



FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

20 February 2020

Stamping Fee Team
Treasury
Langton Cres
Parkes ACT 2600

Email: stampingfeeteam@treasury.gov.au

RE: Stamping fee exemption

The Financial Planning Association of Australia¹ (FPA) welcomes the opportunity to provide feedback in response to Treasury's consultation on the stamping fees exemption that applies to listed investment entities. The FPA supports the removal of the exemption that allows stamping fees on listed investment entities.

The FPA believes that fees for financial planning services should be paid by clients, not by product providers, and stamping fees do not promote clients to understand and compare the fees they are paying. In 2009 FPA members voted to ratify the FPA Remuneration Policy which sets out principles for best practice financial planner remuneration. The Policy states that members should move to a client directed remuneration model from 2012. While it is not mandatory, the Policy has been effective at promoting best practice for remuneration in financial planning.

All commissions on investment products have been trending down for FPA members for many years and now account for an average of just seven percent of members' remuneration. This figure will reduce to close to zero with the phasing out of grandfathered commissions by the end of 2020.

Stamping fees on listed investment entities make up a tiny proportion of commission revenue for financial planners overall. Removing the exemption for stamping fees would not have major consequences for the vast majority of financial planners. As with all changes to allowable

revenue, a decision to remove the exemption for stamping fees should be accompanied with appropriate transition timeframes.

The FPA would welcome the opportunity to discuss with the Treasury the issues raised in our submission. If you have any questions, please contact me on ben.marshan@fpa.com.au or on 02 9220 4500.

Yours sincerely

Ben Marshan

Head of Policy and Standards

Financial Planning Association of Australia

About the Financial Planning Association of Australia

The Financial Planning Association of Australia (FPA) has more than 14,000 members and affiliates of whom 11,000 are practicing financial planners and 5,720 Certified Financial Planner® professionals. The FPA has taken a leadership role in the financial planning profession in Australia and globally:

- Our first “policy pillar” is to act in the public interest at all times.
- In 2009 we announced a remuneration policy banning all commissions and conflicted remuneration on investments and superannuation for our members – years ahead of FOFA.
- We are recognised as a professional body by the Tax Practitioners Board.
- We have an independent conduct review panel, chaired by Dale Boucher, dealing with investigations and complaints against our members for breaches of our professional rules.
- The first financial planning professional body in the world to have a full suite of professional regulations incorporating a set of ethical principles, practice standards and professional conduct rules that explain and underpin professional financial planning practices. This is being exported to 26-member countries and the more than 175,570 CFP practitioners that make up the FPSB globally.
- We have built a curriculum with 18 Australian Universities for degrees in financial planning. Since 1st July 2013 all new members of the FPA have been required to hold, or be working towards, as a minimum, an approved undergraduate degree.
- CFP® certification is the pre-eminent certification in financial planning globally. The educational requirements and standards to attain CFP® standing are equal to other professional bodies, e.g. CPA Australia.