

From: Daniel Brammall [<mailto:db@brocktons.com.au>]
Sent: Saturday, 24 June 2017 2:47 PM
To: Sub APESB <sub@apesb.org.au>
Subject: Submission on APES230 Financial Planning Services

The Chairman
Accounting Professional & Ethical Standards Board Limited
Level 11, 99 William Street
Melbourne VIC 3000

Dear Ms Roxon,

I am writing to you on behalf of the Independent Financial Advisers Association of Australia (IFAAA) concerning the APESB's current review of ethical standard APES230.

The IFAAA is a professional association whose membership consists of financial advisers who choose to adopt the highest ethical standards and comply with section 923A of the Corporations Act (2001). This includes a genuine fee for service approach (hourly rates or flat fees) when offering their professional services. Our members have made the very significant commitment of refusing to take any form of conflicted remuneration, including commissions, asset fees, third party payments, volume bonuses and any other product sales incentives.

We strongly encourage the APESB to amend APES230 to mandate a genuinely conflict-free approach for accountants who offer financial planning services. This is the only approach which is consistent with a true profession acting in the public interest. It is also the only approach which is consistent with the creation of a relationship of unqualified trust between advisers and the public we are committed to serve as professionals.

It has been suggested that one of the reasons a genuinely independent service is impractical and unprofitable. Not only is this untrue (the existence of our members and our association is proof of that) but the reality is our approach to financial planning is uncomplicated, liberating, and professionally satisfying. Legislative reforms like 'Opt In' and 'Best Interest Test' are irrelevant for us.

Our clients trust us unreservedly to act in their best interests (without remuneration conflicts) and are much more willing to pay genuine fees for service which they acknowledge as "value for money". As a result, our ability to gain referrals (not product sales prospects) from existing satisfied clients is significantly improved.

We recognise that some accountants who are currently receiving conflicted remuneration may need some time to make the transition. Therefore, we recommend that members be given a reasonable period of time in which to do so (perhaps, 2-3 years). This will not be needed for the majority of accountants who do not offer financial planning services at present. Therefore, should they choose to do so (and this will be especially important for younger members of the accounting profession who are seeking to make a real difference in the community) the ethical standards required of them will be at highest level, as they would expect of their profession.

Thank you for the opportunity to make a submission on this important topic. Adoption of this reform that will demonstrate significant leadership by the accounting profession in the public interest. In doing so, it will substantially improve the reputation of the profession, influence much needed reform in the wider financial services industry and serve the best interests of the community that financial planners claim to serve.

If you have any questions, please contact me.

Yours sincerely,

Daniel Brammall



IFAAA GOLD STANDARD OF INDEPENDENCE™
PRACTISING MEMBER

Daniel Brammall

President

Independent Financial Advisers Association of Australia

Office: 4 Buntine Cres Isaacs ACT 2607

Phone: 02 6162 2670

Web: www.ifaaa.com.au