

This spreadsheet is to help respond to section C of RG179 (MDAs) - showing different level of client risk for different combinations.

Financial planner (AFSL) operating without MDA.	Financial planner (AFSL) using MDA via an IDPS (eg Wrap) - Custodian is independent 3rd party.	Financial planner (AFSL) using MDA not via an IDPS (eg Wrap) - Custodian is related party.	Financial planner (AFSL) offering a product (managed investment scheme) where funds managed.
---	--	--	--

General comment	Very common	Quite common	Don't know if combination exists	Exists eg stock brokers typically	Exists
manages client money	YES	YES (not much different to financial planner who does not use MDA)	YES	YES	YES

TRANSPARENCY & ACCOUNTABILITY.

Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.
Transparency 1 - directly held managed funds	Transparency 2 - directly held listed securities	Transparency 3 - assets held through IDPS (eg a Wrap)	Transparency 4 - assets held through IDPS (eg a Wrap)	Transparency 5 - assets held through IDPS (eg a Wrap)	Transparency 6 - assets held through IDPS (eg a Wrap)

Client might only be updated quarterly, 6monthly or yearly. Not transparent. If operator goes rogue, it might be a long time before client become aware of this.	Client might only be updated quarterly, 6monthly or yearly. Not transparent. If operator goes rogue, it might be a long time before client become aware of this.	Client might only be updated quarterly, 6monthly or yearly. Not transparent. If operator goes rogue, it might be a long time before client become aware of this.	Client might only be updated quarterly, 6monthly or yearly. Not transparent. If operator goes rogue, it might be a long time before client become aware of this.	Client might only be updated quarterly, 6monthly or yearly. Not transparent. If operator goes rogue, it might be a long time before client become aware of this.	Client might only be updated quarterly, 6monthly or yearly. Not transparent. If operator goes rogue, it might be a long time before client become aware of this.
--	--	--	--	--	--

Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.	Assets in client's name. Client can monitor assets directly with IDPS. Very transparent. Similar to financial planner without MDA. If planner goes rogue, client can quickly withdraw financial planner's authority.
NO	NO	NO	NO	NO	NO

Is financial planner Custodian?	NO	NO	NO	NO	NO
If AFSL is bankrupted, how are clients affected?	Inconvenient, but client simply finds another AFSL-financial planner.	Inconvenient, but client simply finds another AFSL-financial planner.	Arrangement needs to be unwound so client can get funds - make take time & money to achieve.	Arrangement needs to be unwound so client can get funds - make take time & money to achieve.	Arrangement needs to be unwound so client can get funds - make take time & money to achieve.

Should AFSL have higher financial requirements to cover costs of unwinding situation - and giving back client funds?	NO	NO	YES	YES	YES
--	----	----	-----	-----	-----