Blog with Hugh Elvy, Head of
Financial Advisory Services
Professional and professionalism – another light globe moment.
Currently in the financial services industry, there is a word or 2 that is getting used a lot, they are professional and professionalism.

INTRODUCTION

The last month has entailed industry liaison meetings with regulators and a range of financial services organisations. In addition we have been conducting member briefings in Sydney and interstate on the new limited licensing framework and providing members with a general financial services update.

Whilst the number of members and practices transitioning into the financial services space by applying for their own limited Australian Financial Services licence is low, based on the number of queries and questions we are receiving there is no doubt an increased level of engagement by members which is positive. Unfortunately with the number of licensees with offerings and various stakeholders in the industry trying to assist many accounting practices are finding there is a bit of information overload and as a consequence is confusing.

Attention Sydney members

There is Financial Planning Chapter luncheon on in Sydney, on Friday 12 June. We have Neil O'Grady, Director at BusinessBlades, speaking on 'Understanding Consumers and Improving Business Performance'.

In times of ongoing change it is even more valuable to take a step back and consider how your business is operating, including what potential opportunities you may be missing to build a better business.

In exploring this topic Neil will provide some insights from a BusinessBlades survey of over 4,000 consumers looking at why they don't use financial planners and what it would take for a consumer to use the services of a professional offering financial planning services.

And to finish it off after Neil I will be providing an update on the current key issues for Chartered Accountants Australia and New Zealand.

So I encourage members in the Sydney area to come along. Register now.

Reminder: Financial Adviser Register details due by 30 May
For those members who have their own Australian Financial Services (AFS) Licence (including members with the new Limited licence) they will need to notify ASIC of the qualifications, training and professional memberships held by their financial advisers.

Over the last couple of weeks we have received a few requests from licensees to verify that their financial planners are members of Chartered Accountants Australia and New Zealand.

For all financial advisers currently on the register this information should be notified by 30 May 2015.

The information about a financial adviser's qualifications, training and professional memberships will be available to search on the financial advisers register through ASIC's Moneysmart website on 31 May 2015.

**Australian Securities and Investment Commission (ASIC)**

This week was our formal Quarterly meeting with both the ASIC Financial Adviser policy team and licensing team. Whilst it is not the forum to address specific issues members may have, it is an opportunity to understand what their key current issues are. It is also an opportunity for ASIC to obtain market insights and feedback from ourselves and also issues we may have. The meeting covered a range of issues including an update on their SMSF focus, licensing and FoFA.

**Tax Practitioners Board (TPB)**

Next month is our quarterly industry meeting with the TPB. Again it is an opportunity for members to provide any feedback or raise any issues with the TPB.

Last month the TPB released details of the qualifications and experience requirements for tax (financial) advisers which members who are considering registering should review.

**Your Library**

Just a bit of a plug for the library. You would have received an email in the last couple of weeks launching the new library and how it will operate for members in Australia and New Zealand. If you didn't get a chance to have a look check out the website, there is a great range of resources, ebooks and information available to members. I actually used the library staff recently to do some research for me.

**APES 230 Financial Planning Services – Guide to be released shortly**

As members would be aware APES 230 Financial Planning Services commenced last year with the obligations around remuneration coming into effect from 1 July 2015. Unfortunately the guide we are developing has yet to be finalised as it goes through a range of drafts. We are aiming to have it available from next month.

Hugh Elvy  
Head of Financial Advisory Services

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*Note: To access and read the following full articles you will need to log on with your member id number.*
2015-16 Federal Budget: superannuation-related items
A range of superannuation-related measures were announced in the 2015-16 Budget, including changes to the Age Pension assets test and a 10% cap on the deductible amount for defined benefit super pensions. READ ARTICLE >

Age Pension assets test: threshold increased, but taper tightened
The Government confirmed in the 2015-16 Budget that the Age Pension assets test thresholds will be increased from January 2017 but the taper rate will be tightened. READ ARTICLE >

Serious Financial Crime Taskforce launched
The Government has established a Serious Financial Crime Taskforce to tackle superannuation and investment fraud, identity crime and tax evasion. READ ARTICLE >

Lifting financial adviser standards: roundtable on PJC model
The Government roundtable on lifting standards in the financial advice industry has agreed that the reform focus should be on rebuilding consumer confidence. READ ARTICLE >

ASIC focus areas in the financial advice sector: speech
ASIC Commissioner Greg Tanzer has highlighted ASIC’s focus areas in the financial advice sector. READ ARTICLE >

ASIC seeks penalties for "free SMSF set up" claims
ASIC has commenced legal action seeking financial penalties and orders to prevent an online accounting and SMSF administration business from advertising "free SMSF setup". READ ARTICLE >

Financial advice: ASIC proposes review and remediation guidance
ASIC is developing a new regulatory guide on review and remediation programs for Australian financial services licensees that provide financial advice. READ ARTICLE >

AFS licences cancelled for failing to lodge annual statements
ASIC has cancelled 4 AFS licences following a review of 14 licensees who had failed to lodge their audited annual statements. READ ARTICLE >

ASIC focus areas for licence applications and registrations
ASIC has released a report setting out regulatory outcomes in relation to recent AFS licence applications and professional registration applications. READ ARTICLE >

ASIC guide for small business directors
ASIC has released an online guide to help small business owners understand their role and responsibilities as company directors. READ ARTICLE >

Financial industry levies for 2015-16: Govt consultation paper
Treasury and APRA have released a discussion paper on the proposed financial institutions supervisory levies for the 2015-16 financial year. READ ARTICLE >

Profit shifting to SMSFs using "contrived" dividends: ATO Alert
The Tax Office has issued a Taxpayer Alert on arrangements where private companies with accumulated profits channel franked dividends to SMSFs. READ ARTICLE >

Franked distributions funded by raising capital: ATO Alert
The Tax Office is reviewing arrangements where companies raise new capital to fund franked distributions and release accumulated franking credits to shareholders. READ ARTICLE >
Adequacy of Statements of Advice: FOS approach
The Financial Ombudsman Service has outlined its approach to the adequacy of Statements of Advice in disputes where retail clients allege that they did not under the financial advice provided to them. READ ARTICLE >

Reverse mortgages - requirement for independent legal advice
The Financial Ombudsman has reminded financial services providers about their obligations when providing reverse mortgages, including the requirement to ensure that a borrower obtains independent legal advice. READ ARTICLE >

CBA financial planning: ASIC update on compensation program
ASIC has released KordaMentha Forensic's first report on past activities by Commonwealth Financial Planning Limited to compensate clients, and to identify high-risk advisers and affected customers. READ ARTICLE >

APRA strategic issues for superannuation trustees
The APRA has flagged various strategic issues and challenges facing superannuation trustees and boards, including possible tax changes, MySuper products, sustainability of insurance and investment governance. READ ARTICLE >

Portfolio holdings disclosure deferred to July 2016
The start date for the disclosure of portfolio holdings by superannuation funds has been deferred to 1 July 2016. READ ARTICLE >

Super long-term performance reporting: ASIC relief extended
The long term performance reporting regime for superannuation funds has been deferred to 31 December 2015. READ ARTICLE >

Retirement living costs: ASFA standard for March 2015
The ASFA Retirement Standard for March 2015 suggests that a couple seeking a "comfortable" retirement lifestyle will need around $58,444 pa. READ ARTICLE >

CASES

SMSF trustee disqualified for dishonesty offences re speeding fines
- Re Shaw and FCT [2015] AATA 288 READ ARTICLE >

Financial advice: High Court rules on proportionate liability under Corporations Act
- Selig v Wealthsure Pty Ltd READ ARTICLE >

For further information contact our Financial Services Team.

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