



New professional standards regime – financial advisers

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New legislation mandating professional standards for financial planners and advisers was passed in the House of Representatives.

The Corporations Amendment (Professional Standards of Financial Advisers) Bill 2016 (Bill) introduces compulsory education requirements for new and existing financial advisers as well as other measures such as:

- a. A code of ethics for the industry;
- b. An exam that will represent a common benchmark across the industry; and
- c. An ongoing professional development component.

The new standards will commence on 1 January 2019 and any new advisers will be required to hold a relevant degree.

Existing financial advisers will have a transitional period of two years (until 1 January 2021) to pass an industry standard exam, and up to five years (until 1 January 2024) to meet the new educational requirements.

The government also plans to establish a new standards body to administer the new regime. The standards body will be responsible for developing and setting the industry exam, develop the code of ethics, and set the education requirements.

The Government has said that the new standards body will be entirely funded by industry.

The Bill is required to be passed by the Senate before it is enacted.

Should you wish to discuss any matters arising out of this article, please contact the author:

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