

Financial Adviser Standards and Ethics Authority

OCTOBER BOARD MEETING UPDATE

At its October meeting, the Board of the Financial Adviser Standards and Ethics Authority (the Standards Authority) approved a structured approach to the task of establishing Standards under its legislative obligations.

This approach will cover the Standards for Degree Education requirements, Continuing Professional Development, Code of Ethics and Exams.

The framework for accrediting providers of approved degrees for proposed new financial advisers “new entrants” is the first Standard intended to be established by the Standards Authority.

NEW ENTRANTS to FINANCIAL ADVICE

The Standards Authority resolved that the degree requirement pathway for new entrants, from January 2019, will be:

1. An AQFⁱ 7 Bachelor degree (made up of 24 courses, of which up to 12 courses will be core) covering fields that include:
 - ethics, professional attitudes and behaviours
 - financial planning and advice process
 - technical requirements
2. For career changersⁱⁱ - further pathways, at the post graduate level, covering the same fields.

Chairman Catherine Walter, said: *“In the first instance, to provide direction for employers, higher education providers and students, the Standards Authority will adopt the Financial Planning Education Council (FPECⁱⁱⁱ) framework.”*

Over the course of 2018, the Standards Authority will be drawing on the community by establishing **working groups** to assist the review and adaptation of the framework, so as to develop a FASEA Standard that responds to the broader requirements of the legislation and the needs of industry.

EXISTING FINANCIAL ADVISERS

Chief Executive Officer Dr Deen Sanders said: *“We are mindful of the real and practical consequence of our work on the many advisers in industry, and the need to clarify transition issues for those who need to meet their obligations by 1 January 2024.”*

“Commencing with the New Entrant requirement will help inform our work on the pathways for existing advisers,” he said.

Contact: Deen Sanders, CEO, FASEA
e: deen.sanders@fasea.gov.au

Notes:

- (i) AQF: The Australian Qualifications Framework (AQF) is the policy for regulated qualifications in the Australian education and training system. All regulated qualifications are described in accordance with a level (e.g. AQF 1 through to AQF 10). A bachelor degree is identified at the level of AQF7.
 - (ii) "Career changers" includes those people entering the financial advice industry with experience gained from careers in another industry.
 - (iii) FPEC is the independent accreditation body established by the Financial Planning Association of Australia in 2011, to set the standards for accreditation of university and higher education courses in financial planning.
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