

**MEDIA RELEASE**

**Financial Adviser Standards and Ethics Authority**

**Proposed Guidance on Qualification Requirements for Existing Advisers**

For Immediate Release: December 14 2017

At its December meeting, the Financial Adviser Standards and Ethics Authority (the Standards Authority) reiterated its structured approach to the task of establishing Standards under its legislative obligations.

The Corporations Amendment (*Professional Standards of Financial Advisers*) Act 2017 tasks the Standards Authority with the following functions for relevant providers authorised to provide personal advice to retail clients, in relation to relevant financial products.

**Corporations Amendment (Professional Standards of Financial Advisers) Act 2017**

**Legislative Functions**

**FASEA FUNCTIONS s 921U (2)**

Approve bachelor (or higher) degrees, or equivalent qualifications

Approve an exam

Set requirements for work and training

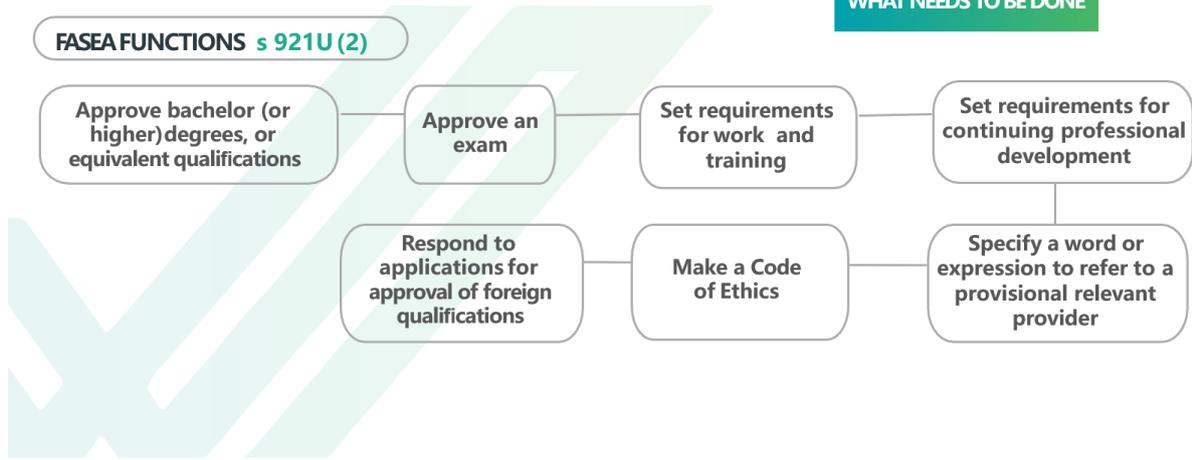
Set requirements for continuing professional development

Respond to applications for approval of foreign qualifications

Make a Code of Ethics

Specify a word or expression to refer to a provisional relevant provider

**WHAT NEEDS TO BE DONE**



## Proposed Guidance on Qualification Requirements for Existing Advisers

On 26 October 2017, the Standards Authority announced the adoption of the Financial Planning Education Council (FPEC) framework for approval of courses and programs at the level of AQF7 Bachelor Degree (made up of 24 courses, of which 12 would be core). That release also noted that the New Entrant Degree Standard would inform pathways for **Existing Advisers**.

The Standards Authority recognises the importance of providing early guidance to Existing Advisers, to assist them to plan for their education and compliance goals over the next six years.

The Standards Authority today releases this *Proposed Guidance Statement* on Qualifications Pathways for Existing Advisers (available on the website [www.fasea.gov.au](http://www.fasea.gov.au)).

The Standards Authority propose that the requirement for Existing Advisers, is that they:

1. have already satisfied the Education Standard requirement if they hold an approved qualification (i.e. one that is on the FASEA/FPEC approved register), or
2. have completed, by 1 January 2024, an AQF7 qualification that is an approved qualification (i.e. one that is on the FASEA/FPEC approved register), or
3. have completed, by 1 January 2024, a course that offers at least 8 units/courses, at AQF level 8, covering fields that include:
  - ethics, professional attitudes and behaviours
  - financial planning and advice process
  - technical requirements

### NOTES

- An 8 unit AQF8 program typically leads to a Post Graduate Diploma (AQF8) qualification outcome.
- A Post Graduate Diploma typically takes 2 years part-time to complete.

## **Proposed Guidance and Consultation**

A more detailed *Proposed Guidance* on Qualifications Pathways for Existing Advisers is available on the website [www.fasea.gov.au](http://www.fasea.gov.au).

The Standards Authority will be seeking feedback on this proposal.

The Standards Authority recognises that there are many variations of qualification and background in the Existing Adviser community and it is seeking views on the practical application of the proposed guidance.

At this point, this proposed guidance is not intended to provide a definitive solution for every individual Adviser. It is intended to provide a recommended pathway of qualifications for Advisers.

In releasing this proposed guidance, FASEA is partially responding to the legislative requirement under the Corporations Amendment (*Professional Standards for Financial Advisers*) Act 2017 (s 921B(2)(a)) for a relevant provider to have *completed a bachelor or higher degree, or equivalent qualification, approved by the standards body under section 921U*.

***Consultation on the proposals will be open until 29 June 2018.***

***A Consultation Framework will be released in early 2018 via the website ([www.fasea.gov.au](http://www.fasea.gov.au)).***

***In the spirit of providing early information, the proposed guidance is released in advance of the release of the consultation program and tools.***

## **Proposed Guidance in Brief**

In brief, this *Proposed Guidance* advises that:

- the requirement for Existing Advisers to meet their obligation as a *relevant provider*, is that they have completed, by 1 January 2024, an AQF7 Degree as earlier indicated or that they have completed, by 1 January 2024, a course that offers at least 8 units/courses, at AQF level 8.
- an 8 unit AQF8 program typically leads to a Post Graduate Diploma (AQF8) qualification outcome and a Post Graduate Diploma typically takes 2 years part-time to complete.
- unless an Adviser already holds a formal, approved qualification (i.e. one that is on the FASEA/FPEC approved register), then they are likely to be required to undertake some form of education leading to an AQF7 or AQF8 qualification, and will be required to complete that program **before 1 January 2024**.

- there is already a range of postgraduate (AQF8+) programs immediately available for Advisers wanting to start their qualifications.
- the Standards Authority expects that a wide range of postgraduate (AQF8) programs offering different content and delivery options will emerge from approved providers, to support the needs of the Adviser community.
- those qualification options may include bridging courses and streamlined pathways to AQF 8 qualifications for Advisers with different qualifications.
- FASEA will build an assessment and accreditation framework for those courses and work with Higher Education providers to put the FASEA Qualifications Accreditation Standard in place before 1 January 2019.
- recognition of Prior Learning (RPL) options may be made available by approved providers. The Standards Authority will monitor RPL practices and issue further guidance in the future.

### **In Summary**

FASEA acknowledges that in achieving this legislative requirement, many participants in the industry will be required to undertake some form of education leading to a qualification before 1 January 2024.

The Standards Authority has released this *Proposed Guidance* at this time, seeking to encourage education providers to offer solutions to the Adviser community, and to work with the Standards Authority on appropriate approval requirements for new solutions.

In turn, advisers are encouraged to begin a formal (approved) qualification program through an approved provider as soon as practical for them, allowing for the spreading of education and study options over an optimal timeframe.

It is acknowledged that many Advisers are likely to have already gained a variety of education experiences, qualifications and potential certifications through their varying years of practice. In some cases, such education qualifications may provide recognition of prior learning options for Advisers.

In releasing this proposed guidance, the Standards Authority acknowledges that there will be more details and future examples to work through. A consultation process is intended to result in a list of FAQ's and examples and FASEA will work with education providers, professional associations and other stakeholders to progressively develop practical examples of how the final guidance might operate.

At this point, this proposed guidance is not intended to provide a definitive solution for every individual Adviser. It is intended to provide a recommended pathway of new qualifications for Advisers.

### **Next Steps**

FASEA will be seeking stakeholder views on the practical application of its proposed guidance. A Consultation Framework will be released in early 2018 - initiating a process that will run until 29 June 2018.

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