

**WORKING DRAFT**  
**Constituents' Submissions – Specific Comments Table 1**  
**Exposure Draft 02/10: APES 230 Financial Advisory Services**

**Note: Specific comments relating to APES 230 Financial Advisory Services are addressed in a separate table. This table excludes minor editorial changes.**

Item No.	Paragraph No. in Exposure Draft	Respondent	Respondents' Comments
1		ORT	<b>Confidential submission</b>
2		CRA	<b>Confidential submission</b>
3		FAA	<b>Confidential submission</b>
4		CONFP	timing of the date of effect is a serious concern that will, if proceeded with, lead to another standard that will be observed in breach by (probably) every member which is a financial planner – or members such as myself (with a strong background of having served CPA Australia in their Ethics and Disciplinary areas) will need to resign so as to avoid breach of a standard that will not be possible to comply with
5		AP	The commencement date of 1 July 2011 is unreasonable. The proposed standard requires very substantial changes to the way member firms operate. Admittedly, most firms are already shifting towards fee for service on financial advice. However, this change is being structured and implemented with the date specified by the Cooper Review in mind and to now bring forward a lot of structural changes so that everything is done in the next 9 to 10 months is unreasonable.
6		CFS	<b>Application of the Standard</b> Finally, I note it is intended that the final Standard (APES 230) will be operative from 1 July 2011 and is intended to apply to both new and existing clients. As you would be aware the current Government's proposed reforms, as well as standards developed by industry associations such as the FSC and FPA, apply prospectively to new clients and new advice from 1 July 2010. Irrespective of the form of the final Standard I strongly suggest the Board considers aligning its application with these other codes. This will ensure a smooth transition for member businesses, which are currently subject to substantial business disruption and uncertainty.
7		MS	It is our view that it is impulsive to implement APES 230 before the Government releases legislation which will most likely overlap with the issues dealt with in the proposed standard. Furthermore, the proposed commencement date of 1 July 2011 precedes the Future of Financial Advice reforms (2012) and will be all but impossible to achieve given the fundamental changes required to fee structures, business models and service offerings.
8		KEN	<b>Proposed Operative Date:</b> Currently, it is proposed that the Standard will apply from 1 July, 2011, for both new and existing clients. We have no problem with its application to new clients from that date, but ask you to consider a further 12 months before the Standard applies to existing clients. For firms such as ours, with a large number of clients obtained over a long period of operation, it will be a major administrative task to implement a new fee process. Naturally, fees charged to clients should always be agreed firstly between the member

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			<p>and the client, and then most clients prefer to authorize this to be paid from their investments. Whilst some funds and platform providers allow adviser fees to be paid as a flat dollar amount, others do not yet have this facility available.</p> <p>In addition, some older style products originally used many years ago may not have the facility to rebate to the client any ongoing commission given up by a planner. If the client is then billed by the adviser for work done, with no reduction because no commission has been received, the client is significantly worse off. If the implementation of this standard was delayed for a further 12 months, it would give members sufficient time to lobby product providers for the changes necessary to provide flexibility in remuneration payments.</p> <p>Naturally, members could separately invoice clients for services provided, but especially in relation to superannuation investments, clients may be cashflow poor, and the fees for advice need to be paid out of the relevant investments under review.</p> <p>If the Board continues with the approach of insisting on fee for service to apply to personal risk management and related advice, we request that the implementation of this be delayed for at least a further 12 months to 1 July 2012, to allow appropriate systems to be implemented by both members and product providers. An undesirable situation will arise if only some product providers move to paying flat dollar fees, and, where clients are unable to pay for risk advice separately, the number of products that we can consider appropriate for these clients, reduces.</p>
9		CFPL	<p>To now expect many members to change their business models by 01/07/2012 is a very dangerous expectation. As I said in the attached letter to the ICAA, membership of a professional accounting body is fast becoming irrelevant for many operating in the financial planning space.</p> <p>It is easy for me to say that the ED is about 15 years too late but that is not the issue. The issue is that the ICAA and the CPA both need to take some responsibility for the current situation (which took over 15 years to develop) and it needs to be fixed by a longer term process.</p> <p>A mandated professional and ethical obligation will not fix this. It has to be fixed at a grass roots level. The professional bodies may need to roll out a professional remuneration model in the financial planning space. This will take time and effort. Each has the resources to do this but neither has risen to the challenge.</p> <p>Unfortunately the APESB is not, in my opinion, the place to start.</p>
10		MHGL	<p>The proposed standard is inconsistent with the proposals being considered by the Government and industry bodies in that its reach is far broader, it is retrospective and the commencement date is less than 12 months away. The changes required to be made by businesses in this very short time are immense and I don't believe have been fully considered.</p>
11		WB	<p><b>Date of Application</b></p> <p>It is proposed that this standard will be operative from 1 July 2011. Apart from the political uncertainty currently facing the community at large as a result of the recent elections, there is a plethora of recommendations in the public forum which if adopted will create uncertainty and different start dates to that envisaged by this exposure draft. This includes recommendations from the Cooper Report and the Henry Report. It is not practical or workable for this exposure draft to be operative from 1 July 2011.</p> <p><b>Summary</b></p>

Item No.	Paragraph No. in Exposure Draft	Respondent	Respondents' Comments
			The date of application of 1 July 2011 is too early and conflicts with other significant changes in the financial services review process.
12		PU	<p>The introduction by the standard of a prescriptive fee model by 1 July 2011 is disturbing for a number of reasons.</p> <ul style="list-style-type: none"> <li>• Firstly, there is no commercial recognition of the extensive timeframe required to convert both future and past clients to such a model. The reality is that the operative date of 1 July 2011 is unachievable even if the financial planning members of our profession started that transition today. The time intensive compliance task of transitioning existing clients to a fee for service model will be enormous. A simple “back of the envelope” calculation reveals that there is at least 1,000 hours of conversion work for a typical financial adviser. A 1 July 2011 commencement date is unrealistic.</li> </ul>
13		FPAA	<b>Confidential submission</b>
14		Deloitte	<p><b>1. Timing of the finalisation of the ED</b></p> <p>The ED has been issued subsequent to the release of “The Future of Financial Advice” (“FoFA”) information package by the Minister for Human Services, Minister for Financial Services, Superannuation and Corporate Law. The FoFA represents a comprehensive Government response to the recent Inquiry into Financial Products and Services in Australia by the Parliamentary Joint Committee on Corporations and Financial Services, which was set up in the wake of collapses. The Governments response is guided by two overriding principles:</p> <ul style="list-style-type: none"> <li>• financial advice must be in the clients best interests – distortions to remuneration, which misalign the best interests of the client and the advisor, should be minimised; and</li> <li>• in minimising these distortions, financial advice should not be put out of reach of those who would benefit from it.</li> </ul> <p>The FoFA propose a range of reforms upon which stakeholders will be consulted and the exact nature of the reforms have not yet been finalised. Furthermore, it is noted that it is intended that the reforms in respect of conflicted remuneration schemes, advisor charging regimes and statutory fiduciary duty would apply from 1 July 2012.</p> <p>Given the objectives of the FoFA, we believe that it would appropriate for the APESB to wait until the outcome of the Government consultation process is known. The process will result in input from a wide variety of stakeholders, including financial planners, product providers, users of financial advice and regulators. This will allow the reforms to be based on wider stakeholder input.</p> <p>Furthermore, we are concerned of the impact of the APESB seeking to impose requirements which go beyond those in the FoFA. In addition, some of the proposals set out in the ED have the potential to impact organisations other than financial planners, for example product providers, therefore there is a need for some transitional provisions in the ED.</p> <p><b>Summary</b></p> <p>We do not believe the introduction of the ED should be earlier than the proposed Government reforms. To do so would create inconsistencies and uncertainties for Members subject to two sets of reforms.</p>
15		BG	<b>Confidential submission</b>
16		AFAC	<b>INTRODUCTION &amp; EXECUTIVE SUMMARY</b>

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Item No.	Paragraph No. in Exposure Draft	Respondent	Respondents' Comments
			<p>However, AFAC has some fundamental concerns with Exposure Draft APES 230, including the following:  The proposed implementation date of July 2011 poses significant barriers to the practical implementation of any suggested changes and precedes similar changes proposed under the FOFA implementation date by 12 months. We therefore submit that the proposed date is inappropriate and should be carefully reviewed;</p> <p><b>3. DETAILED COMMENTS</b>  <b>3.4. Legislative Alignment</b></p> <p>As you are aware, the Government has a reform agenda established through the Future of Financial Advice proposals. Has the APESB considered this proposal in light of this and also reforms considered as part of the Cooper Review?</p> <p>We believe that it is premature to implement APES 230 in a scenario where the Government has not yet released legislation which will most likely overlap with the issues dealt with in APES 230. It would be better to understand the Government's changes and allow for consistency between new changes and what is proposed under APES 230.</p> <p><b>Operative Date</b></p> <p>It is proposed that APES 230 will be operative from 1 July 2011. Some of the requirements, particularly the move to a fee for service model as set out in APES 230 constitute major changes to the businesses of financial advisers at a time when the Government also plans to release legislation in relation to its Future of Financial Advice reforms.</p> <p>We note the following comment in a Media Statement issued by the Joint Accounting Bodies (JAB):  <i>"In this case, less than 12 months would not provide JAB members with sufficient time to transition to the new standard, while also taking into account the federal government's Future of Financial Advice reforms."</i></p> <p><b>We recommend that to avoid any unintended consequences regarding the timing of these proposals, that they be aligned with the Government's Future of Financial Advice reforms.</b></p> <p><b>4. MEMBER VIEWS – Synopsis of Survey Results *Please see survey detailed results in Appendix*</b></p> <p>The full survey results are covered in AFAC's full submission to the APESB. These comprise of 272 responses from accountant financial planners across the AFAC dealer groups.</p> <p>Some interesting highlights are:</p> <ul style="list-style-type: none"> <li>• 76% agreement that APESB should wait for Government for greater clarification on fiduciary duty under the FOFA reforms</li> <li>• 87% disagreement on the APES 230 timetable, with more than half in strong disagreement</li> </ul> <p><b>5. CONCLUSION</b></p> <p>The proposed implementation timetable for APES 230 is out of line with the Future of Financial Advice reforms. Implementation would also have serious industry distorting impacts for dubious benefits, and arguably be inconsistent with the public interest mandate for the APESB.</p>

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17		SPAA	<p>Proposed operative date and transitional arrangements</p> <p>18. The Government's prospective ban on conflicted remuneration structures, advisor charging regime and statutory fiduciary duty (the three key components of the Government's Future of Financial Advice reforms) will apply to new clients from 1 July 2012. However, the proposed operative date for APES 230, for both new and existing clients, is 1 July 2011.</p> <p>19. SPAA considers that an operative date of 1 July 2011 is likely to cause confusion and Members will have insufficient time to make the system and other changes necessary to conform to the new standards. There are also likely to be product arrangements in place that cannot be unwound without considerable cost and tax implications for Clients. Similarly, there is likely to be issues around legacy products which pay commissions which will need to be considered.</p> <p>20. Furthermore, the requirement for Members to adopt APES 230 for new and existing Clients from 1 July 2011 will place many Members at a significant commercial disadvantage when compared to those not aligned with a professional accounting body. The prohibition on commission payments will have an impact on revenue streams and may create an un-level playing field for Members in public practice versus those who will only be required to comply with the Government's Future of Financial Advice reforms for new clients from a later date.</p> <p>21. Given that the detail of the Government's Future of Financial Advice reforms are subject to further industry consultation, and no doubt further change, SPAA considers it appropriate for APES 230 to be introduced only after all of the details of the Government's Future of Financial Advice reforms have been finalised. The Government's consultation process is likely to identify other issues and considerations which should be properly considered prior to the release of the Exposure Draft.</p> <p>22. However, SPAA does agree that APES 230 (and the Future of Financial Advice reforms when finalised for non-members) should apply to existing Clients but only after an appropriate transitional period. It is difficult to foresee how a regime which provides for different standards to be applied to different Clients could be sustainable or even desirable over the longer term.</p> <p>This transitional period should be sufficient to enable Members to make the necessary changes to their existing charging practices and systems, and should enable Clients to be transitioned to the new fee charging regime in an efficient and orderly manner.</p> <p>Recommendation No.7 – The operative date for APES 230 should be deferred until after the Government's Future of Financial Advice reforms have been finalised.</p> <p>Recommendation No.8 – APES 230 should only apply to existing Clients after an appropriate transitional period.</p>
18		MSC	<b>Confidential submission</b>
19		OHM	Timing – I strongly believe that the introduction of AOES 230 should be aligned with the legislation for practical consistency and commercial reasons.
20		PWC	<p>Proposed effective date of the ED</p> <p>We note that the financial planning industry is currently subject to proposed reforms that have been announced by the Australian Federal Government. We understand that the ED is intended (at least in part) to reflect those anticipated reforms, although in our view the APESB is</p>

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			<p>quite properly seeking to ensure that accountants act professionally and ethically regardless of any legislative regime. The proposed legislative changes are to apply from 1 July 2012. However, the ED is proposed to apply as a standard from 1 July 2011</p> <p>In our view, for the reasons already set out above, it is not desirable for the draft ED to proceed before the legislative reforms have been finalized and become law. Our main concern is that the proposed standard and legislation would not be aligned, causing confusion and complexity in this already challenging area.</p> <p>Given the above, we agree with media release by the Institute of Chartered Accountants dated 1 July 2010 urging the APESB to set a pragmatic and appropriate timeframe for implementation of the proposed new standard. We suggest that the ED should remain as a draft, or perhaps be issued only as guidance, until after the legislation is passed.</p>
21		WHK	<p>Set out below are the key aspects that WHK wishes to comment with respect to APES 230. WHK is a member of Accountant Financial Adviser Coalition (AFAC) and has also been working with the Mid-Tier Accounting companies on APES230.</p> <p><b>1. Alignment with Future of Financial Advice</b></p> <p>The Government has established a reform agenda through the Future of Financial Advice (FOFA) proposals. The reform agenda, once finalized and implemented, is likely to have a significant, and overall positive, impact on the financial planning industry and consumers. As with any reform agenda, this is likely to involve a period of adjustment and considerable time, resources and cost to implement.</p> <p>We believe that it is premature to implement APES 230 when the Government has not released legislation and the issues expected to be addressed in the legislation are likely to overlap with the issues dealt with in APES 230. There would appear to be a number of areas where APES 230 and the current FOFA proposals do not align, such as treatment of insurance commissions, retrospectively, some definitions and the timing of implementation. Inconsistency between the two proposals will add complexity and cost, which ultimately will be passed through to the consumer and is likely to detract from, rather than reinforce, the benefits from the Government's reform agenda. There is also likely to be unintended consequences.</p> <p>Recommendation: We believe it would be better to understand the Government's changes and to seek consistency between the Government changes and what is proposed under APES 230.</p>
22		GT	<p>The proposed operative date of 1 July 2011 should be deferred so as to enable members to re-assess their business operations and membership of the accounting bodies. Our concern is that some current members will find the proposed requirements of APES 230 un-commercial and therefore resign their membership of the accounting bodies which will confuse the market place as most current members provide a professional and well accepted service to the public. We instead suggest that the operative date be tied in with the FoFA legislative timetable which at this time is intended to be from 1 July 2012. We also believe that as with any new standards, the APES 230 requirements should not be retrospective.</p>
23		NCA	<p><b>Timing</b></p> <p>There is no justification for the draft to impose a start date of 1 July 2011, one year earlier than the government has advocated. Given the time for the draft to be exposed and commented upon, and the time to consider all those issues, the final will probably not be available until early 2011 giving practitioners little time to change work practices if the fee paragraphs remain the same.</p>

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			<p>Adoption of new accounting standards generally have a much longer lead time for professionals and their clients to adjust, but we seem to be unfairly singled out here for no demonstrated reason.</p> <p><b>Grandfathering</b></p> <p>I understand that the fee proposal for Government is to commence with investments made from July 2012, and that existing arrangements will be allowed to remain. There is no such relief in the draft which again shows a lack of understanding of the issues for small businesses such as ours. Such a relief and the extension of the commencement date to coincide with the Government start date whenever that is, is sensible, reasonable and easier to implement if the fee proposal is coordinated with the government position</p>
24		ISN	<p><b>Operative Date</b></p> <p>Given that there is some overlap between the matters proposed to be regulated by the Exposure Draft Standard and the FoFA reforms, it is probably a logical step to align the operative date of both. The new Standard would therefore not be operative until 1 July 2012. The latter operative date could also be justified given the operational, technological and risk management/compliance changes which would need to occur to meet the new requirements of this Standard.</p>
25		APPC	<p><b>Comments on the ED</b></p> <p>The APPC commends the APESB for being proactive in undertaking work on a replacement for APES12 and for its contribution to the public policy debate on appropriate professional and ethical standards with respect to financial advisory services.</p> <p>We are however aware of a number of concerns within the accounting profession and the broader financial advisory services industry with regard to some elements of the ED.</p> <p>These include (but are not limited to):</p> <ol style="list-style-type: none"> <li>Proposed operative date</li> </ol> <p>The exact form of the FoFA package has not yet been finalized and consultations with industry are currently taking place. The majority of the FoFA reforms are intended to be effective from 1 July 2012. Given that the planned effective date for APES 230 is 1 July 2011, there is the likelihood that there will be a number of inconsistencies between the two.</p> <p>We believe that it is in the public interest that members who provide financial advisory services are not subject to two different and potentially conflicting standards. There is also a need to allow sufficient time for affected members to transition their affairs to comply with new arrangements and we concerns that the proposed operative date of 1 July 2011 for the ED does not provide sufficient time.</p> <p>Accordingly we believe that further consideration by given to the ED's implementation date and suggest that this should not be earlier than the proposed implementation date of the Government's FoFA reforms.</p>
26		FSC	<p><b>Confidential Submission</b></p>
27		PB	<p><b>Comments on proposed standard</b></p> <p>Notwithstanding our comments above, we also make the following observations in respect of the current exposure draft:</p>

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			<ul style="list-style-type: none"> <li>The effective commencement date of 1 July 2011 is unrealistic. The earliest effective date should align with the Government's FoFA reforms with an appropriate transition period and/ or extension where the requirements of the proposed standard are at a higher level.</li> </ul> <p><b>Summary</b></p> <p><b>Principal Recommendations</b></p> <ul style="list-style-type: none"> <li><b>Defer finalisation of APES 230 until the outcomes of the FoFA reforms are known.</b></li> <li><b>The APESB should become actively engaged and involved in the FoFA reforms consultation process.</b></li> <li><b>The proposed standard should be redrafted and reissued as an exposure draft for comment once the outcomes of the FoFA reforms are known. This will ensure consistency, avoid duplication and inequity, facilitate the transition of business systems and avoid any unintended consequences.</b></li> </ul> <p><b>Other Comments</b></p> <p>While the Joint Accounting Bodies do not support issuing the standard at this time, we have reviewed the ED and make the following comments for consideration when that document is redrafted.</p> <ul style="list-style-type: none"> <li>Reforms which align with the proposed Government FoFA reforms should be identified and these reforms should have an implementation date no earlier than the date of these legislated reforms. All other reforms should have an operative of at least 12 months after this date.</li> </ul> <p><b>Detailed Analysis</b></p> <p>While the Joint Accounting Bodies do not support issuing the standard at this time, we have reviewed the ED and make the following comments for consideration when the ED is redrafted.</p> <p><b>Proposed operative date – 1 July 2011</b></p> <p>The effective commencement date and the lack of appropriate transitional provisions in APES 230 is a significant concern to the Joint Accounting Bodies. We believe that it poses a risk to the credibility of both the APESB and the accounting profession. Member feedback confirms that the majority of those affected will be unable to comply with the proposed standard in its current form within the short timeframe proposed. Further if they attempt to, it will impose an unreasonable burden of cost and time.</p>

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			<p>The APES 230 Exposure Draft requires Members to make fundamental changes to their business structures, review their current remuneration models and then consider how the firm will charge as a result of the proposed reforms to remuneration being proposed in APES 230.</p> <p>For many public practitioners this may also include evaluating where future cash flows will come from given the proposed banning of receipt of all commission, which rightly or wrongly, may potentially threaten the profitability and possibly the viability of a Members' practice. The limited timeframe will not allow members to make the appropriate decisions for their businesses. Such revaluations may also affect covenants in place with lending institutions, impact the members' costs of servicing their obligations and access to ongoing finance in a tight credit market.</p> <p>Of further importance is that Members are being compelled to make these significant changes not only in an extremely short timeframe but also following the Global Financial Crisis and its associated impact.</p> <p>The 1 July 2011 operative date also fails to recognise that there will be existing Client arrangements in place, which cannot be amended during this timeframe or possibly at all in the case of Clients who have funds invested in legacy products.</p> <p>Member feedback indicates a concern that the APESB is being unnecessarily hasty in pushing the new standard before the proposed Government reforms. Members are also concerned that it appears that the APESB have not taken into account the implications raised above when setting the proposed operative date for the standard. These same concerns were raised by the Joint Accounting Body representatives at the Taskforce during the drafting of the proposed standard.</p> <p>It should also be noted that the review of APS 12 commenced in October 2008 and it has taken nearly 20 months of reviewing this standard before the release of the Exposure Draft of APES 230. This in itself is evidence of the extensive complexities that are embedded in this industry.</p> <p>We strongly believe that the proposed start date of 1 July 2011 is both unrealistic and unachievable. It provides insufficient time for Members to make the necessary changes to their practices, market their new value proposition to their Clients and then transition to a Fee for Service remuneration model. Further time is required to allow Members to appropriately make this transition.</p> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• <b>Reforms which align with the proposed Government FoFA reforms should be identified and these reforms should have an implementation date no earlier than the date of these legislated reforms. All other reforms should have an operative of at least</b></li> </ul>

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			<b>12 months after this date.</b>
28		KCA	<p>We are comfortable with the proposed start date 1 July 2011.</p> <p>Professionals make the hard decisions in business. I believe if we lead the way as a group and adopt this proposed standard Accountants will become the premier financial advising group in the industry.</p>

**Staff Instructions**

- Comments of a “general” nature should be dealt with first, followed by paragraph specific comments.
- Respondents’ comments must be copied verbatim into this table.
- Comments should be dealt with in paragraph order, not respondent order.
- Use acronyms only for respondents. Update the attached table with details of additional respondents.

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**RESPONDENTS**

1	CFP	Crossing Financial Partners
2	DMJ	Daniel Mendoza-Jones
3	DFG	Davidson Financial Group
4	LBA	Lockhart Business Advisors
5	FFA	Fitzpatricks Financial Advisers
6	ORT	Ortmanns Pty Ltd
7	CRA	Cooper Reeves Accountants
8	SG	Surbal Group
9	SD	Shane Dumbrell
10	RMFA	Roberts & Morrow Financial Services P/L
11	FFP	Forsythes Financial Planning Pty Ltd
12	FAA	Forum Accounting & Advisory
13	FMFS	FM Financial Solutions
14	RIA- MR	Roskow Independent Advisory - MR
15	RIA - NS	Roskow Independent Advisory - NS
16	BIA	Brocktons Independent Advisory
17	IFAAA	IFAAA
18	NEX	Nexia Court Financial Solutions Pty Ltd
19	CONFP	Continuum Financial Planners
20	HPW	Hewison Private Wealth
21	DMR	DMR Corporate Pty Ltd
22	AP	Advantage Partners
23	PMHFP	Port Macquarie Hastings Financial Planning Pty Ltd
24	CFS	Colonial First State
25	MFS	Managed. Financial Strategy
26	JR	Johnston Rorke
27	MS	Moore Stephens
28	KEN	Kennas
29	QPPC	Qld Public Practice Committee
30	GBWW	GBW Wealthcare
31	AIES	Australian International Education Services

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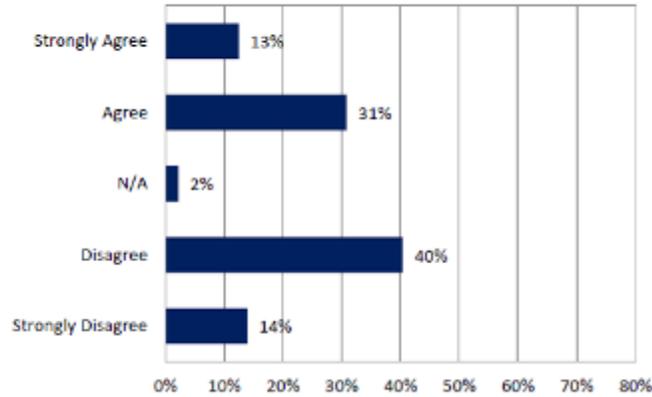
32	SCT	Strategic Consulting & Training Pty Ltd
33	PPA	Pitcher Partners Advisory Pty Ltd
34	CFPL	Curran Financial Pty Ltd
35	MHGL	McPhail HLG Financial Planning
36	FERB	Ferguson Betts
37	WB	William Buck
38	DFP	Direction Financial Planning
39	PU	Peter Uhlmann
40	BAG	Bosco Accounting Company Aust Ltd
41	OHM	OHM Australia Financial Services Pty Ltd
42	PWC	PwC Australia
43	LFM	Landmark Financial Management Pty Ltd
44	KHFG	KH Financial Group
45	FPAA	Financial Planning Association of Australia Limited
46	DELOITTE	Deloitte Touche Tohmatsu
47	BG	Bongiorno Group
48	WHK	WHK Group Limited
49	KCA	Kothes Chartered Accountants
50	AMP	AMP Financial Services
51	AFAC	Accountant Financial Adviser Coalition
52	SPAA	SMSF Professionals' Association of Australia
53	Count	Count Financial Limited
54	MSC	Confidential Submission
55	CNIC	Cutcher & Neale Investment Services
56	FTS	Financial & Technical Solution Limited
57	GT	Grant Thornton Australia Limited
58	SHRB	Suzanne Hadden & Robert M. C. Brown
59	NCA	Noble Chartered Accountants
60	ISN	Industry Super Network
61	PB	The Joint Accounting Bodies
62	APPC	Australia Public Policy Committee
63	KPMG	KPMG
64	EY	Ernst & Young

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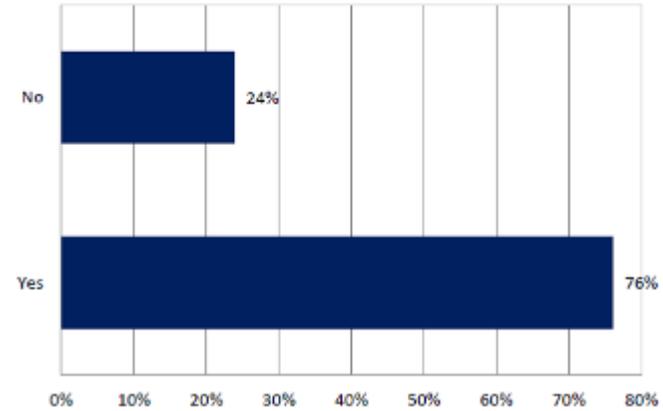
65	FSC	Confidential Submission
66	ASIC	Confidential Submission

**APPENDIX 1 – SURVEY RESULTS**

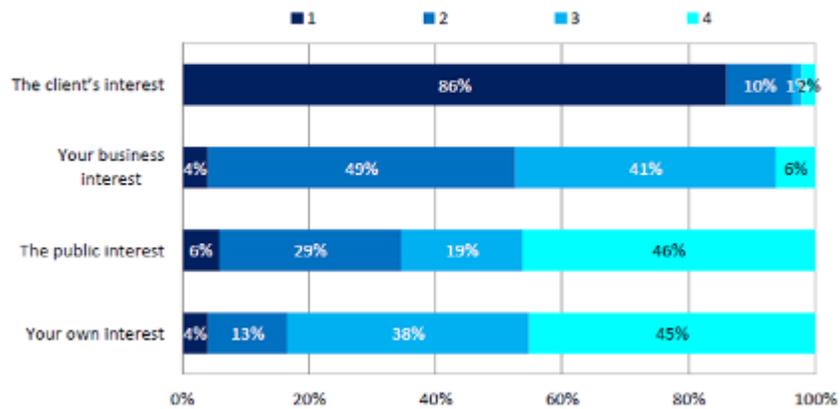
1. Do you believe this goes beyond what is required under the concept of 'fiduciary obligation'?



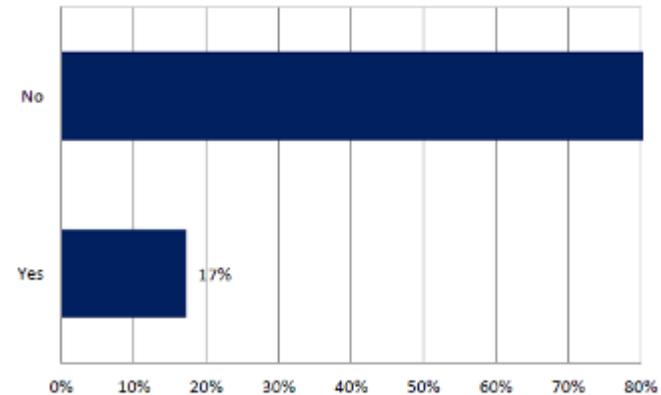
2. Do you believe that the APESB should wait until the Government releases further information and/or a definition of what is required under a 'fiduciary relationship'?



3. Please rate these in order of importance (with 1 being most important, 4 being least important) from your perspective as your role as accountant:

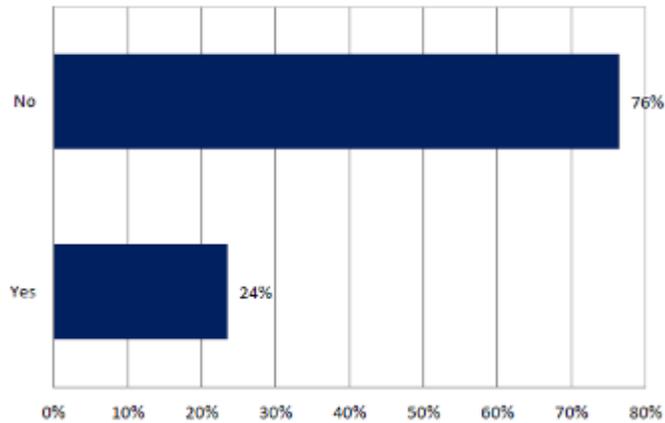


4. Do you believe that it is the domain of a professional body to prescribe fee charging models?

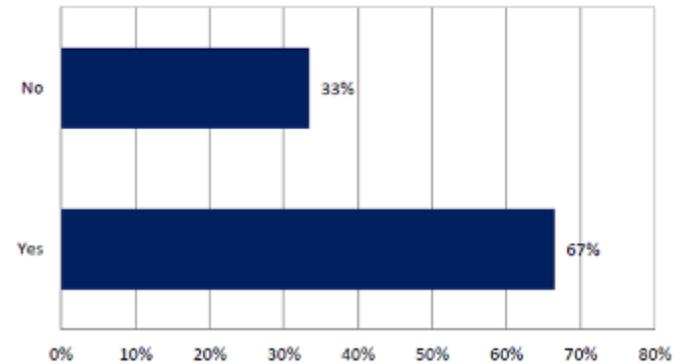


Constituents' Submissions – Specific Comments Table 1  
 Exposure Draft 02/10: Proposed Standard: APES 230 Financial Advisory Services

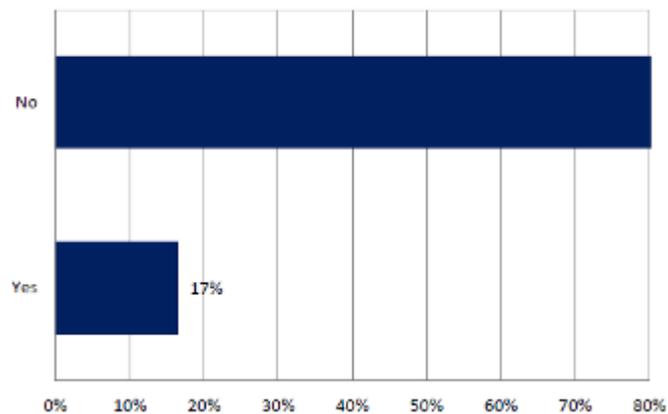
5. Do you believe it is appropriate for this proposed standard to be more prescriptive than the regulations?



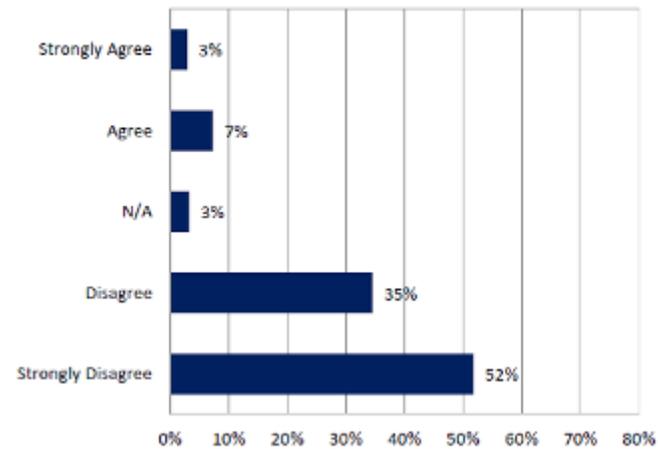
6. Do you see an increased demand in your planning business for limited advice?



7. One of the requirements of APES 230 is to research and present alternative strategies for clients. Do you believe this is appropriate for limited advice situations?

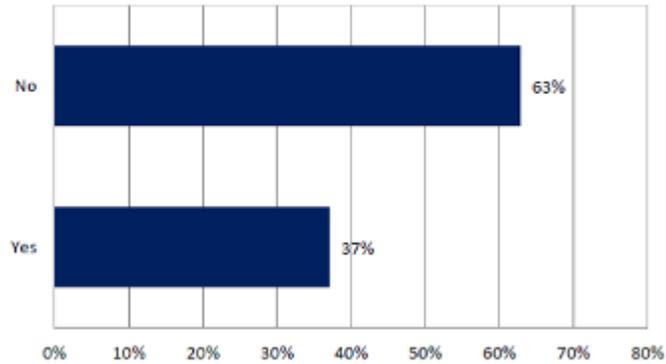


8. Do you agree with the timetable set for these proposals in light of the difference in timing between these proposals and the Government's Future of Financial Advice Reforms?

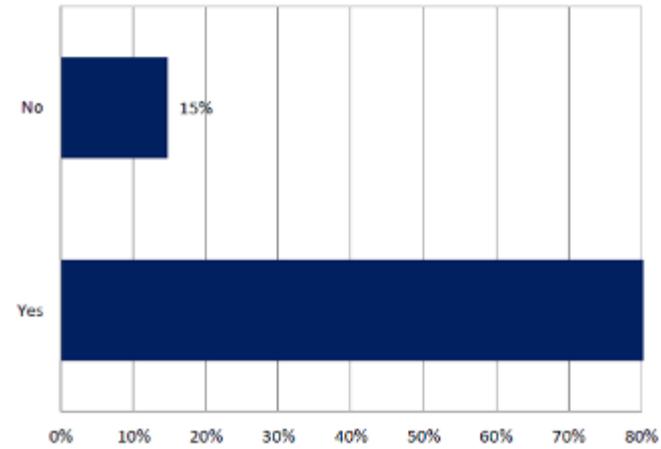


Constituents' Submissions – Specific Comments Table 1  
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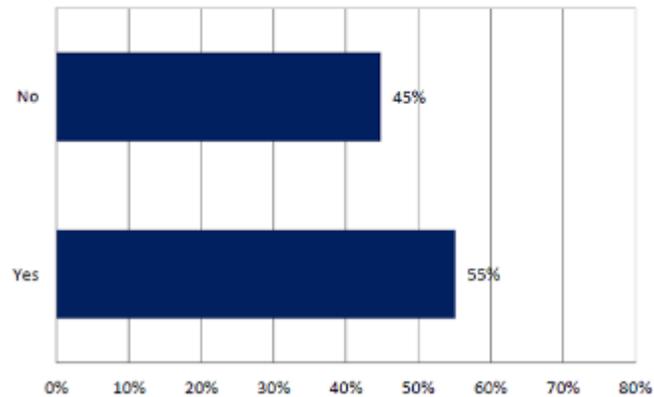
9. If the commencement date of 1 July 2011 is adhered to, will your business be ready?



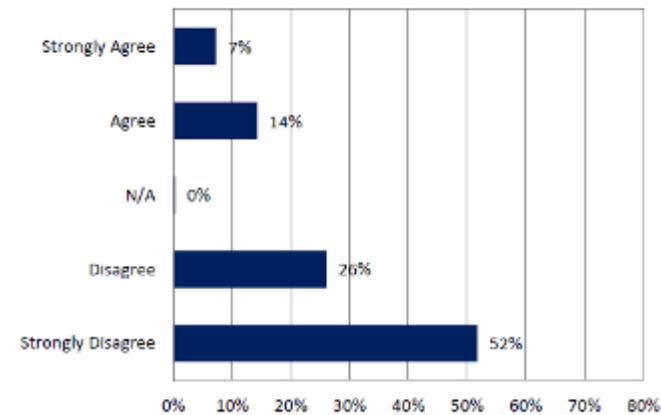
10. As an accountant engaged in financial advice, do you believe you will be disadvantaged by these proposals as they will not be applied to non-accountant financial advisers?



11. Would you reconsider your membership of your accounting body if these proposals are implemented?

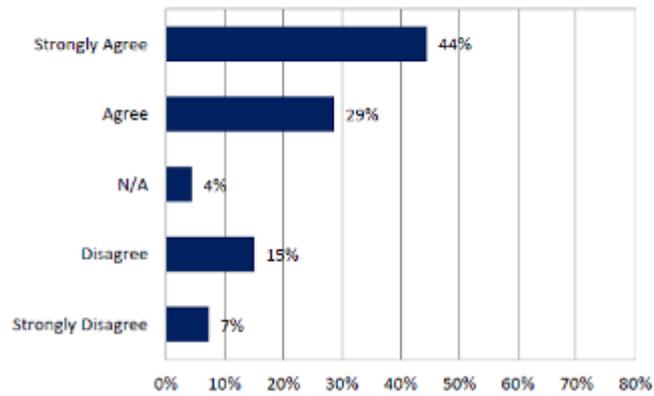


12. APES 230 proposes that the definition of fee for service does not include percentage based asset fees. Do you agree with this proposal?

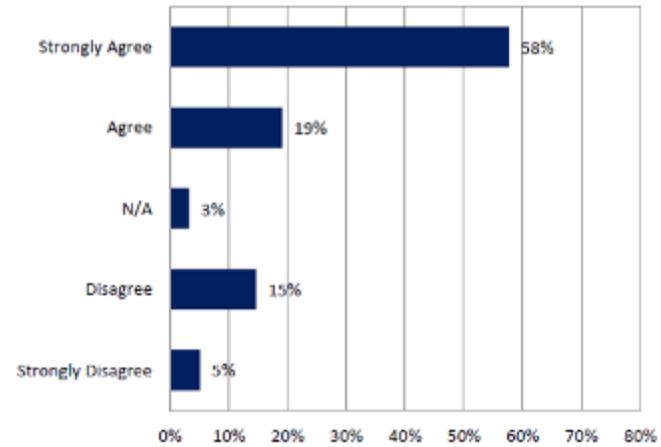


Constituents' Submissions – Specific Comments Table 1  
Exposure Draft 02/10: Proposed Standard: APES 230 Financial Advisory Services

13. Will your business be adversely impacted by having to cease using percentage based asset fees?

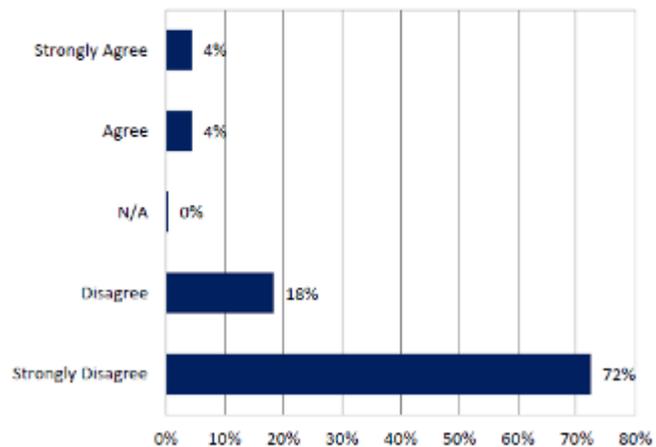


14. With APES 230 prohibiting the receipt of insurance commission, will this seriously reduce the likelihood of providing insurance cover for your clients?



Constituents' Submissions – Specific Comments Table 1  
Exposure Draft 02/10: Proposed Standard: APES 230 Financial Advisory Services

15. APES 230 prohibits the receipt of commissions for services provided prior to the commencement of APES 230. Do you agree with this retrospective application of the proposed standard?



16. Conflicts associated with hourly based remuneration reward inefficiencies, and where the work is drawn out the client will pay more. With asset based percentage fees, when the investment goes up the adviser is paid more and when the investment goes do

