ATTACHMENT

Overview of ASIC's confidential submission to the *Quality of Advice Review: Consultation Paper—Proposals for reform*

Topic/reference	Proposals	Summary of ASIC's feedback
Regulation of financial advice	Proposal 1 recommends that the financial services regime should regulate the provision of 'personal advice' and that 'personal advice' should be defined as a recommendation or opinion provided to a client about a financial product (or class of financial product) and, at the time the advice is provided, the provider has or holds information about the client's objectives, needs or any aspect of the client's financial situation.	s 37(2)(b), s 47C, s 47E (d) [redacted]
	Proposal 2 recommends that 'general advice' should no longer be regulated as a financial service and the definition of 'general advice' should be removed together with the obligation to give a general advice warning.	s 37(2)(b), s 47C, s 47E (d) [redacted]
	Proposal 3 recommends that a person who provides personal advice should be required to provide 'good advice'. 'Good advice' is advice that would be reasonably likely to benefit the client, having regard to the information that is available to the provider at the time the advice is provided.	s 37(2)(b), s 47C, s 47E (d) [redacted]

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		s 37(2)(b), s 47C, s 47E (d) [redacted]
	Proposal 4 recommends that a provider of personal advice should be a 'relevant provider' where the provider is an individual and the client pays a fee for the advice, the provider (or the provider's authorising licensee) receives a commission in connection with the advice, and there is an ongoing advice relationship between the adviser and the client, and the client has a reasonable expectation that such a relationship exists.	s 37(2)(b), s 47C, s 47E (d) [redacted]
Advice provided by	Proposal 5 recommends that superannuation trustees should be able to provide personal advice to their members about their interests in the fund, including when they are transitioning	s 37(2)(b), s 47C, s 47E (d) [redacted]

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superannuation trustees	to retirement. In doing so, trustees would be required to consider the member's personal circumstances, including their family situation and social security entitlements if that is relevant to the provision of the advice. Proposal 6 recommends that superannuation trustees should have discretion to decide how to charge members for personal advice they provide to members and the restrictions on collective charging of fees should be removed.	s 37(2)(b), s 47C, s 47E (d) [redacted] [redacted] [redacted]
Advice fees	Proposal 7 recommends that superannuation trustees should be able to pay a fee from a member's superannuation account to an adviser for personal advice provided to the member about the member's interest in the fund on the direction of the member.	s 37(2)(b), s 47C, s 47E (d) [redacted]
	Proposal 8 recommends that Fee Disclosure Statements (FDSs) should not be required. Providers of personal advice should obtain annual written consent from their client to deduct advice fees from a financial product if there is an ongoing fee arrangement. The consent form should explain the services that will be provided and the fee that the adviser proposes to charge over the course of the following 12 months. Where advice fees are deducted from more than one product, a single consent form should cover each of the products issued by a product issuer.	s 37(2)(b), s 47C, s 47E (d) [redacted] [redacted] [redacted]

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		s 37(2)(b), s 47C, s 47E (d) [redacted]
Disclosure obligations	Proposal 9 recommends that providers of personal advice to retail clients would be required to maintain complete records of the advice they provide and to provide a written record of advice to a client on request. This would replace the existing requirement for advisers to provide a statement of advice or record of advice.	s 37(2)(b), s 47C, s 47E (d) [redacted]
	Proposal 10 recommends that advice providers should either continue to give their clients a copy of the Financial Services Guide (FSG) or make information available to their clients on their website about their remuneration and other benefits they receive, their internal dispute resolution procedures and access to the Australian Financial Complaints Authority (AFCA).	s 37(2)(b), s 47C, s 47E (d) [redacted]

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Design and distribution obligations	Proposal 11 recommends that the reporting requirements under the design and distribution obligations (DDO) regime should be simplified by requiring relevant providers to only report to the product issuer where they have received a complaint in relation to a financial product.	s 37(2)(b), s 47C, s 47E (d) [redacted] [redacted] [redacted]