

## AGENDA PAPER

**Item Number:** 10.12  
**Date of Meeting:** 10 June 2010  
**Subject:** Exposure Draft – Proposed Standard APES 230 *Financial Advisory Services*

---

<input checked="" type="checkbox"/>	<b>Action Required</b>	<input type="checkbox"/>	<b>For Information Only</b>
-------------------------------------	------------------------	--------------------------	-----------------------------

---

### Purpose

To provide an update to the Board on the APES 230 project and the status of submissions received via the exposure process.

### Background

The professional bodies submitted a project proposal to develop a proposed pronouncement to replace the current APS 12 *Statement of Financial Advisory Services* in August 2007. The Board established the APES 230 *Financial Advisory Services* Taskforce to develop the proposed standard and engaged June Smith of Argyle Partners to prepare a Consultation Paper to inform the development of the proposed standard. APESB released the Consultation Paper *Review of Miscellaneous Professional Statement APS 12: Statement of Financial Advisory Services* in October 2008 for public comment for a period of 3 months. APESB received five submissions from professional bodies, firms and members and the respondents comments were considered at the May 2009 Board meeting.

In February 2009 the Parliamentary Joint Committee (PJC) on Corporations and Financial Services initiated an inquiry in *Financial Products and Services* in Australia to inquire into the issues associated with financial product and services provider collapses that occurred in 2007-08. In August 2009 APESB made a submission to this inquiry and also made representations to the PJC inquiry. The PJC inquiry issued its report in November 2009.

In March 2010, the APES Board approved *Proposed Principles to be addressed in APES 230 Financial Advisory Services*.

On 26<sup>th</sup> April 2010 the federal government released an information pack on *The Future of Financial Advice* which is in effect the Government's response to the findings of the PJC inquiry.

At the May 2010 APESB Board meeting, the Board noted the work done by the taskforce in developing an Exposure Draft based on the Proposed Principles.

At its June 2010 APESB Board meeting the Board approved the issue of ED 02/10 Proposed Standard APES 230 *Financial Advisory Services* for public comment.

## **Project Status update**

APES 230 ED was initially exposed for a period of 75 days and this period was subsequently extended to 15<sup>th</sup> October 2010. A few of the respondents then requested for additional time to complete their submissions. To date APESB has received 65 submissions from Members, Firms, commercial organisations, professional organisations and the joint accounting bodies.

Additionally, APESB also sent letters to large financial institutions encouraging them to respond to APES 230 ED.

A selection of submissions is presented below to facilitate Board discussion on the project.

## **Technical Staff Recommendation**

The Board note the project status update and provide high level guidance on the project.

## **Material Presented**

- Submission from the Joint Accounting Bodies;
- Submission from a commercial organisation – Colonial First State;
- Submission from a financial planning practice – Hewison Private Wealth;
- Submission from a regional financial planning practice – Kothes Chartered Accountants;
- List of respondents to APES 230 ED; and
- List of Institutions to which the APESB Secretariat sent letters informing them of the issue of APES 230 ED and encouraging them to respond.

**Author:** Channa Wijesinghe

**Date:** 1 November 2010