



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

26 June 2018

Kelly Fung
Lawyer
Australian Securities and Investments Commission

By email: policy.submissions@asic.gov.au

Dear Ms Fung

CONSULTATION PAPER 300: APPROVAL AND OVERSIGHT OF COMPLIANCE SCHEMES FOR FINANCIAL ADVISERS

In general, we support increasing compliance and lifting ethical and educational standards for financial advisers through legislative requirements. However, we consider that impacts on small to medium enterprises (SMEs) have not been clearly considered.

When phasing in financial advisers' compliance with the code of ethics, the impact of any increase in costs and fees on small businesses capacity and capability should be specifically considered. These changes need to be transparent and small businesses need to be made aware of how and when they will be affected.

As mentioned in paragraph 18, the 'existence of multiple approved compliance schemes has the potential to result in duplication of work and additional costs for industry'. Self-assessment to determine the most appropriate monitoring body, and to differentiate between compliance schemes, can be a significant burden on SMEs due to the need to navigate a high volume of complex information. We would therefore rely on the process for approval by ASIC to ensure that consistency and fairness is achieved across the different compliance schemes.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6263 1558 or at jill.lawrence@asbfeo.gov.au.

Yours sincerely

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

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