



2016–17 ASIC business plan summary by sector

Financial advice

Key projects	Project status	Focus
Stakeholder engagement		
Adviser Board	New project	Establishing a representative Adviser Board to provide advice on key industry issues
Education		
Financial literacy and consumer education	Ongoing	<ul style="list-style-type: none"> ◆ Utilising financial literacy expertise and behavioural economics insights to develop targeted consumer education messages, campaigns and resources ◆ Launching the new 'financial advice companion' online tool
Guidance		
Life insurance statement of advice*	Continuing project from 2015–16	Life insurance statement of advice, including providing guidance to industry on improving the communication of information to consumers; anticipated to continue into 2017–18
Facilitating emerging business models, while maintaining protections for investors in innovative products and services	Ongoing	<ul style="list-style-type: none"> ◆ Contributing to the work of the Innovation Hub, including assisting new businesses to navigate the regulatory framework, with a focus on digital financial advice ◆ Publishing a Regulatory Guide on providing digital financial advice to retail clients (note RG 255: <i>Providing digital financial product advice to retail clients</i> was published in August 2016)
Messages to industry about compliance with obligations and/or to clarify expectations and standards	Ongoing	<ul style="list-style-type: none"> ◆ Publishing public reports or media releases to detail the key findings from our surveillance projects e.g. Advice compliance at the big five financial advice firms; Conflicted advice at the big five financial advice firms; Fee-for-no-service; Quality of advice (see: Surveillance below) ◆ Publishing an info sheet to explain how the law applies to accountants offering financial advice
Consumer remediation	Ongoing	<ul style="list-style-type: none"> ◆ Working with licensees to develop appropriate plans for remediating consumers who have suffered loss as a result of breaches identified during our surveillances e.g. Advice compliance at the big five financial advice firms; Fee-for-no-service ◆ Monitoring established remediation plans to ensure clients are



appropriately remediated

Surveillance		
Advice compliance at the big five financial advice firms	Continuing project from 2015–16	How the big five financial advice firms identify and deal with misconduct by advisers. In 2016–17, we will publish a report and provide individual feedback to licensees on our findings. We plan to follow-up in 2016 to 2018 with a program of bannings for individual advisers and monitoring of remediation by licensees
Conflicted advice at the big five financial advice firms	Continuing project from 2015–16	The impact of conflicts of interest on the quality of advice in large vertically integrated businesses (e.g. banks). In 2016–17, we will publish a report and provide individual feedback to licensees on our findings
Fee-for-no-service	Continuing project from 2015–16	Clients that are paying fees every year for services they are not receiving. Covers breaches by large institutions and their current systems for detecting and preventing future breaches. We will communicate our findings to industry in 2016–17. We published an interim report in October 2016, and intend to publish a follow-up report in mid-2017
Quality of financial advice	New project	Assessing the quality of advice provided to consumers, in light of the Future of Financial Advice (FoFA) reforms having been in place for three years. We will release a report on our findings in 2017–18
Accountants – limited licence*	New project	Accountants that have recently entered the financial advice industry and unlicensed financial advice by accountants; anticipated to continue into 2017–18
Professional indemnity insurance held by smaller licensees	New project	Examining professional indemnity insurance arrangements, including coverage
Unnecessary or excessive switching of client policies by advisers*	New project	Life insurance advisers who are engaging in high levels of unnecessary or excessive switching of clients between policies to maximise commission income, with a failure to consider or recommend insurance that is reasonably correlated to clients' personal circumstances or objectives
Enforcement		
Investigate and where appropriate take administrative, civil, criminal or other action	Ongoing	Investigating and taking action against entities and individual advisers in relation to misconduct identified through surveillances and in response to reports of misconduct, including those relating to: <ul style="list-style-type: none"> ♦ compliance with financial services law obligations (e.g. advice compliance at the big five financial advice firms; conflicted advice at the big five financial advice firms)



- ◆ compliance with FoFA obligations
- ◆ misconduct by accountants who provide financial advice outside the terms of their licence and unlicensed financial advice by accountants
- ◆ misconduct by life insurance advisers, including unnecessary or excessive switching of client policies by advisers

Policy advice

Support development and implementation of key Government law reforms and initiatives

Ongoing

Financial and insurance adviser professionalism: contributing to the Government's proposed reforms to raise advisers' education, training and ethical standards, including updating guidance for Tier 2 (i.e. simpler products) and general advice and providing guidance on the Codes of Ethics once the reforms have been implemented

* Funded as part of the 'Improving Consumer Outcomes in Financial Services' New Policy Proposal. In April 2016, the Government announced additional funding support over four years for deepening ASIC's surveillance and enforcement capability.

Projects that will be subject to NPP funding are planned to be undertaken over four years to 2019–20, and may include follow-up work, such as enforcement.