

AGENDA PAPER

Item Number: 17
Date of Meeting: 26 August 2014
Subject: Update on the Six Month Review of APES 230 *Financial Planning Services*

Action Required For Discussion For Information Only

Purpose

To provide the Board with an update on the six month review of APES 230 *Financial Planning Services* (APES 230).

Background

The Board issued APES 230 in April 2013 with an effective date of 1 July 2014 with the remuneration requirements commencing on 1 July 2015.

Consideration of Issues

The APES 230 Six Month review process was completed in April and May 2014 and the six month review report was tabled at the May 2014 Board meeting (refer Agenda item 17 (a)).

May 2014 Update

At the Board meeting in May 2014, the Board considered the APES 230 Six Month Review Report. The Board also discussed the best interest obligations of the Client in APES 230 and its link to the *Corporations Act 2001*. Key stakeholders requested that the Board consider developing a principles-based definition of Best Interest duty which is not linked to the *Corporations Act*. The Board agreed to consider the matter and requested that the key stakeholders submit proposals for the Board's consideration.

August 2014 Update

Stakeholders have provided various proposals for the Board's consideration and discussion.

It should be noted that in June 2014 the *Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014 (FoFA 2014)* was enacted. Refer to Agenda Item 17 (b) for further information.

Staff Recommendation

The Board consider and discuss the proposals submitted by stakeholders in respect of the Best Interest Duty.

Material presented

Agenda Item 17 (a) APES 230 – 6 month review report – 20 May 2014; and

Agenda Item 17 (b) Extract of Explanatory Statement – *Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014*.

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Date: 15 August 2014