



Association of  
Financial Advisers

## **MEDIA RELEASE**

### **AFA welcomes ASIC measures facilitating COVID-19 financial advice**

**SYDNEY: 15 April 2020** – The Association of Financial Advisers (AFA) welcomes an announcement from ASIC yesterday which provides initial relief measures for the provision of COVID-19 related financial advice.

“Now, more than ever, Australians need access to quality financial advice,” said AFA CEO, Philip Kewin. “However, given the rapidly changing circumstances, it needs to be timely, relevant and succinct.”

Mr Kewin said extraordinary circumstances require a co-ordinated response and the introduction of practical measures to address the problem. “We have seen this with the various Government stimulus packages,” he said. “Australia needs a similar approach to the timely delivery of financial advice.”

The AFA has therefore been working with the Government and ASIC on measures designed to make it easier to deliver advice during the coronavirus pandemic and relieve the burden on financial advice practices. “We are confident this has been understood and we are pleased that all stakeholders have been willing to work to find the right solutions.”

The coronavirus-related relief measures include:

- The timeframe for providing an SoA, after the provision of time critical advice, has been extended from 5 business days to 30 business days.
- The limitation that an RoA can only be provided where the client’s personal circumstances have not changed significantly, or the basis of the advice has not changed significantly, has been lifted.
- The limitation that an RoA can only be provided where the “providing entity” (the licensee, CAR or AR) has previously provided an SoA, has been extended so that in the case of an Authorised Representative, the previous SoA could have been provided by the licensee or any other AR from that licensee.
- In the case of advice on early release of superannuation, an RoA can be used (it is not necessary to have previously provided an SoA), and this can apply to new clients. There is a cap of \$300 on any fee that can be charged.

“We welcome these announcements and acknowledge the work that ASIC has done,” Mr Kewin said. “These are significant first steps to ensuring more people will gain the necessary advice to make significant and important financial decisions.”

The AFA anticipates further announcements over the coming weeks and will continue to work with the Government, ASIC and other key stakeholders.

**Ends**

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**About the AFA**

The Association of Financial Advisers Ltd (AFA) has been the authentic voice on the value of financial advice for over 70 years. Today, the AFA is a vibrant, innovative association, where the underlying driver of policy is the belief that great advice transforms lives. To this end the AFA is striving to achieve the vision of Great Advice for More Australians. The AFA’s ongoing relevance as a professional association is derived from our success in engaging with the major stakeholders in financial advice including advisers, consumers, licensees, product and service providers, and the regulator and government. Culturally we believe in the value of collaboration to create powerful outcomes and this drives how we achieve influence and work towards our vision.