



Attachment to RG 175

Example lack of independence disclosure statement and annotations

June 2021

The Australian Securities and Investments Commission (ASIC) has prepared a simple example of a lack of independence disclosure statement to help providing entities. We have annotated our example to help providing entities understand their legal obligations.

This is just an example, and providing entities should consider their circumstances when developing their own disclosure statement.

Under the *Corporations Act 2001* (Corporations Act) a providing entity must include a statement in the Financial Services Guide (FSG) explaining that they are not 'independent', 'impartial' or 'unbiased', and the reasons why, if they would breach s923A of that Act if they used those words.

The statement must comply with requirements set out in [ASIC Corporations \(Disclosure of Lack of Independence\) Instrument 2021/125](#). All references in the annotations are to the instrument unless otherwise stated.

Note: This example is an attachment to [Regulatory Guide 175](#) *Licensing: Financial product advisers—Conduct and disclosure* (RG 175).

[First substantive page of the Financial Services Guide]

Services ABC Adviser Firm provides

ABC Adviser Firm provides the following services: [...]

Lack of Independence

ABC Adviser Firm is not independent, impartial or unbiased because we:

- (a) receive commissions for the advice we provide on life risk insurance products; and
- (b) are partially owned by XYZ Product Issuer, which issues a range of financial products that we may recommend to our clients.

Fees and charges

ABC Adviser Firm may charge the following fees: [...]

The statement must be included on the first substantive page of the FSG: s5(2)(a).

The statement must appear under a bold heading that includes the phrase 'Not Independent' or 'Lack of independence' or a phrase of similar meaning: s5(2)(b).

The statement should set out that the providing entity is not independent, impartial or unbiased, and explain the reasons why: s942B(2)(fa) and 942C(2)(ga) of the Corporations Act.

The font size must be at least the same font size as that predominantly used for other text in the FSG: s5(2)(c).

The statement must appear inside a box: s5(2)(b). It must not appear in a footnote: s5(2)(d).