

1 November 2019

Australian Securities and Investments Commission (ASIC)
GPO Box 9827
Brisbane QLD 4001

By email: unsolicited.sales@asic.gov.au

Dear ASIC

AFA Submission – Consultation on Unsolicited Telephone Sales: Draft Instrument and Revised RG38

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 their wealth.

AFA's Feedback on the Draft Instrument

We support the draft Instrument, which in our view addresses the intent of the policy position and the previous consultation.

We also believe that it clearly sets out that the ban on unsolicited telephone calls does not apply where personal advice, in relation to the financial product, is provided. This provides clarity for financial advisers who provide personal financial advice, through an advice document, before a client proceeds to implement a financial product.

In the context that this ban may require structural changes for some entities, we believe a short transition period of up to three months may be appropriate.

AFA’s Feedback on the Revised Regulatory Guide 38: The Hawking Provisions

We have previously expressed concern about the potential implications of a telephone call from a financial adviser to an existing client being treated as an unsolicited call. This is specifically addressed in the “Meetings and telephone calls with existing clients” section on page 13 of the draft Regulatory Guide 38. This seems to set out the circumstances where a previous expression of interest in certain products can be relied upon in the future. It is our view that the Regulatory Guide should address the record keeping requirements to document the nature of this previous request.

Concluding Remarks

The AFA supports a ban on unsolicited telephone based sales of life insurance products.

Please contact us on (02) 9267 4003, should clarification of anything in this submission be required.

Yours sincerely,

Phil Anderson

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Association of Financial Advisers Ltd