



The professional
excellence pathway

FINSIA OUTLINES BLUEPRINT FOR THE PROFESSIONALISATION OF FINANCIAL SERVICES INDUSTRY

- **Raising industry standards of professionalism essential to reduce poor customer outcomes and improve consumer trust.**
- **Rigorous annual certification process for all practitioners key step to effective industry self regulation.**

24 July 2018, FINSIA, the Financial Services Institute of Australasia, responds to the Royal Commission and sets out the fundamental steps required for an effective self-regulation model/framework to ensure a commitment to professionalism in the financial services industry.

FINSIA's submission sets out three key recommendations to assist in achieving this:

1. Establish professional standards of conduct and competence for the industry.
2. Require completion of professional qualifications at defined roles and levels of seniority
3. Implement an **annual certification process** to provide a Statement of Professional Standing

Announcing the details of the submission and the annual certification process, Chris Whitehead, Chief Executive of FINSIA commented: "The establishment of a rigorous annual certification process is the best and simplest approach to achieving an effective self-regulated framework to improve industry professionalism focusing on raising standards of individual competency and conduct."

"Annual certification for every practising individual needs to be supported by an industry-wide monitoring process, overseen by an independent standards body, and backed by regulation where required."

Core to implementing the annual certification process is ensuring that professional membership bodies, an appointed independent standards body, such as the Professional Banking Council recommended in FINSIA's submission, and regulators all work together to monitor standards and certify all individuals.

Mr Whitehead adds, "Any professional standards and annual certification process established by the industry must go meaningfully beyond regulatory minimums and be supported by organisational culture and strong disciplinary processes."

"Ultimately support for professional aspiration and a professional culture will be far more successful than prescriptive regulation and a compliance mindset."

"A regulatory driven approach runs the risk of encouraging organisational behaviour designed to meet basic regulatory compliance requirements rather than increased overall professionalism and better outcomes for customers."

"FINSIA understands that the execution of these recommendations requires the support and commitment from the many diverse institutions across the industry to be genuine industry-led reform supported by the right regulation which is preferable and more effective to regulation on its own, Mr Whitehead concluded.

FINSIA's Proposed Annual Certification Process

FINSIA's proposed annual certification process holds the key to effective industry self-regulation. It sets out the mandated steps each individual working in the industry must adhere to in order to renew their membership with their relevant professional membership body each year and to continue as a practitioner.

An individual must:

- Confirm they have completed the required annual Professional Development hours (CPD Requirements).
- Confirm that they are qualified to perform the role they are currently employed in.
- Confirm, via independent audit that they, as a practitioner/adviser have no investigations open or pending against them or any current sanctions against them.

Meeting these requirements results in the confirmation and issue of an individual's Statement of Professional Standing for the next 12 months. The details of all industry individuals who have met these requirements and have a current Statement of Professional Standing would be held in a publicly accessible Membership Register at the relevant professional membership body which also serves as a record of any practitioner that has sanctions or disciplinary actions against them by their professional membership body.

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FINSIA. The professional excellence pathway.

FINSIA — the Financial Services Institute of Australasia, is the professional membership body in Australia and New Zealand for the financial services industry.

FINSIA has a heritage of over 130 years of connecting members with industry-leading insights and influential networks, we help members to build their capabilities and advance their careers. While strengthening the professional standing of its members, FINSIA is working to deepen consumer trust by raising standards of professionalism across the industry to deliver better outcomes for the community.