



2017–18 ASIC business plan summary by sector

Financial advice

Key projects	Project status	Focus
Stakeholder engagement		
External committees and panels	Ongoing	<ul style="list-style-type: none"> Financial Advisers Consultative Committee (FACC): FACC is a consultative body established to contribute to our understanding of issues in the financial advice industry, improve our capacity to identify, assess and respond to emerging trends in the financial advice industry, and enhance our relationships with key stakeholders Digital Finance Advisory Committee (DFAC): DFAC, which is comprised of members of the financial services and fintech sectors, was established to support ASIC's Innovation Hub. It helps inform where and how we focus our work through the insights it provides about opportunities, developments and emerging risks for start-ups in the fintech sector.
Education		
Financial literacy and consumer education	Ongoing	<ul style="list-style-type: none"> Using financial literacy resources and behavioural insights to develop consumer education messages, campaigns and resources, as required Reviewing and updating the MoneySmart website in response to surveillance findings, issues and initiatives in the market.
Guidance		
Adviser professionalism and training	Continuing project from 2016–17	<p>We will consult on:</p> <ul style="list-style-type: none"> The training standards that apply to general advice and personal advice and guidance on products other than relevant financial products, including drafting the revised RG146 <i>Licensing: Training of financial product advisers</i> for consultation (as part of the introduction of the adviser professionalism and training requirements) The code of compliance scheme relating to the Code of Ethics to be published by the Financial Adviser Standards and Ethics Authority (FASEA), including drafting a consultation paper on when ASIC will approve a code of compliance scheme and drafting the regulatory guide.
Life insurance statement of advice	Continuing project from 2016–17	Providing guidance to industry to make disclosure simpler and more effective and efficient. We will update Regulatory Guide 90 <i>Example Statement of Advice: Scaled advice for a new client</i> .
Accountants with limited licences	Continuing project from 2016–17	Improving accountants' understanding of their Australian Financial Services (AFS) licence and compliance obligations and to ensure proper transition to the AFS licensing regime.
Surveillance		



Advice compliance at the big five financial advice firms	Continuing project from 2015–16	Surveillance of advisers identified as having a high risk of non-compliance. In 2017–18, we will establish a program to ban advisers with serious compliance concerns and to monitor licensees' remediation programs. Report 515 <i>Financial advice: Review of how large institutions oversee their advisers</i> was published in March 2017.
Financial Advisers Register (FAR)	Continuing project from 2016–17	The information on the register is provided by AFS licensees, who are obliged to ensure that information about their financial advisers is true and correct. We will identify potential data errors and contact licensees to enhance their understanding of their obligations to improve compliance. Ensuring the information is kept up to date is important since it is used by consumers (for obtaining information), ASIC (for keeping abreast of adviser movements) and industry (when recruiting advisers).
Accountants with limited licences	Continuing project from 2016–17	Accountants that have entered the financial advice industry and are providing unlicensed financial advice.
Life insurers with high levels of declined or withdrawn claims	Continuing project from 2016–17	Driving changes to address unfair and unreasonable practices by life insurers with high levels of declined or withdrawn claims. This was identified through our work in Report 498 <i>Life insurance claims: An industry review</i> .
Quality of life insurance advice	Continuing project from 2016–17	Advisers with a higher likelihood of providing non-compliant advice, as identified through life insurers' exception reports.
SMSF surveillance and shadow shop	Continuing project from 2016–17	Testing the quality of SMSF advice by reviewing advisers' legal compliance with their best interest duty in providing advice to consumers who set-up an SMSF.
Effectiveness of life insurance remuneration reforms	New project	Implementing the processes for gathering data for the 2021 review of Life Insurance Remuneration reforms, including data on life insurance policies, remuneration, lapse rates and claw back.

Enforcement

Investigating and taking administrative, civil, criminal or other action	Ongoing	Investigating and taking action, where appropriate, in relation to misconduct identified through our surveillances and in response to reports of misconduct, including those relating to: <ul style="list-style-type: none">◆ Unlicensed accountants providing financial advice◆ Compliance with Future of Financial Advice obligations◆ Misconduct by life insurance advisers, including those that have a high lapse rate and those providing non-compliant life insurance advice◆ Failure to develop and implement appropriate remediation plans for compensating clients who have suffered losses as a result of breaches identified in our surveillances e.g. fee-for-no-service.
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Policy advice

Supporting the development and implementation of Government law reforms and	Ongoing	We will contribute to reforms and proposals, including by: <ul style="list-style-type: none">◆ Providing policy advice to Government and FASEA on the adviser professionalism and training requirements
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initiatives

- ◆ Implementing the training and professionalism reforms by updating the systems and processes that support the FAR, including how ASIC receives, processes and make publicly available new information that is required to be notified to the FAR. We will engage with licensees about the changes and what they need to do.
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