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23 September 2015

Michèle Whittle
Lawyer
Financial Advisers
Australian Securities and Investments Commission
GPO Box 9827
MELBOURNE VIC 3001

Email: michele.whittle@asic.gov.au

Dear Michèle,

Re: Remaking ASIC class orders on real estate companies: [CO 00/213] and [CO 05/1243]

The Australian Property Institute (API) supports the proposal to remake and consolidate, without significant changes, the aforementioned class orders relating to real estate companies and licensing relief for valuers providing valuations of shares in real estate companies. The API has focused on CO 05/1243 because it directly impacts API valuer members.

The API represents the interests of more than 7500 property professionals throughout Australia. Established in 1927, the API is genuinely multi-disciplinary in its property focus and membership. The API's primary role is to set and maintain the standards of professional practice, education, ethics and professional conduct for members and the broader property profession.

The special role of API members, notably valuers, is recognized by the Class Exemption Order which removes the need for valuers to hold an Australian financial services license for the provision of financial advice where the advice is, or is incidental to, the valuation of shares in a real estate company. The API refers you to its original submission from 5 July 2005 (attached).

The API supports the contention that the valuation of shares in real estate companies is equivalent to valuing and providing advice on the valuation of real estate rather than providing financial product advice in relation to shares in a company.

Valuers do not promote the purchase or sale of the property but merely provide an independent view of the value of the asset that is the subject of the transaction. Valuers do not promote the merit of one financial product over another.

If valuers were required to obtain an AFS licence then the cost of licensing would be disproportionate to the income received to the business. It is likely that many valuers would decide to withdraw this service and this would create difficulties to consumers.

The proposal to remake and consolidate the class order will ensure valuers are not subject to inappropriate regulation under the financial services regulatory regime. Granting this relief will safeguard the consistent approach for the regulation of real estate companies and will avoid the unnecessary cost burden otherwise imposed.

The API would be pleased to provide further information if requested. Please contact myself or **Amy Guy, National Manager - Member Services and Advocacy** – aguy@api.org.au / 03 9644 7500.

Yours faithfully,

A handwritten signature in black ink, enclosed in a hand-drawn oval. The signature appears to be 'MZ' or similar initials.

Mike Zissler

Chief Executive Officer

Australian Property Institute

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