been built to comply with existing Opt-in laws and it may take time for these to be redesigned. The FPA is working with licensees to make the POFC available to all members if they wish to implement it into their practices.

7. New One-stop shop Complaints body

Re new complaints body. Will they be required to make judgments based on facts rather than current model where case manager judges on a ph discussion with client
The terms and processes are still to be established, but a number of new processes were recommended as part of the Ramsey EDR Review which may address this issue.

Is there a way to put in place a timeframe of how long someone has to make a complaint? - e.g. 5 years
As per FOS Terms of Reference Section 6.2 b)

In all other situations, FOS will not consider a Dispute unless the Dispute is lodged with FOS before the earlier of the following time limits: (i) within six years of the date when the Applicant first became aware (or should reasonably have become aware) that they suffered the loss; and (ii) where, prior to lodging the Dispute with FOS, the Applicant received an IDR Response in relation to the Dispute from the Financial Services Provider - within 2 years of the date of that IDR Response. However, FOS may still consider a Dispute lodged after either of these time limits if FOS considers that exceptional circumstances apply.

8. OTHER

Is there a relationship with the AFA? Will it ever get to the position of having 1 voice for the profession? When is the FPA the AFA and the SMSF Association going to amalgamate? practitioners need one body not three.
The FPA, AFA and SMSFA work collaboratively on a number of Policy issues. We listen and consult with our members on all Policy issues, and in general the views of our individual members align.

Once all these reforms have flowed through the system and we are a full fledged profession, will we fight to reduce some of the onerous SOA requirements?

The FPA is considering a number of options to improve the functioning and regulation of Chapter 7 to take to Government and Regulators. More details will be provided in due course in the new FPA Policy Plan.

We would suggest however that SOAs can be as simple or complex, efficient or onerous as a professional financial planner needs to provide the advice to their client. If SOAs are not meeting the requirements you have for your client, we recommend working with your licensee to improve the document.

Are we a singled out Profession?
From the perspective of a practitioner it is easy to understand why it would feel like that. But there are examples of the issues raised in the press and from Government and Regulators in all professions.

We have an opportunity to educate, inform and tell the good news stories and the changes our profession makes in the lives of every day Australian’s through the work you do with your

clients, and through the new Money and Life website we have set up. If you have ideas and stories to share, please send them through to the money and life team and they can help you get the good news stories our to consumers, the media and Government.

Why must we add the registered trademark after our post nominals unlike practically every other professional (CA, CPA, QC, PMESA, etc)? It cheapens the brand.
The CFP® is a registered trade mark which the FPA has licensed from the FPSB. More information can be found in the Member Centre.

In the interests of the 'Profession' what is the FPAs position on product owning advice channels?
The FPA is concerned with ensuring all Australians have to opportunity to achieve a better financial future for themselves through our members. Members work in a variety of licensees, practices and businesses, and all have the opportunity to make the lives of Australians better every day. Irrespective of licensees, all financial planners can professionally assist their clients, respect and support the profession they have chosen to work in, and be part of their professional community irrespective of the business models they work in. This was we will achieve our goal.

Should advice provided to clients who have met wholesale status as per Chapter 7 Corps Act 2001 be subject to the same Best Interest duties covering only retail
The FPA has expressed concerns for many years about the current Wholesale and sophisticated investor definitions, in particular the assumption that level of income and assets is an appropriate metric for investors being able to understand the risks of the investments they make. The FSI report recommends that the Government look into this and we will continue to support this recommendation until it is implemented.

I've never had a referral from the FPA website. How can this be improved?
The FPA is currently reviewing the operation of Find a Planner and will be looking to make enhancements in the near future. In the mean time – there are tips in the Member Centre for how to put your best foot forward on the Find a Planner feature of our site. Other options include providing content on the Money and Life website to build your profile through the FPA.

Any lobby against the APLs especially where product manufacturers owns advice distribution channels?
The FPA is currently looking to develop a new Policy Plan following the success of the first FPA 10 Point Policy Plan. The issue of APLs has been raised in the Community Forums in the Member Centre. We are happy to hear any additional ideas Members have for the next iteration of the FPA Policy Plan.

What is the FPA doing about having individual advisor's licensed vs only institutions / big licensees?
The FPA is currently looking to develop a new Policy Plan following the success of the first FPA 10 Point Policy Plan. The issue of Individual licensing has been raised in the Community Forums in the Member Centre. We are happy to hear any additional ideas Members have for the next iteration of the FPA Policy Plan.

How are you going to monitor the quality of advice? Regarding to best interest for the client as opposed to planners providing advice to increase revenue??
The FPA reviews advice in the Conduct Team on a regular basis. The Conduct team regularly conducts webinars to discuss the findings of these file reviews, and provide tips on how to better demonstrate provision of advice in the best interest of clients. The biggest tip we can provide is to consider whether the advice being provided meets the professional rules established in the Code of Professional Practice. Where you see evidence of files which do not meet these standards, the Conduct team is able to assist you in providing an opinion.

How confident are you that the smaller licences will be sustainable over the longer term with the increasing weight of scrutiny and regulation?
The FPA is conscious and concerned about the level of regulation of the financial planning profession. For many pieces of advice, the laws and regulations governing the provision of a single piece of advice come from 6 different regulators. This has significantly increased the cost of providing advice and often leads to the complexity required in advice documents. This is before the new levies will be introduced from a number of regulators and bodies over the next few years. The FPA is concerned by all of this and is regularly discussing it with the Government and Regulators.

Is regulation destroying the industry and client advice?
As noted in the previous questions, the number of regulators and contradictory interpretations of law make the provision of advice challenging and in many instances unengaging to consumers. However the FPA sees many examples of advice and client outcomes which overcome the regulatory burden and cost of providing advice, and are making positive changes in the lives of their clients.

Where does the FPA sit on light advice and robo advice? Can we separate light advice from product?
The FPA has long held the view about the importance of the separation of advice and product.

Robo-advice is technology based and therefore groups consumers based on sample circumstances and provides all consumers in the group with the same advice.

Intra-fund advice is limited to advice about matters related only to the fund the client is invested in.

Both rob-advice and intra-fund advice can serve a purpose and may provide Australians with access to an affordable limited advice service and an introduction to the value of advice.

However, the FPA is committed ensuring all advice is provided in the client's best interest, with a clear separation of product and advice.

Has FPA ever considered joint educational initiatives with CFA Societies in Australia? If not, why not?
The FPA works closely with many other associations and education providers to improve the provision of advice received by Australians. Advice has many different core competencies and areas of specialty and the FPA encourages all professional planners to consider what education will best advance their career and enable them to best provide services to their clients.

Why does ASIC seem to think that the only legitimate servicing of a client involves an SOA or ROA in a strict 12 month time frame? Way too simplistic
ASIC's role is to interpret and regulate the law to protect consumers. One aspect of the current law is that when advice is provided an SOA or ROA are required to be provided to the client to confirm the advice in writing.

The FPA's view is that a financial plan can be as simple as a budget or a debt plan, or as complex as required for the client, the important thing is the client's financial position is improved so they can achieve their financial and life dreams, and keep on track to meet it over time. This won't always require a product implementation which will require the provision of written advice.

Is there a whistleblower program within the FPA?
Yes. You can lodge an anonymous complaint through FPA Confidential (Anonymous Reporting) Service, an independent service run by Deloitte Touche Tohmatsu. However, please be aware that we may be limited in the actions we can take if we cannot get in touch with you to obtain further information. Read more about the FPA Confidential anonymous reporting policy.

Why are less Australians seeking advice? Is the rate declining because of affordability?
It is unclear from the current data why less Australian's are seeking advice, but the message coming from Government, regulators and the media is not helping to build trust of the financial planning profession. There is an opportunity for FPA members to speak to their clients about the great work this profession does, and how you may be able to help their family and friends. The Money and Life website offers an opportunity for the FPA and you as members to get the good news stories about advice out to the public so that we can start changing the perceptions of what financial planners do, and how we can help every day Australians make their dreams come true. We encourage you to get involved with the FPA to spread this message, and encourage all advice providers to act in a professional and ethical manner, and to respect each other as professionals. This will change the narrative and start to build trust in the change we can make in peoples lives, and lead to more Australians seeking out our help.

Can FPA be a pathway for accountants and tax agents to have the FPA become a member organisation to practice accounting, tax, financial planning and auditing?
The FPA is a professional body specialising in the financial planning profession.