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11 February 2015

Dear Sir/Madam

Important information: Financial Advisers Register

The Government has announced the establishment of a public register of financial advisers. The new register will be delivered by ASIC on 31 March 2015.

The register of financial advisers is an important new tool that will allow consumers to find out information about their adviser.

The register will also give employers a greater ability to assess the suitability of financial advisers and it will improve ASIC's ability to identify and monitor this sector.

The register of financial advisers will cover all natural persons who provide personal advice on relevant financial products to retail clients.

“Relevant financial products” are all financial products other than basic banking products, general insurance products or consumer credit insurance, or a combination of any of those products. This roughly mirrors the definition of Tier 1 products in Regulatory Guide 146 *Licensing: Training of financial product advisers* (RG 146) except that personal accident and sickness insurance is not included as a relevant financial product.

The Government intends that the register will include:

- the adviser's name, registration number, status, and experience;
- the adviser's qualifications and professional association memberships;
- the adviser's licensee and authorised representative (if applicable);
- what product areas the adviser can provide advice on;
- any bans, disqualifications or enforceable undertakings;
- if applicable, each person who controls the adviser's licensee; and
- if applicable, a link from any ABN of the licensee, authorised representative or adviser to see the business names associated with these ABNs on the Australian Business Register.

To provide licensees with additional time to gather the requisite information the initial release of the register of financial advisers in March 2015 will not include an adviser's qualifications, training courses and professional bodies memberships. Instead this information will be added to the register between 23 and 30 May 2015.

As part of establishing the new register ASIC will be changing the way you appoint and update details for your authorised representatives (including those that are not financial advisers). The forms you currently use in the AFS licensee and AFS authorised representative portal will be replaced by new transactions available in the ASIC Connect online portal which is available via ASIC's website. These new transactions will be progressively implemented from March 2015.

To assist licensees, ASIC has:

- prepared a guidance document (attached to this letter), which sets out information about who the register will impact, the types of information that licensees will need to gather in preparation for the register and key dates relating to the register; and
- developed a dedicated Financial Adviser Register webpage – www.asic.gov.au/far, that will be regularly updated with new information. We encourage all licensees to subscribe to the update service available on our webpage to receive update emails about the register. Licensees can also send direct questions about the register to FAR@asic.gov.au.

The Government intends to submit the regulations to implement the register to the Executive Council on 12 February 2015. We will let you know (via our website and subscription service) when the regulations are publicly available.

Yours sincerely

Joanna Bird
Senior Executive Leader, Financial Advisers

Guidance to AFS Licensees

1. What is the scope of the Financial Advisers Register?

Under the regulations submitted by the Government to the Executive Council, the register will apply to any natural person who provides personal advice on relevant financial products to retail clients.

This includes:

- a) Authorised representatives;
- b) Employee representatives;
- c) Director representatives;
- d) Natural person licensees; and
- e) Natural person limited AFS licence holders or representatives of limited AFS licence holders who fall within scope.

In this update, we refer to these people as 'financial advisers'.

Relevant financial products are financial products other than basic banking products, general insurance products or consumer credit insurance products or a combination of any of those products.

Excluded from the current scope of the register are:

- a) Representatives who provide general advice only to retail and wholesale clients;
- b) Representatives who provide personal advice to wholesale clients; and
- c) Representatives who provide personal advice on basic banking products, general insurance products, consumer credit products or a combination of any of those products to retail or wholesale clients.

2. What information will licensees need to gather for the Financial Advisers Register?

Licensees will need to gather the following information for the register:

- a) the financial adviser's name;
- b) if the financial adviser is an authorised representative, the authorised representative number given to the financial adviser by ASIC;
- c) the financial adviser's date of birth and place of birth (if in Australia, town/city, state or territory and country). This is for verification purposes only and will not be displayed on the register;
- d) the name and the Australian financial services (AFS) licence number of the licensee who authorises the financial adviser to provide advice;
- e) if the financial adviser is sub-authorised by an authorised representative, the name and number of that authorised representative;
- f) if applicable, the name of a person or persons who controls the licensee if the licensee is a body corporate and is authorised to provide personal advice in relation to relevant financial products to retail clients. Control has the meaning given by paragraphs 7.6.04(2)(b) and (c) of the Corporations Regulations 2001;
- g) the recent advising history of the financial adviser (this is the last five years history as a financial adviser). You will need to capture the period during which the adviser was a financial adviser– start date and end date, name and number of the licensee and any authorised representative name and number if applicable;
- h) the year in which the financial adviser first provided personal advice in relation to relevant financial products;
- i) the financial products on which the financial adviser is authorised to provide advice; and

Guidance to AFS licensees based on regulations submitted by the Government to the Executive Council on 5 February 2015.

j) if applicable, the ABN of any of the licensee, authorised representative or financial adviser.

ASIC will supply the information about any bannings, disqualifications or enforceable undertakings entered into by the financial adviser.

In March 2015, the register of financial advisers will not include an adviser's qualifications and professional bodies memberships. On present understanding, between 23 and 30 May 2015 you will be required to notify this information for financial advisers on the register and for all new appointments from May 2015.

The lodger of the notice will be required to determine which qualifications and training courses relevant to the provision of financial services (up to a maximum of five) should be listed on the register. Similarly, the lodger of the notice will be required to determine which memberships of professional bodies relevant to the provision of financial services (up to a maximum of five) should be listed on the register.

3. What is the timing of the Financial Advisers Register?

Based on the draft regulations, the register will be launched on 31 March 2015.

The online portal, ASIC Connect, will be available for lodging information about existing financial advisers from 9 March 2015. Licensees will have a 3 week period in which to provide the information to ASIC. All appointments must be completed by 30 March 2015.

The below table sets out the relevant dates and fee requirements for the register.

| Date | Action | Fees |
|---------------------------|--|--|
| 1 January – 30 March 2015 | <p>Licensees to select a “start date” between 1 January and 30 March 2015.</p> <p>The start date selected by the licensee will be the date the licensee uses to set the cut-off date for the collection of information on themselves and their existing financial advisers.</p> <p>The information provided to ASIC in the initial lodgement period from 9 March 2015 will only relate to, and be current for, existing financial advisers as at the start date selected by the licensee.</p> <p>You do not need to tell ASIC of your selected ‘start date’.</p> | N/A |
| 9 – 30 March 2015 | <p>ASIC Connect available for licensees to lodge information on their existing Financial Advisers using the Appoint transaction.</p> <p>Information about qualifications and training courses and membership of professional bodies not to be included.</p> <p>Information about persons who control a body corporate licensee to be notified in the same transaction.</p> | <p>\$43 per financial adviser.</p> <p>No fee to notify ASIC of persons who control a licensee.</p> |
| 30 March 2015 | All initial lodgements to be completed. | N/A |
| 31 March 2015 | Financial Advisers register available from ASIC's MoneySmart website. | N/A |
| 31 March 2015 to 22 | Licensees to notify ASIC of: | \$43 per financial |

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| Date | Action | Fees |
|----------------------------------|---|-----------------------------|
| May 2015 | <p>(a) financial advisers who became financial advisers after the selected start date, within 30 business days of 30 March 2015;</p> <p>(b) any new financial advisers who became financial advisers after 30 March 2015, within 30 business days of the appointment.</p> <p>Information about qualifications and training courses and membership of professional bodies not to be included.</p> | adviser. |
| 23 May to 30 May 2015 | Licensees to notify ASIC of information about qualifications and training courses and membership of professional bodies relevant to the provision of financial services for all financial advisers already on the register. A maximum of 5 for each category. | No fee |
| 31 May 2015 onwards | Notifications of any new appointments of financial advisers to include all categories of information. | \$43 per financial adviser. |
| 31 May 2015 to 30 September 2015 | <p>Licensees to notify ASIC of any 'important changes' in relation to financial advisers on the register before 30 April 2015, within 30 business days of 30 April 2015.</p> <p>For important changes that occur after 30 April 2015, licensees to inform ASIC of any 'important changes' in relation to financial advisers on the register within 30 business days of the change.</p> <p>Important changes are changes to the status of a financial adviser (i.e. if they cease being a financial adviser, or change licensees) and changes to the financial products on which the financial adviser can provide advice.</p> | No fee |
| 1 October 2015 | Any other changes in relation to details of a financial adviser on the register which changed prior to 30 September 2015 (other than important changes) must be notified within 30 business days of 1 October 2015. | \$29 per financial adviser. |
| 1 October 2015 | Licensees to lodge information about persons who started to control a body corporate licensee or ceased to control a body corporate licensee in the period from the start date to 30 September 2015 within 30 business days of 1 October 2015. | No fee |
| 1 October 2015 and ongoing | Any changes to details of a financial adviser to be notified within 30 business days of the change. | \$29 per financial adviser. |
| 1 October 2015 and ongoing | Any changes to persons who start to or cease to control a body corporate licensee to be notified within 30 business days of the change. | No fee. |

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4. Are there changes to the Authorised Representatives register?

The existing forms you currently use in the AFS licensee and AFS authorised representative portal will be replaced by new transactions available in the ASIC Connect portal that will be progressively implemented from March 2015.

Below are key dates and transitional arrangements for lodgements to the Authorised Representatives register.

| | |
|---|---|
| <p>3 - 8 March 2015</p> | <p>The following online form will be removed from the AFS licensee and AFS authorised representative portal:</p> <ul style="list-style-type: none"> • Form FS30 <i>Variation to ASIC authorised representatives register - appoint an authorised representative</i> <p>We plan to have a new online form to replace the appoint function from 9 March 2015.</p> <p>If you have an urgent need to appoint an authorised representative during 3 – 8 March 2015, you can use the paper form available to be searched at - http://www.asic.gov.au/regulatory-resources/forms/. It is important to note that the register will not be updated until 9 March 2015.</p> |
| <p>3 March 2015 until further advised</p> | <p>The following online forms will be removed from the AFS licensee and AFS authorised representative portal:</p> <ul style="list-style-type: none"> • Form FS31 <i>Variation to ASIC authorised representatives register - revoke an authorised representative</i> • Form FS32 <i>Variation to ASIC authorised representatives register - vary the details of an authorised representative</i> <p>We plan to have our new online forms for vary and revoke available in coming months.</p> |

There will be no lodgement or late fees imposed during 3 March – 30 September 2015 for entities who lodge a variation to the ASIC authorised representative register – revoke an authorised representative or vary details of an authorised representative.

It is important that you continue to make any required updates during this transitional period for the Authorised Representatives Register.

5. Form lodgement fees for the authorised representatives register

It is the Government’s intention that the way fees are charged for notifications to the ASIC authorised representatives register will change. The proposed regulations contain a new fee charging regime for the financial advisers register which mirrors the changes for the authorised representative register.

Currently, fees for the authorised representatives register are levied on a ‘per notice’ basis. That means that, irrespective of the number of authorised representatives listed on the one form, only one fee is payable. From 3 March 2015, the lodgement fee will apply to each authorised representative to which the notice relates. That is, if there are 10 authorised representatives, the fee will be 10 x the fee payable in the fee regulations.

During the transition period, from 3 March to 30 September 2015, if you are notifying ASIC of an appointment of an individual who holds two roles (as a financial adviser and an authorised representative), you will be charged on a per role basis. After the transition period, you will only be charged one fee to appoint or update details for an individual who holds two roles.

Guidance to AFS licensees based on regulations submitted by the Government to the Executive Council on 5 February 2015.

During the transition period, from 3 March to 30 September 2015, there will be no fees to notify ASIC of changes to information on the register. There will be no late fees for any notifications to the register.

6. How do I access ASIC Connect?

ASIC Connect can be accessed from ASIC's website at <https://asicconnect.asic.gov.au/login/login.html>.

You need to sign up for an ASIC Connect account and link your AFS licence/s to this account. (Please note it may take up to four business days for us to provide you with access to your new account.) You can sign up for ASIC Connect at any time; however the new transactions will not be available until 9 March. More information on how to set up an ASIC Connect user account and link your licence/s to your account is available from www.asic.gov.au/far.

7. What is ASIC's role in relation to the Financial Advisers Register?

ASIC's role is to build and maintain the register.

ASIC will also work closely with licensees to help with the transition to the register.

8. Where can licensees get more information about the Financial Advisers Register?

ASIC has developed a dedicated Financial Adviser Register webpage – www.asic.gov.au/far. This webpage contains useful information about the register and will be regularly updated.

ASIC encourages all licensees to register on this webpage as it will enable further correspondence on the register to be directly emailed to licensees.

You can also send questions about the register to FAR@asic.gov.au.