



MEDIA RELEASE

Monday 6 May 2019

ONE REGULATORY REGIME FOR FINANCIAL ADVISERS

The independent review of the Tax Practitioners Board (TPB) and the Tax Agent Services Act 2009 (Review) presents an important opportunity to streamline two separate regulatory regimes into one that applies to financial advisers.

The Financial Services Council's submission to the Review, highlights a potential micro-economic reform that would streamline existing Tax Financial Advisers (TFA) requirements into a single regime under the Financial Adviser Standards Ethics Authority (FASEA) which could help reduce regulatory costs to the advice sector.

Financial Services Council Director of Policy Allan Hansell said the new professional standards and education framework for financial advisers is being implemented - raising standards across the board. However dealing with two regimes isn't clear or simple for consumers.

"A consumer should not have to engage with the TPB for the tax component of the advice they receive as well as a Monitoring Body under the FASEA framework for the financial advice received.

"There is a compelling case to streamline the regulatory regime to a single framework under FASEA. We should cut through the red tape and have a single touch point which makes it easier for consumers.

"In developing a single regime, there should be an ongoing dialogue between the TPB and FASEA to ensure the professional standards regime remains relevant and appropriate."

The new education and professional standards framework brings financial advisers in line with professions such as law and accounting. Lawyers are able to give tax advice without needing to be registered as a tax agent - a precedent that should be followed for financial advisers.

"The FSC believes now is the appropriate time to integrate the Tax Financial Adviser (TFA) requirement into the FASEA regime to support a single Code and a single monitoring body for the benefit of consumers," Mr Hansell said.

Contact: Esther Jago on 0421 102 944 or ejago@fsc.org.au

About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.