

Submission Reference: 2015/13

7 May 2015

Lifting the professional, ethical and education standards in the financial services industry

In our submission, ASFA strongly supports lifting the professional, ethical and education standards in the financial services industry and generally supports the recommendations of the PJC.

ASFA noted its support for a regime where individual advisers are required to be members of a properly authorised professional association which sets and monitors appropriately high standards of professionalism and ethical behavior.

We raised concerns about having multiple professional associations which could add to duplication, increased costs and inconsistent standards. We also raised concerns about the optics of the limited liability nature of the PSC approval regime.

We supported the recommendation that the minimum education standards for financial advisers should be an AQF level 7 degree qualification. We also agreed that financial advisers providing comprehensive advice should be required to complete a professional year, pass a registration exam and undertake ongoing professional development.

Notwithstanding this we submitted that advisers who don't provide comprehensive advice and only provide intra-fund advice should only require a relevant tertiary degree and a post-graduate diploma tailored to the intra-fund advice topics and should not need to complete a professional year and a registration exam.

In regards to 'core' and 'specialist' topics which should be included in the financial planning curriculum we submitted that it is essential that there be a specialist topic relating to retirement.

We also supported ethics being a mandatory education requirement as well as an industry standard, a breach of which should result in action by the professional association.