

ACCOUNTANTS' EXEMPTION SOLUTION

Currently with the accountants' licensing exemption, recognised accountants can recommend the establishment of an interest in a self-managed superannuation fund (SMSF) and class of product advice without being licensed under the AFS licensing regime. The accountants' exemption will be removed from 1 July 2016. From this date accountants will need to be licensed in some form under the AFS licensing regime if they wish to continue providing SMSF and class of product advice

What are my options?

You have four primary options:

1. Obtain a Full AFSL

With a Full AFSL you are not limited to SMSF advice, you are able to provide a broad range of financial product advice, including product recommendations. This will incur high up front (upwards of \$15,000) and ongoing costs (Up to \$100,000 Source: Centrepoint alliance), requirement for one or more qualified and experienced 'responsible managers', and direct client liability exposure

2. Obtain a Limited AFSL

With a Limited AFSL you can provide SMSF advice and 'class of product' advice. While you are responsible for ensuring compliance with your license obligations, you can maintain your professional independence. This could incur high up front and ongoing costs, requirement for one or more qualified and experienced 'responsible managers', and direct client liability exposure

3. Become an authorised representative of an AFS License Holder

Enables you to provide financial product advice, while the AFS licensee is responsible for ensuring compliance with the license obligations.

4. Cease providing advice or refer the business

Finance Wise Global Securities recommends that you become a Limited Authorised representative under AFSL 397877.

What are the benefits of becoming a Limited Authorised representative of Finance Wise Global Securities Pty Ltd (AFSL 397877)

Finance Wise Global Securities offers a boutique solution exclusively designed for accountants. We offer a simple solution which allows you to continue doing what you have always done. Our clear and cost effective process gives you peace of mind that you are complying with your regulatory requirements.

Our offering includes:

- Simple Application Process
- Clearly Defined Client Experience
- Weekly Payments
- Strategic Workshops for Accountants
- Annual Super Master Class
- Professional Standards Support
- Practice Integration Support
- Professional Development Days
- Webinars
- Templates
- Conferences
- Compliance Audits (in the main these will be desk top)
- Ongoing Monitoring
- Para Planning Assistance
- Discounted Kaplan Courses
- Fleet Buying Motor Vehicle Services
- AFA & FPA Membership Discounts

What advice can I give my clients as a Limited Authorised representative under an AFS License holder?

As a Limited Authorised representative under an AFS License holder you can continue to offer the same advice to clients as you did under the accountant's exemption. You can provide advice to clients in the following areas:

- SMSFs - existing superannuation holdings (limited to making a recommendation to establish a SMSF, or making contributions and establishing pensions from the client's existing superannuation fund)
- Class of product advice in relation to:
 - Superannuation products
 - Securities
 - General insurance
 - Life risk insurance
 - Basic deposit products
 - Simple managed investment scheme

What do I need to do to become a Limited Authorised representative of Finance Wise Global Securities (AFSL 397877)

If you are interested in becoming a Limited Authorised representative of Finance Wise Global Securities, just follow a few simple steps:

Step 1	Register your interest at http://fwgs.net.au/index.php/register-your-interest/
Step 2	FWGS will ask you to provide electronic information and files for audit purposes
Step 3	FWGS will audit your information to determine if you/your business qualifies as a Limited Authorised representative of Finance Wise Global Securities (AFSL 397 877)
Step 4	Audit approved or declined. If declined you will not move any further through the process.
Step 5	Become a Limited Authorised representative of Finance Wise Global Securities (AFSL 397 877)
Step 6	Ongoing training and auditing to maintain Limited Authorisation

How much does it cost?

- One time, non-refundable audit fee of \$500. This includes a Federal Police Check, Cost of Audit and the ASIC Registration
- Weekly fee and Software license fee
- Professional Indemnity premium (typically an up-front premium)
- Fees can be significantly reduced – ask about our unique client referral program via our Australian Financial Services License and our Australian Credit License.

Why is my SMSF client required to pay fwgs rather than my firm for the services provided?

It is an ASIC requirement that all income be received by the licensee. In addition, income not received by the licensee voids any Professional Indemnity Insurance claim.

Where are the workshops and Master Classes held?

These classes will be conducted in the capital cities.

Where are conferences held?

Conferences are held annually and alternate between Australian and International venues. Our conference in July 2015 was held in Fiji.

It we cannot attend professional development days are there Webinars?

All authorised representatives will be required to complete 15 CPD hours per annum. Although Webinars on relevant topics will be conducted regularly we encourage all participants to attend professional development sessions.

Why do you facilitate weekly payments?

It may come as a surprise to many accountants that their client invoices are required to be paid to the licensee. We understand the importance of business cash flow and processing weekly income runs ensures little delay in receiving payment.

What qualifications am I required to have?

You are required to have RG146, DFP 1 and DFP 2 and specific SMSF certification. It is understood that some practitioners will be completing these education requirements and fwgs will be happy to appoint those individuals with the understanding that the training is completed by June 30, 2016.

Why would I sign up before 1 July 2016?

The application process can take anywhere between eight to sixteen weeks to complete. As a result we suggest you apply early to allow a seamless transition come 1 July 2016. It is not an automatic process and as training criteria is required it is best to identify your specific requirements with your licensee as early as possible.

What information will I need to provide as part of the application process?

You will be asked to provide the following information:

- 100 point check (including passport and drivers license)
- Authority for fwgs to undertake a National Police Check
- Qualification Certificate(s)
- Veda Credit Check
- Copies of five (5) client files
- Payment of the application fee

Why will I need to provide my Identification and a Veda Credit Report?

As part of a licensee's due diligence you will need to establish your bona fides. The identification documents form part of the 100 point check required to complete a Federal Police Check.

Will I have to make any significant changes to my business?

If you become an authorised representative you will need to update your business cards, letterhead, with compliments slips, e-signature and website with the AFSL number of your licensee. You will also be required to follow a clearly outlined process when providing advice to clients to ensure you comply with your obligations as a authorised representative. You will also be subject to regular audits.

What training do I need prior to 1 July 2016?

ASIC Regulatory Guide (RG) 146 specifies the minimum initial and continuing professional training requirements for financial product advisers.

CPA Australia offers a program costing \$1320 where members can earn the Diploma of Financial Planning on successful completion of the first two modules with each module being run over a two-day intensive workshop with an assignment due six weeks after. The CPA Australia courses are only held on the eastern seaboard which represents a very expensive exercise for accountants in WA, NT and SA. Chartered Accountants Australia and New Zealand has partnered with Kaplan Professional to provide a self-paced program which is anticipated to take between 10 - 12-weeks per subject.

It is clear that accountants are seeking a face to face experience and fwgs is finalising its offering. Training will be scheduled in all capital cities in groups of twenty. One of the facilitators is James Barger-Bos the Responsible Manager of fwgs. The training is SMSF specific and the facilitators will introduce the new scope of ASIC responsibilities so come July 1st 2016 accountants will know how to proceed when faced with an advice opportunity.

What will I have to do differently post 30 June 2016?

Assuming you intend to continue providing SMSF advice from 1 July 2016, from a client perspective you will need to:

- Forward and record you have passed on an FSG to your client(s) prior to giving advice
- Complete an appropriate financial needs analysis or fact find
- Complete a Risk Profile assessment
- Conduct research into any existing superannuation funds and insurances held by those funds
- Complete Statement of Advice

From a business perspective you will need to:

- Become a member of an external dispute resolution scheme (for example, COSL or FOS)
- Undertake specific ongoing CPD requirements
- Be accepted by the licensee's PI insurer
- Be registered with ASIC