

Submission to the Australian Securities & Investments
Commission

on

“CP212 Licensing: Training of financial product advisers”

and

“CP215 Assessment and approval of training course for
financial product advisers”

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and

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We agree that RG 146 requires substantial revision. We welcome the increase in minimum education requirements for product advisers in the hope of encouraging advisers to join professional bodies, and in doing so make financial planning a profession.

Research currently being undertaken by Professor Susan Thorp from the UTS Business School Finance Discipline Group suggests advisers labelled as 'Certified Financial Planner' are more likely to be chosen by consumers. This implies that professional body affiliation provides a credible signal on the quality of financial advice. This is clearly seen in other business professions, such as accounting and law.

On CP212 Knowledge Requirements

The University of Technology, Sydney could potentially provide three pathways to accreditation under CP212:

*The current Bachelor of Business Degree could have additional subjects added so that it satisfies the proposed requirements for CP212 generic knowledge and is also an approved degree for Financial Planning Association membership and entry to the Certified Financial Planning® program.

*A Master of Financial Planning could be implemented to satisfy the proposed requirements for CP212 generic knowledge and/or specialist knowledge. The course will also be an approved degree for Financial Planning Association membership and entry to the Certified Financial Planning® program.

*A Graduate Diploma in Financial Planning could be implemented to satisfy the proposed requirements for CP212 generic knowledge and/or specialist knowledge.

We stress that these are only potential pathways and will depend on the final outcome of CP212. We also envisage that the final CP212 knowledge requirements will require further consultation from all stakeholders.

On the National Examination

We question the need for a national examination when we already assess students more comprehensively through these two degrees or the diploma. We do not think a national examination would give consumers further confidence in the knowledge levels of advisers and, worse, it could undermine their confidence as passing one exam is all that would be required to be CP212 compliant.

On the CP215 Training Register

We recommend that ASIC keeps a register of accredited CP212 degrees, to keep industry informed and as an official record.