



ASIC
Australian Securities &
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Financial adviser exam

Exam policy

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Document history

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Exam

Reasons for a standard on the exam

The *Corporations Act 2001* (Cth) (Corporations Act) requires that all individuals identified as a 'relevant provider' pass an exam administered by ASIC in accordance with the principles approved by the Minister (s921B(3)).

Structure of this policy

The exam policy is made up of two parts:

- Part A – responsibilities for the exam
- Part B – exam parameters for participants.

Summary statement

The financial adviser exam ('the exam') is a required component of the educational qualifications and standards that all financial advisers must attain so that they can provide personal advice to retail clients in relation to relevant financial products.

The exam assesses applied knowledge and skills that form a significant basis of competence in the profession.

This policy explains ASIC's requirements and the requirements set out in the [Corporations \(Relevant Providers—Education and Training Standards\) Determination 2021](#), which informs the exam design and development.

Part A – Responsibilities for the exam

Individuals (relevant providers)

For information on how the professional standards, including the educational requirements, apply to financial advisers, see ASIC's [Financial advisers quick reference guide](#).

Also see [Information Sheet 260 FAQs: Timeframe for passing the financial adviser exam](#) (INFO 260) for information about the timeframes for financial advisers who are existing providers to pass the exam.

New financial advisers must pass the exam during their professional year before they move to indirect supervision (quarters 3 and 4, approximately six months into the professional year), as required in the [Corporations \(Work and Training Professional Year Standard\) Determination 2018](#).

Australian financial services (AFS) licensees

An AFS licensee must ensure that their financial advisers, and any provisional relevant providers they authorise, have passed the exam.

An AFS licensee must notify ASIC – for the purposes of updating the [Financial Advisers Register](#) – that the relevant provider or provisional relevant provider has passed the exam (s1546Y of the Corporations Act).

Part B – Exam parameters

Curriculum

The exam allows candidates to demonstrate professional reasoning and apply knowledge acquired to financial advice scenarios at the AQF7 level of reasoning.

The exam covers three domains of knowledge and skills as follows:

1. financial advice regulatory and legal obligations, including Chapter 7 of the Corporations Act, the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act), the *Privacy Act 1988* (Privacy Act) and the *Tax Agent Services Act 2009* (TASA) – the proposed learning outcomes are to:
 - identify the obligations of relevant providers under Chapter 7 of the Corporations Act
 - articulate the importance of a Statement of Advice (SOA) and identify the essential requirements under Chapter 7 of the Corporations Act
 - articulate the consequences of breaching the disclosure obligations under Chapter 7 of the Corporations Act
 - understand the requirements of the notification obligations for breaches of Chapter 7 of the Corporations Act
 - compare and contrast legal requirements for the individual and licensee
 - apply legal requirements from the AML/CTF legislation when providing advice
 - apply legal requirements from the Privacy Act when providing advice
 - articulate the civil penalty provisions for the provision of tax (financial) advice services in subdivision 50-AA of the TASA
2. applied ethical and professional reasoning and communication – the proposed learning outcomes are to:
 - identify the obligations imposed by the Code of Ethics and how to comply with them
 - articulate the importance of a Code of Ethics and why financial planners/advisers need to work and abide by the Code of Ethics in the context of professional standards
 - apply ethical frameworks to address issues and dilemmas that are encountered as a financial planner/adviser
 - identify the importance of, and demonstrate, the duty of a relevant provider to act with integrity and in the best interests of each of their clients
 - evaluate the need for due diligence and the need to maintain client files and records

3. financial advice construction – suitability of advice aligned to different consumer groups – the proposed learning outcomes are to:
- define the environment in which financial product advice is sought and given for new and existing clients
 - explain the need to prevent and avoid misconduct and inappropriate advice
 - broadly understand population and community profiles at a retail client level
 - identify different types of consumer behaviour and decision making
 - evaluate and apply advice strategies suitable for different retail clients.

Exam format

Mix and type of questions

The exam will contain a mix of question types for each of the domains of knowledge and skills as follows:

1. selected response style questions (i.e. multiple choice questions)
2. written response style questions (i.e. case study style – short answer and report writing questions).

The exam allows candidates to demonstrate professional reasoning and the application of that knowledge to retail client financial advice scenarios.

Number of questions

There will be at least 70 questions in the exam, split between at least 64 selected response style (multiple choice) and at least six written response style (case study style). The questions will be equally split across the tested areas.

Questions will have different maximum marks that may be awarded as identified on the exam paper. There will be no deduction of marks for incorrect answers. Candidates will be encouraged to attempt all questions.

Test questions will be changed regularly so candidates who wish to re-sit the exam will get a different set of questions.

Duration

The duration of the exam will be 3.5 hours, including 15 minutes of reading time.

Candidates will need to allocate up to one hour to complete registration procedures and post-exam administration activities.

Marking

Exams will be marked to a credit level and the candidate will be awarded a 'pass' or 'fail' on this basis.

The exam and marking will be moderated by an expert panel.

Review of results

A candidate who has failed an exam will be able to apply for a review of the marking one time and only of the written response style questions as contemplated by the terms of registration for the exam. Applications can be made to faexam@acer.org.

Sitting the exam

A candidate is eligible to sit the exam if any of the following apply – namely that the candidate:

- was authorised to provide personal advice to retail clients on relevant financial products at any time between 1 January 2016 and 1 January 2019, and on 1 January 2019 was not banned, disqualified or subject to a court enforceable undertaking (an existing provider)
- has completed the education and training standards set out in s921B(2) and intends to be registered as a 'provisional relevant provider' after 1 January 2019
- has applied to ASIC to take the exam, and has been subsequently booked in to take the exam at a particular date and time
- has paid ASIC the prescribed fee to take the exam
- has not been excluded from taking or continuing to take the exam by ASIC.

Candidates will be able to sit the exam multiple times and are not required to wait in between each attempt.

Delivery mode

The exam is only available via remote proctoring.

Remote proctoring is a method of supervising candidates remotely, online while they sit an exam.

Candidates sit the exam, usually in their own home, using their own internet-connected computer, and are monitored throughout the session via web cam attached to their device.

Exam timetable

The timetable of exam dates will be published on ASIC's website – along with booking procedures.

Exam logistics

Exam logistics are described in the [Financial adviser exam: Candidate information booklet](#) and *Financial adviser exam: Remote proctoring information and step-by-step guide*, published on ASIC's website.

Reasonable adjustments for additional needs

Reasonable adjustments, including eligibility for reasonable adjustments, how to apply for reasonable adjustments and provision of documentation, are described in the [Financial adviser exam: Candidate information booklet](#), published on ASIC's website.

Special consideration

Special consideration is available to candidates who are unable to sit or complete an exam due to exceptional circumstance beyond their control. Candidates may be given an opportunity to re-sit the exam at another date without incurring additional exam fees.

Applications for special consideration in exceptional circumstances:

- will not be approved unless there are exceptional circumstances beyond the control of the candidate, such as:
 - acute illness (including hospital admission)
 - recent loss or bereavement (including the death of a close family member)
 - hardship or trauma (including being a victim of crime, severe disruption to domestic life)
 - a natural disaster
 - imposition of a public health order
 - unforeseen call-up for service (such as military service, court appearance, jury service or emergency service)
 - an unexpected equipment failure or malfunction during the exam
- must be supported by appropriate evidence of the exceptional circumstances, such as:
 - a medical certificate
 - a death certificate
 - a police report
 - a statutory declaration
 - an exam centre report, or
 - evidence of a requirement to attend court, jury service, military service or emergency service.

Learning/study materials

Candidates are encouraged to consider the suggested reading list in the [Financial adviser exam: Exam preparation guidance](#) to help them prepare for the exam, as well as the many publicly available resources that complement the suggested reading, such as:

- the ASIC regulatory guidance documents relating to the provision of advice
- [The financial adviser exam: FG004 Practice question guidance.](#)