



ASIC
Australian Securities &
Investments Commission

Financial adviser exam: Exam policy

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About this policy

This policy explains ASIC's requirements and the requirements set out in the [Corporations \(Relevant Providers—Education and Training Standards\) Determination 2021](#) for the financial adviser exam.

Document history

Version	Comments	Release date
1.0	A publication of the former Financial Adviser Standards and Ethics Authority	Final version 1.0 released July 2020
2.0	Rebranded and updated as an ASIC document and published on the ASIC website	December 2021 (effective 1 January 2022)
3.0	Updated for 2023	December 2022 (effective 1 January 2023)
4.0	Updated to incorporate changes to legislation	January 2024

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Exam

Reasons for a standard on the exam

The *Corporations Act 2001* (Corporations Act) requires that all individuals identified as a 'relevant provider' (other than relevant providers who only provide advice on time-sharing schemes) 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 candidates.

Summary statement

The financial adviser exam (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](#).

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

Individuals who are new to the financial advice industry must pass the exam before they move to indirect supervision (quarters 3 and 4) of their professional year. Once the individual has passed the exam and is authorised by an AFS licensee, they may use the term 'provisional relevant provider'.

Australian financial services licensees

An Australian financial services (AFS) licensee must ensure that its financial advisers, and any provisional relevant providers it authorises, have passed the exam.

Part B: Exam parameters for candidates

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 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 Act 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

Type of questions

The exam contains selected response style questions (i.e. multiple-choice questions) for each domain of knowledge and skills.

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

Number of questions

There are at least 70 questions in the exam, equally split across the examined areas.

Marks are not deducted for incorrect answers. Candidates are encouraged to attempt all questions.

Exam questions are changed regularly so candidates who wish to re-sit the exam get a different set of questions.

Duration

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

Candidates need to allocate a minimum of one hour to complete booking procedures and post exam administration activities.

Marking

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

There are no appeals against exam results.

Sitting the exam

A candidate is eligible to sit the exam if they have an exam eligibility number or financial adviser number.

A candidate can request an exam eligibility number by emailing ASIC at least five business days before the last day of the booking period for an exam, at EENrequest@asic.gov.au, with the following details:

- › full name (first name, middle name (if applicable) and surname)
- › date of birth (day/month/year).

If a candidate has previously received an exam eligibility number from ASIC, they do not need to request another.

If a candidate has a financial adviser number (current or ceased), they can use this number to book to sit the exam.

Candidates can 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 a web cam attached to their device.

It is important that candidates prepare well in advance of the exam to ensure they can successfully connect to the remote proctor on exam day: see Exam logistics.

Exam timetable

The timetable of exam dates is published on ASIC's website – along with booking dates and procedures: see [Book to sit the exam](#) on ASIC's website.

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* on the [financial adviser exam resources page](#) 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* on the [financial adviser exam resources page](#) 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 sit the exam on another date without incurring additional exam fees.

Applications for special consideration:

- › 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 and study materials

Candidates are encouraged to consider the suggested reading list in the *Financial adviser exam: Exam preparation guidance* on the [financial adviser exam resources page](#) on ASIC's website 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: Practice question guidance* on the [financial adviser exam resources page](#) on ASIC's website.