



Association of Financial Advisers Ltd
ACN: 008 619 921
ABN: 29 008 921
PO Box Q279
Queen Victoria Building NSW 1230
T 02 9267 4003 F 02 9267 5003
Member Freecall: 1800 656 009
www.afa.asn.au

13 August 2018

Professor Mark Brimble
Acting Managing Director
Financial Advice Standards and Ethics Authority

By email: consultation@fasea.gov.au

Dear Professor Brimble,

AFA Submission: Provisional Relevant Provider Term

The Association of Financial Advisers Limited (**AFA**) has served the financial advice industry for over 70 years. Our objective is to achieve *Great Advice for More Australians* and we do this through:

- advocating for appropriate policy settings for financial advice
- enforcing a Code of Ethical Conduct
- investing in consumer-based research
- developing professional development pathways for financial advisers
- connecting key stakeholders within the financial advice community
- educating consumers around the importance of financial advice

The Board of the AFA is elected by the Membership and all Directors are currently practicing financial advisers. This ensures that the policy positions taken by the AFA are framed with practical, workable outcomes in mind, but are also aligned to achieving our vision of having the quality of relationships shared between advisers and their clients understood and valued throughout society. This will play a vital role in helping Australians reach their potential through building, managing and protecting wealth.

1. Introduction

The AFA acknowledges that the terms “Financial Adviser” and “Financial Planner” will become protected terms from 1 January 2019 and that in addition, a suitable term needs to be set by FASEA for someone who is a provisional relevant provider (in accordance with Section 921U(2)(v)).

Question 1: Is the proposed term of “Provisional Financial Adviser” an appropriate term to define an individual who is undertaking their work and training requirement? If not, why not?

The AFA believes that the term “Provisional Financial Adviser” is both an appropriate term and the most suitable term for a provisional relevant provider.

Question 2: Is the proposed term of “Provisional Financial Adviser” appropriate to ensure consumers understand the individual is undertaking their work and training requirement? Are there any implications of this from a consumer perspective?

We believe that this term reflects a probationary status and therefore a clear implication that they are undertaking training.

Section 921F(6) requires that the supervisor ensures that the client is informed of a number of matters including the fact that the Provisional Financial Adviser is currently undertaking work and training in accordance with the requirements for a professional year and that they, as the supervisor, are responsible for the financial advice that is provided.

Accordingly, we believe that consumers should be both aware and also protected by the knowledge that the supervisor is responsible for the financial advice.

Question 3: Are there any other alternative terms that may be considered?

We do not support the terms “Candidate Adviser”, “Trainee Adviser” or “Supervised Adviser”.

It is assumed that only one term can be used. If it was possible to have two terms, then we would recommend as a second option “Provisional Financial Planner”, although noting that we do not believe that this term is as suitable as “Provisional Financial Adviser” which has a broader applicability and relevance to the provision of advice.

Concluding Remarks

We thank you for the opportunity to provide feedback on the proposed provisional relevant provider term. We believe that this is an uncontroversial element of the Professional Standards regime and we are happy to support what FASEA have proposed.

The AFA welcomes further consultation with FASEA on all elements of the Professional Standards regime. We would like to have the opportunity to discuss our views in more detail. For any questions, please contact us on (02) 9267 4003.

Yours sincerely,



Philip Kewin
Chief Executive Officer
Association of Financial Advisers Ltd