

31 August 2018

Mark Brimble  
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Financial Adviser Standards and Ethics Authority  
Sydney NSW 2000

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Dear Mr Brimble,

**RE: FASEA's CONSULTATION PAPER 7 – FOREIGN QUALIFICATIONS**

The Financial Services Council (FSC) is a leading peak body which sets mandatory Standards and develops policy for more than 100 member companies in Australia's largest industry sector, financial services.

Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses.

The financial services 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.

We welcome the opportunity to make a submission to the Financial Adviser Standards and Ethics Authority (FASEA).

Should you wish to discuss this submission further please do not hesitate to contact me on (02) 9299 3022.

Yours sincerely



**RONALD DE LA CUADRA**  
Policy Manager

**FASEA CONSULTATION PAPER 7: FOREIGN QUALIFICATIONS**

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## EXECUTIVE SUMMARY

FASEA's foreign qualifications standard is an important component in determining whether individuals with overseas qualifications meet education standards to work in Australia's financial services and advice industry.

We support the Standards Authority's proposal to have a Precedent Database that records relevant foreign degrees to give applicants an indication of whether their foreign qualification is related. However, FSC members are concerned about the processing times for validation of foreign qualifications. Any lag in this process may result in unnecessary delays for individuals to be registered as relevant providers.

### *Processing times for qualifications*

There is significant potential for delays to arise in the processing of foreign qualifications, creating significant uncertainty for applicants. This is a particular concern where applicants are already working in the industry and require authorisation to continue.

The volume of foreign qualifications requiring assessment for existing advisers is unknown. The potentially large number of applications waiting assessment could result in an accumulation of applications. This may lead to delays and disruption for applicants. Adequate resourcing will be essential to ensure that applications are processed in a timely manner.

We also understand that Australian States and Territory government bodies who assess overseas qualifications can take up to three months to complete the assessment process. We suggest FASEA prioritise their own processes to minimise processing delays.

**Recommendation:** That FASEA commit to an agreed processing timeframe to allow new or existing advisers to begin or continue working as soon as possible.

### *Precedent Database*

The Precedent Database is a proposed record of relevant foreign degrees, intended to give applicants an indication of whether their foreign qualification meets the necessary standard. We support the Standards Authority's proposal to have a Precedent Database.

However, to ensure it always provides useful information, the Precedent Database should be updated on a monthly rather than periodic basis and incorporate version control to allow users to easily identify changes.

In addition, individuals who hold qualifications identical to those listed on the Database should not be required to have their qualification re-assessed. A fast-track process for these individuals will streamline processing and free up FASEA resources.

**Recommendation:** That FASEA:

- update the proposed Precedent Database on a monthly basis and incorporate version control to highlight changes;
- develop a process which fast-tracks assessment for individuals holding a qualification identical to one already listed on the database

