

## AGENDA PAPER

**Item Number:** 10.1  
**Date of Meeting:** 10 May 2010  
**Subject:** Project status update on Proposed Standard APES 230 *Financial Advisory Services*

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### Purpose

To provide a project status update to the Board on the progress of the APES 230 *Financial Advisory Services* project since the March 2010 APES Board meeting.

### 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.

### Project Status

Drafting of Exposure Draft is progressing well and the first step of transferring the principles into a proposed pronouncement is now complete (refer Draft Exposure Draft ED 0X/10 APES 230 *Financial Advisory Services* [Draft 11, 29 April 2010]). Technical Staff have also compared the requirements of the proposed APES 230 against the existing APS 12 and other equivalent national and international pronouncements (refer attached Mapping Tables).

## **Technical Staff Recommendation**

The APES Board note the progress of the project and provide preliminary comments on the structure of the proposed APES 230.

### **Material Presented**

- Draft Exposure Draft ED 0X/10 APES 230 *Financial Advisory Services* [Draft 11, 29 April 2010];
- Mapping/Comparison Tables:
  - Principles to Draft Exposure Draft ED 0X/10 APES 230;
  - Detailed Mapping Proposed APES 230 (Draft 11 April 29) to FPA Code of Professional Practice;
  - High Level Comparison of Proposed APES 230 to APS 12 (Draft 11 April 29) with APS 12 and NZ FAES;
- Minutes of Taskforce meeting held on 10 March 2010;and
- Office of the Hon Chris Bowen MP, *The Future of Financial Advice*, Information Pack.

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**Date:** 29 April 2010