



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA

Ashley Brown,  
Senior Adviser Strategic Policy  
Australian Securities and Investments Commission  
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Email: product.regulation@asic.gov.au

Date: 07/08/19

**RE: ASIC CP 313 - Product Intervention Power**

Dear Ashley Brown

The Financial Planning Association of Australia<sup>1</sup> (FPA) welcomes the opportunity to provide feedback in response to the Australian Securities and Investments Commission (ASIC) consultation on proposed Product Intervention Power.

The FPA supports the proposed proactive power for ASIC to intervene when a product has resulted, will result or is likely to result in significant detriment to consumers. We welcome the provision that a type of product intervention includes the mandate of seeking personal advice before being offered the product.

This intervention highlights that personal advice is already regulated to ensure the adviser acts in the best interest of the particular client and that some products are of a complexity or risk level that requires additional consumer protection to be provided by professional financial planners. Another factor to consider before intervening (B2) or information to collect before consulting on the intervention (C1) - is whether the product provider will seek to recoup potential losses from intervention. For example, they may seek to increase fees or reduce service levels. The problem will be exacerbated by the potential for the intervention power to affect the management of liquidity by product providers. The result is that consumers end up paying for the protection, which may not be the best use of their resources.

If you have any questions, please contact me at [REDACTED] or [REDACTED].

Yours sincerely,

**Benjamin Marshan CFP® LRS®**  
*Head of Policy and Professional Standards*  
Financial Planning Association of Australia

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<sup>1</sup> The Financial Planning Association (FPA) has more than 14,000 members and affiliates of whom 11,000 are practising financial planners and 5,720 CFP professionals. The FPA has taken a leadership role in the financial planning profession in Australia and globally:

- Our first "policy pillar" is to act in the public interest at all times.
- In 2009 we announced a remuneration policy banning all commissions and conflicted remuneration on investments and superannuation for our members – years ahead of FOFA.
- We have an independent Conduct Review Commission, chaired by Dale Boucher, dealing with investigations and complaints against our members for breaches of our professional rules.
- The first financial planning professional body in the world to have a full suite of professional regulations incorporating a set of ethical principles, practice standards and professional conduct rules that explain and underpin professional financial planning practices. This is being exported to 26 member countries and more than 175,570 CFP practitioners that make up the FPSB globally.
- We have built a curriculum with 18 Australian Universities for degrees in financial planning. Since 1st July 2013 all new members of the FPA have been required to hold, or be working towards, as a minimum, an approved undergraduate degree.
- CFP certification is the pre-eminent certification in financial planning globally.
- We are recognised as a professional body by the Tax Practitioners Board.