

21 November 2018

FINANCIAL PLANNERS AND ADVISERS CODE OF ETHICS LEGISLATIVE INSTRUMENT CONSULTATION NOTIFICATION

Section 921U(2)(b) of the Corporations Act 2001 requires the Authority to make a Code of Ethics that all relevant providers (including provisional providers) must comply with under section 921E of the Act.

The Code of Ethics imposes ethical duties that go above the requirements in the law. It is designed to encourage higher standards of behaviour and professionalism in the financial services industry.

FASEA released Consultation Paper: Code of Ethics on 20 March 2018 inviting submissions by 1 June 2018 on the draft Code contained in the paper. A key objective of the Code is promoting enhanced consumer trust and confidence in the industry, and thereby, refocusing financial advisers and planners from providing commercial services to acting as professionals.

During the submission period FASEA consulted with key stakeholders representing industry associations, individual financial advisers, financial advice licensees, education providers and consumer representatives including facilitating consultation forums with representatives from key stakeholder groups.

A total of 37 formal submissions were received for this standard. All feedback and submissions received due consideration by FASEA in finalising the standard.

Arising from that consideration, FASEA proposes the Code of Ethics addressing the values of Trust, Competence, Honesty, Fairness and Diligence. All advisers must act at all times, in all cases in a manner that is demonstrably consistent with the 12 standards which will be monitored by ASIC's approved code monitoring bodies.

The draft Legislative Instrument and Explanatory Statement are available at www.fasea.gov.au.

FASEA invites submissions and/or comments on the draft Legislative Instrument through our dedicated consultations email (consultation@fasea.gov.au) by 19 December 2018.

