



FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

15 October 2021

Director
Retirement, Advice and Investment Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: SDBConsultation@treasury.gov.au

Dear Sir / Madam

Better Advice Bill – Exposure Draft Regulations

The Financial Planning Association of Australia¹ (FPA) welcomes the opportunity to provide feedback on Treasury's Exposure Draft Better Advice Regulations.

The draft Regulations provide much needed clarity to the provisions in the Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Bill 2021 currently before Parliament.

In particular, the FPA welcomes the clarity on the transitional and future requirements for providers of tax (financial) advice services. However, further certainty is needed in relation to the regulation of tax (financial) advice services by the Tax Practitioners Board and the FPA remains concerned the result of the current proposal is overly complicated, complex and difficult to understand Regulations necessary to implement the amendments made by the Better Advice Bill. The FPA recommends more time and consideration is required to improve the operation of these changes both in the primary legislation before Parliament and the proposed regulations.

The FPA welcomes the wind up of Financial Adviser Standards and Ethics Authority (FASEA) and the transfer of the standard setting and course approval functions to the Minister, supported by Treasury. The FPA recommends the Financial Planning Education Council (FPEC) can play a significant role in providing the necessary analysis, expertise, and advice to support Treasury in these fulfilling these responsibilities, as detailed in the attached letter (see Attachment 1). The FPEC has appropriate expert skills, experience and knowledge in the financial advice and education fields.

¹ The Financial Planning Association (FPA) is a professional body with more than 12,000 individual members and affiliates of whom around 8,500 are practising financial planners and 5,207 are CFP professionals. Since 1992, 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 the Future of Financial Advice reforms.
- The FPA was 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.
- We have an independent Conduct Review Commission, chaired by Dale Boucher, dealing with investigations and complaints against our members for breaches of our professional rules.
- We built a curriculum with 18 Australian Universities for degrees in financial planning through the Financial Planning Education Council (FPEC) which we established in 2011. Since 1 July 2013 all new members of the FPA have been required to hold, or be working towards, as a minimum, an approved undergraduate degree.
- When the Financial Adviser Standards and Ethics Authority (FASEA) was established, the FPEC 'gifted' this financial planning curriculum and accreditation framework to FASEA to assist the Standards Body with its work.
- We are recognised as a professional body by the Tax Practitioners Board.

FPA established FPEC in 2011 as an independent body to bring together academics and financial planning practitioners to define a financial planning curriculum for degree qualifications and to raise the standard of financial planning education. The FPA supports the FPEC and the vital role it continues to play in improving the quality and availability of financial planning education in Australia.

The FPA is concerned that the single disciplinary body within ASIC is due to commence on 1 January 2022 and the funding model for the operation of this function has yet to be determined. This lack of certainty comes at a time when financial advisers are experiencing rapid and exponential increases to regulatory costs, posing a serious risk for small and medium sized financial planning businesses. Escalating regulatory costs will result in financial advice becoming more unaffordable and unavailable for many Australians.

We strongly urge Treasury to commence consultation on the funding model for the single disciplinary body within ASIC, as soon as possible.

We would welcome the opportunity to discuss with Treasury any matters raised in our submission. If you have any questions, please contact me on 02 9220 4500.

Yours sincerely



Ben Marshan CFP® LRS®
Head of Policy, Strategy and Innovation
Financial Planning Association of Australia



FINANCIAL PLANNING
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BETTER ADVICE BILL EXPOSURE DRAFT REGULATIONS

Prepared for Treasury

15 October 2021



Regulation of tax (financial) advice services

The FPA would prefer the complete, clear and simple removal of tax (financial) advice services from the Tax Agent Services regime. Ideally the TASA components of the Financial Sector Reform (Hayne Royal Commission Response - Better Advice) Bill 2021 currently before Parliament should be removed from consideration in the current Bill to allow proper consideration of the relationship between the financial planning profession and the Tax Practitioners Board. There are a number of complexities and work arounds created by the proposed model which could be simplified through reconsidering the proposed TASA amendments. The result of the current proposal is overly complicated, complex and difficult to understand Regulations necessary to implement the amendments made by the Better Advice Bill.

In noting that, we provide the following feedback on the draft Regulations and legislative instruments in relation to tax (financial) advice services.

[TPB registration of tax \(financial\) advice service providers and professional associations](#)

The FPA opposes the repeal of the following sections of the Tax Agent Service Regulations, as proposed in the draft Regulations:

- Item 304 - the membership of a professional association registration option for tax (financial) advisers (item 35 of draft Regulations); and
- Division 2A of Part 1A (item 12 of draft Regulations) - Recognised tax (financial) adviser association

Items 33 and 34 of the draft Regulations propose registration eligibility criteria for persons other than financial advisers (e.g. advisers who provide advice to wholesale clients, general advice, or robo-advice) to provide tax (financial) advice services by being registered as tax agents conditional to providing tax (financial) advice services only.

Item 35 repeals the existing registration options for tax (financial) advisers in Part 3 of Schedule 2 of the Tax Agent Services Regulations, including item 304 - the membership of a professional association option. Financial advisers who must register as tax agents providing tax (financial) advice services are not provided with a new 'membership of a professional association' registration option.

However, the membership of a professional association registration option for tax agents and BAS agents in the TAS Regulations (items 206 and 102, respectively) remain.

This creates unreasonable disparity and inconsistency in the registration options available to one class of tax practitioners compared with their peers. The TPB's Tax Practitioner Service Charter states:

Our relationship with tax practitioners and the community is based on mutual trust and respect and we nurture that relationship by:

- *being open, transparent and accountable in our dealings with the community*
- *being professional, responsive and fair.*

The FPA questions how the TPB can meet its commitment under its Service Charter if the Regulations set unfair and unequal registration options for practitioners.

All tax practitioners deserve to have recognised professional associations expert in and dedicated to the type of services the practitioners provide consumers, representing their profession with the TPB. The TPB's Service Charter states:

The TPB's values are aligned closely to the Australian Public Service ICARE values as outlined in the table below. These values help promote the regulation of tax practitioners in a fair, consistent and practical way, with the aim of ensuring that registered tax practitioners meet appropriate standards of professional and ethical conduct, thereby protecting consumers.

| Values | Description |
|-----------------------------|--|
| <i>Impartial</i> | <i>We provide advice that is frank, honest, timely and based on the best available evidence.</i> |
| <i>Committed to Service</i> | <i>We are professional, objective, innovative and efficient, and work collaboratively to achieve the best results for the Australian community and the Government.</i> |
| <i>Accountable</i> | <i>We are open and accountable to the Australian community under the law and within the framework of the TPB's responsibility.</i> |
| <i>Respectful</i> | <i>We respect all people, including their rights and their heritage.</i> |
| <i>Ethical</i> | <i>We demonstrate leadership, are trustworthy, and act with integrity, in all that we do.</i> |

Financial advisers will continue to be regulated by the TPB. The TPB will continue to set policies, monitor compliance with the TASA Code of Conduct, assess applications for registration, and handle complaints through their disciplinary process, in relation to registered

tax agents who provide tax (financial) advice services. It may also be appropriate for the TPB to refer complaints received about qualified tax relevant providers to ASIC.

It is therefore vital, and in line with the TPB's Service Charter and Values, for the TPB to continue to recognise and engage with financial advice professional associations.

The FPA recommends:

- **the membership of a professional association registration option be available for financial advisers seeking registration with the TPB as a tax agent conditional to providing tax (financial) advice services only, and**
- **the Regulations maintain Division 2A or Part 1A of the Tax Agent Services Regulations to permit the TPB recognise and engage with financial advice professional associations. This division should be amended (re-named) only to reflect the removal of the term tax (financial) adviser from the primary legislation.**

Ongoing requirements for tax agents providing tax (financial) advice services

The Explanatory Material should clearly state that financial advisers registered conditionally as tax agents must meet the ongoing regulatory requirements of the TASA regime, such as the Code of Conduct, as they apply to the services they provide consumers – tax (financial) advice services.

From 1 January 2022, the FPA would encourage the TPB to apply the requirements for continuing professional education for tax (financial) advisers to registered tax agents providing tax (financial) advice services only. Importantly, this TPB standard recognises the difference between traditional tax agent services and tax (financial) advice services and encourages practitioners to further develop appropriate knowledge and skills specific to the services they provide consumers.

The FPA recommends the Explanatory Memorandum to the draft Regulations state that the ongoing regulatory requirements of the TASA regime, such as the Code of Conduct and continuing professional education, apply to the services practitioners and licensees provide consumers – tax (financial) advice services.

Transitional arrangements

Item 28 of the draft Regulations inserts an additional definition of a specified service that is not tax agent services

Add:

- (m) a service provided between 1 January 2022 and 30 September 2022 by an entity that:*
 - (i) immediately before 1 January 2022, was a registered tax (financial) adviser within the meaning of the Act as in force at that time; and*
 - (ii) is not a relevant provider.*

The FPA understands the intent of this proposed amendment is to exclude the services provided by individuals and licensees who fall under this definition during this time period from the Tax Agent Services regime. This is to permit such providers to continue to provide tax (financial) advice services during a transitional period.

However, item 33 of the draft Regulations includes the following provisions for registered tax (financial) advisers:

210 A requirement is that:

- (a) immediately before 1 January 2022, the individual was a registered tax (financial) adviser within the meaning of the Act as in force at that time; and*
- (b) the individual's application for registration, under section 20-20 of the Act, is made before 1 January 2023.*

The Explanatory Material explains the application of item 210:

Section 210 provides that an individual who was registered as a tax (financial) adviser immediately before 1 January 2022 is eligible to be registered as a tax agent (without having to meet any other qualification or experience requirements), as long as an application for registration is made before 1 January 2023.

However, this is followed by example 9:

Immediately before 1 January 2022, Nigella was a registered tax (financial) adviser but was not a financial adviser as she is a wealth manager who only provides advice to wholesale clients:

- *Between 1 January 2022 and 30 September 2022 - Nigella may continue providing tax (financial) advice services without being required to meet any additional requirements in accordance with paragraph 13(1)(m) of the TAS Regulations.*
- *From 1 October 2022 - to continue providing tax (financial) advice services, Nigella must have made an application for registration as a tax agent (and have been registered) under the TAS Act. As Nigella was registered as a tax (financial) adviser immediately before 1 January 2022, she is eligible to be registered in accordance with section 210 of Division 1, Part 2 of Schedule 2 to the TAS Regulations.*

The transitional arrangements in items 28 and 33 appear to set contradictory timeframes. The FPA seeks clarification as to the transitional arrangements for existing tax (financial) advisers who are not relevant providers.

With the proposed removal of the membership of a professional association registration option, financial advisers required to re-register with the TPB under the new tax agent provider of tax (financial) services conditional membership category, must meet the tax and commercial law course requirements set in item 33 of the draft Regulations.

However, financial advisers who will be required to re-register with the TPB post 1 January 2022, may be currently registered under option 304 - membership of a professional association – which includes an exemption from the TPB tax and commercial law course requirements.

As discussed above, the FPA opposes the removal of the membership of a professional body registration option for financial advisers. Should the Government persist with the implementation of inconsistent registration options for this class of tax practitioners, this will result in a significant change in the registration requirements for affected individuals, which should attract appropriate transitional arrangements to allow providers to undertake any necessary education. The 12 months proposed under item 204 of item 33 of the draft Regulations, provides no flexibility and would place significant pressure on individuals while they continue to service the needs of their clients.

There is also a lack of clarity around the expiry of existing registered tax (financial) advisers and the duration of their re-registration as a tax agent providing tax (financial) advice services. For example, if a tax (financial) adviser renews their registration on 1 October 2021 for a 3 year period, and TPB accepts their application to register as a tax agent providing tax (financial) advice services on 1 July 2022, would the following renewal be due by 1 July 2025?

The FPA recommends:

- the Regulations and the Explanatory material include clear transitional arrangements for existing tax (financial) advisers who are not relevant providers, and
- should the Government remove the membership of a professional body registration option for financial advisers, appropriate transitional arrangements should be available to allow individuals to undertake any necessary education.

Due to the complexity of the proposed transitional arrangements, an alternative could be that the “old Tax Agent Services Act”, as defined in the Better Advice Bill, continues to apply to financial advisers who are not relevant advisers until the end of the transitional period for registration as a conditional tax agent.

Registration fees for existing financial advisers

For most tax (financial) advisers currently registered with the TPB, the renewal period is between 1 July 2021 and 30 December 2021. This means a payment for a 3 year registration is required, effectively paying a 3 year registration which will apply for a maximum 6 month period.

However, the draft Regulations are silent on the treatment of re-registration fees paid for:

- individuals who will become qualified tax relevant providers from 1 January 2022; and
- licensees who, under the proposed registration requirements, may not be required to register for the duration for the current 3 year registration period.

The current fee for TPB registration is \$540 for a 3 year period for a tax (financial) advice provider. A relevant provider who has their registration renewal accepted by the TPB on 1 October 2021 will only be regulated by the TPB for 8 percent of the registration period.

The proposed fee for ASIC registration on the Financial Adviser Register (FAR) is \$95 per year.

The FPA recommends a clear statement be provided on the treatment of the TPB and FAR registration fees for relevant providers in relation to the transition to the single disciplinary body within ASIC.

Licensees and relevant providers

Example 12 of the draft Regulations states:

Licensee 123 Ltd (a company) is a financial services licensee that was registered as a tax (financial) adviser before 1 January 2022. Licensee 123 Ltd may continue to provide tax (financial) advice services from 1 January 2022 and has until 1 October 2022 to either:

- *apply and be registered as a tax agent – to be registered the company must comply with the eligibility requirements in subsection 20-5(3) of the TAS Act; or*
- *ensure that all of its employees/representatives who provide tax (financial) advice services are qualified tax relevant providers or are registered tax agents.*

This implies that licensees may not need to register at all as long as they make sure all their representatives who provide a tax (financial) advice service are registered tax agents (conditional to tax (financial) advice services) or qualified tax relevant providers. Further, this example indicates that practitioners would not be permitted to rely on the supervisory arrangements and licensees would not be required to register with the TPB under these circumstances. The FPA seeks clarity in relation to this example.

Should the above interpretation be correct, the FPA recommends the Explanatory Memorandum clearly state that:

If all of a licensee’s employees/representatives who provide tax (financial) advice services are qualified tax relevant providers or are registered tax agents, its representatives would not be permitted to rely on the supervisory arrangements to satisfy the TPB’s requirements and licensees would not be required to register with the TPB under these circumstances.

Course requirements

The FPA welcomes and supports the exemption under items 3-170 and 3-171 of the Education Legislative Instrument from the tax and commercial law course requirements for persons who are:

- registered tax (financial) advisers who are a relevant providers on 31 December 2021, and
- relevant providers awaiting registration as a tax (financial) adviser on 31 December 2021.

The FPA notes the “old Tax Agent Services Act” applies to relevant providers awaiting registration or re-registration as tax (financial) adviser on 31 December 2021, as per the transitional rules in relation to pending applications for registration of registered tax (financial) advisers on 1 January 2022 in item 140 of Schedule 1 of the Better Advice Bill.

Item 3-172 extends the tax and commercial law course exemption to persons who meet the existing adviser requirements in the Corporations Act, but have not passed the financial adviser exam by 1 January 2022 (and therefore are not a relevant provider on that date) until the person's exam cut-off day or 31 December 2025. This provision in the draft Legislative Instrument aligns the course exemption with the deadline for meeting the FASEA education requirement and exam extension to ensure that the tax and commercial law course requirements do not apply to any existing adviser regardless of when they pass the exam.

These course exemptions are appropriate as they recognise the TPB's formal assessment and approval of existing tax (financial) advisers' education and experience as meeting the Regulator's registration requirements.

The FPA welcomes the alignment of the course requirements for qualified tax relevant providers with the FASEA education standard requirements and exam extensions.

Taxation course requirements

Section 3-70(2)(h)(ii) of the draft Education Legislative Instrument includes a course requirement of knowledge and skills needed to have a basic awareness of ...the Commissioner of Taxation's administration of the taxation laws.

The Commissioner of Taxation's responsibilities includes the administration of laws relating to tax returns. However, providers of tax (financial) advice services are not permitted to provide services regarding tax returns. The current TPB(PG) 04 2014 Course in Australian taxation law that is approved by the Board for tax (financial) advisers recognises this restriction on providers of tax (financial) advice services by excluding the "preparation of returns" from the course requirements.

The FPA recommends the preparation of tax returns be explicitly excluded from the taxation course for providers of tax (financial) advice services.

Single disciplinary body and sanctions

The FPA supports the operation of single disciplinary body within ASIC, as proposed in the draft Regulations. The criteria for convening a FSCP provides reasonable guidelines for ASIC, Panel members, and industry.

The FPA also supports the FSCP sanctions to be listed on the FAR, and the guidelines for allowances for persons required to attend a Panel, as detailed in the draft regulations.

Breach reporting requirements

Item 4 of the draft Regulations prescribes civil penalty provisions that are not taken to be automatically significant for the purposes of the breach reporting requirements, including breaches or likely breaches of the Financial Adviser Code of Ethics and CPD requirements. However, under a proposed definition of 'serious breach', such breaches are reportable if it results in material loss or damage to a client, material benefit to the financial adviser, or involves dishonesty or fraud.

Item 12N(2)(e)(ii) of the draft Regulations extends approach to the operation of the single disciplinary body, obliging ASIC to convene a Panel if a relevant provider has breached a provision and the breach is serious.

The proposed definition is appropriate, clear and straightforward, and will minimize the risk of minor administration errors that have been amended, do not unnecessarily clog the system and reduce the consumer protect benefits of both regimes.

The FPA supports the proposed definition of 'serious breach' applying to the new breach reporting requirements and the criteria for convening a Panel.

Education Legislative Instrument – Exam provisions

Principle 1

The FPA oppose an exam focused on financial products.

Item 20-35(3) of the draft Regulations includes Principle 1 for the Financial Adviser Exam:

an exam must cover each of the following knowledge and skills as they apply in relation to financial products.

In a professionalised financial planning sector, financial advice is about a lot more than recommending financial products. There is a wide variety of topics that might be covered by financial advice and many may not include a product recommendation. Regulation of financial advice should reflect the variety of advice that can be provided, and not continue to be tied to financial product recommendations.

Regulatory requirements should focus on the broad nature of contemporary financial advice and not limit its focus to financial products. To facilitate the development of quality, professional advice for consumers, it is fundamental that the education requirements for relevant providers separates recognises the clear distinction of financial advice from the regulation of financial products.

The FASEA Exam Curriculum offers is an example of education requirements that apply to the regulation and provision of financial advice (see Attachment 2).

The FPA recommends the principles for the financial adviser exam focus on financial advice.

Review of exam results

Section 2-55(11)(d) of the draft Legislative Instrument requires ASIC to:

action only 1 application for review by the person in relation to the exam.

While the FPA supports the ability for exam candidates to request a review of their exam mark, it is unclear if the this is limited to a review of the exam mark once ever, or once per exam.

The FPA recommends the Legislative Instrument should permit a person to request a review of their mark once per exam.

Exceptional circumstances

The FPA supports section 2-55(12) of the draft Legislative Instrument permits the deferral of exams for exceptional circumstances.

However, we request consideration be given to the retrospective application of this provision.

The FPA has numerous examples of existing advisers undertaking the exam while suffering serious illness and undergoing debilitating medical treatment such as chemotherapy, or acting as the primary carer of a serious ill relative, for example.

The FPA request consideration of the exceptional circumstances for the exam applying on a case by case basis to existing advisers who previously sat the exam (pre-1 January 2022) under exceptional circumstances and were unsuccessful. Existing advisers in these circumstances should be permitted to apply to re-sit the exam without losing their existing adviser status or financial advice authorisation.

Waiting periods and exam extension

Under the Corporations Act, all existing advisers are required to pass the FASEA exam by the end of this year.

The draft regulations put in place the legal arrangements for the exam extension announced by the Government in June 2021, with a 1 October 2022 cut-off date for those who have previously unsuccessfully sat the exam twice before 1 Jan 2021. While the draft regulations do not specify the number of times an existing adviser is permitted to sit the exam under the limited extension, it is assumed that ASIC will determine how many exam sitting dates they schedule before the 1 October deadline.

The draft regulations include an option for individuals who meet the definition of 'existing adviser' and are not authorised to provide financial advice by a licensee at 31 December 2021, and only sat the exam once or nil times before 1 Jan 2022. Existing advisers who meet these requirements will only need to pass the exam to be able to be authorised to provide advice again (rather than be required to meet the new adviser education standard). These provisions align with the deadline for meeting the education standard and apply until 31 December 2025.

The draft regulations also remove the 3 month waiting period between exam sittings.

The FPA supports these measures.

[Delegation of functions for approval of foreign qualifications](#)

The Explanatory Material includes the following statement in relation to the delegation of functions for the approval of foreign qualifications:

If the Minister decides to delegate these functions to the Department, the Minister may impose directions on how these powers and functions are to be performed. These directions will be prescribed in the instrument.

As mentioned in the cover letter to this submission, the Financial Planning Education Council (FPEC) has appropriate expert skills, experience and knowledge in the financial advice and education fields and can play a significant role in providing the necessary analysis, expertise, and advice to support Treasury in fulfilling the function of approving foreign qualifications (see Attachment 1).

The FPA would welcome the opportunity to discuss with Treasury the potential of FPEC assisting the Department in meeting its responsibilities for setting education standards and approving courses and foreign qualifications.

Corporations (Fees) Regulations

The FPA supports the following fees as proposed in the draft Corporations (Fees) Regulations.

As mentioned above, we strongly urge Treasury to commence consultation on the funding model for the single disciplinary body within ASIC, as soon as possible.

Attachment 1: FPEC letter to Treasury



15 October 2021

Director
Retirement, Advice and Investment Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: SDBConsultation@treasury.gov.au

Dear Sir / Madam

Re: Winding-up of FASEA and transfer of standard-making functions to Treasury

We refer to the winding up of FASEA and the planned transfer of the setting and application of financial planning education standards functions to Treasury. The Financial Planning Education Council (FPEC) believes it can play a significant role in providing the necessary analysis, expertise, and advice to support Treasury in these roles.

About FPEC

Established by the Financial Planning Association (FPA) in 2011, FPEC is an independent body chartered with raising the standard of financial planning education in Australia and promoting financial planning as a distinct learning area and a career of choice. FPEC is comprised of representatives from the higher education sector, financial planning practice, and professional associations.

Prior to the establishment of FASEA, FPEC was tasked with the responsibilities of defining a financial planning curriculum for degree qualifications and raising the standard of financial planning education in Australia. FPEC developed a national Accreditation and Curriculum Framework for financial planning degrees which established an agreed foundation for financial planning qualifications. FPEC also had responsibility for the accreditation and re-accreditation of courses and with supporting the structures needed within the higher education environment to build financial planning as an academic discipline. Under this framework, FPEC approved 22 course providers and 47 courses from 2013.

FPEC and the FPA 'gifted' the Financial Planning Curriculum and Accreditation Framework to FASEA to assist with the development of the education standard and accreditation policy for course approval.

Since the establishment of FASEA, FPEC has continued to play a significant role in supporting both FASEA and TEQSA in the accreditation of education courses and institutions and driving the development of higher education-level financial planning programs and research. This includes the influence of the FPEC national Accreditation and Curriculum Framework on the FASEA degree accreditation process.

Assisting Treasury

Over the years, FPEC has built up a considerable wealth of expertise and experience in financial planning education.

FPEC would welcome the opportunity to support and advise Treasury on the development and implementation of financial planning education standards. This could include:

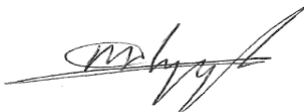
- accrediting education programs and undertaking annual reviews against education standards and accreditation policy
- liaising and supporting TEQSA on matters relating to the quality and regulation of higher education providers
- mapping courses to the learning outcomes and assessment requirements set out in the education standard
- reviewing and assessing application of RPL policy
- mapping and assessing foreign qualifications against the education standard, and
- supporting Treasury in the ongoing development of the financial planning curriculum through expert critical analysis of education programs, consumer protection issues, and changes in the financial advice regulatory environment.

To facilitate such a role FPEC would be open to expanding its membership base to include greater representation from other independent parties with an interest in financial planning education.

We would welcome the opportunity to meet with representatives from Treasury to discuss the ongoing role that FPEC could play as an independent education advisory panel.

If you have any questions, please do not hesitate to contact us.

Yours sincerely



Marc Olynyk
Chair – Financial Planning Education Council

Attachment 2: FASEA Curriculum – Financial Adviser Ex

Curriculum

The exam allows candidates to demonstrate professional reasoning and apply knowledge acquired to financial advice scenarios at AQF 7 level of reasoning.

The examination covers three domains of knowledge and skills as follows:

1. **Financial Advice Regulatory and Legal Obligations (including Corporations Act – Chapter 7, Anti-Money Laundering (AML), Privacy and Tax Agents Services Act (TASA))** – the proposed learning outcomes are to:
 - Identify the obligations of relevant providers under Chapter 7 of the Corporations Act 2001
 - Articulate the importance of a Statement of Advice (SOA) and identify the essential requirements required under Chapter 7 of the Corporations Act
 - Articulate the consequences of breaching their financial disclosure obligations under Chapter 7 of the Corporations Act
 - Understand the requirements of the notification obligations for breaches of Chapter 7 of the Corporations Act
 - Compare and contrast legal requirements for individual and licensee
 - Apply legal requirements for AML/CTF legislation when providing advice
 - Apply legal requirements for Privacy legislation when providing advice
 - Articulate the requirements for compliance with the Tax Agents Services Act 2009 requirements as a registered Tax Adviser

2. **Applied ethical and professional reasoning and communication** – the proposed learning outcomes are to:
 - Explain the requirements specified in the FASEA Code
 - Articulate the importance of a code of ethics and why financial planners/advisers need to work and abide by the approved code in the context of professional standards
 - Apply ethical frameworks to address issues and dilemmas that are encountered as a financial planner/adviser
 - Identify and demonstrate the importance of a relevant provider acting with Integrity and in the best interests of each of their clients
 - Evaluate the need for due diligence and the need to maintain client files and records

3. **Financial Advice Construction** – suitability of advice aligned to different consumer groups – the proposed learning outcomes are to:
 - Define the environment in which financial product advice is sought and given for new and existing clients
 - Explain the need to prevent and avoid misconduct and inappropriate advice
 - Broadly understand population and community profiles at a retail client level
 - Identify different types of consumer behaviour and decision making
 - Evaluate and apply advice strategies suitable for different retail clients



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