



FINANCIAL
SERVICES
INSTITUTE
of Australasia

NATIONAL EXAM RAISES BAR ON FINANCIAL ADVICE — FINSIA

The Financial Services Institute of Australasia (Finsia) supports the recommendations of the Parliamentary Joint Committee on Corporations and Financial Services inquiry into ethical and education standards of financial advisers, released Friday.

Commenting on the PJC's final report, Finsia CEO Russell Thomas F Fin said, "Finsia welcomes the PJC's recommendations, particularly as they clarify who can provide financial advice — namely registered professionals that adhere to the highest educational and ethical standards."

The professional standing of Finsia's Senior Associate (SA Fin) designation was recognised by the PJC report. On this, Mr Thomas said, "we are pleased to see Finsia's accreditation framework is recognised by the PJC report. Finsia has a proud history of improving adviser education standards."

Friday's report, however, follows division within the industry. "Finsia views the protracted contest of business models in recent years as not in the interests of the industry as a whole, or the consumers that it serves. It has been damaging to the industry's reputation," Mr Thomas observed.

The PJC supports the establishment of an independent Finance Professionals' Education Council (FPEC) to set and monitor the educational framework that applies to financial advisers. It is recommended that the FPEC develop and administer a registration exam for financial advisers.

"This approach was signalled by Finsia in its submission to the inquiry as the appropriate means of ensuring that advisers approved for inclusion on the proposed ASIC register meet a benchmark of technical knowledge and competence," Mr Thomas explained.

"A national exam has long been Finsia's call to regulators, and we are fully supportive of this recommendation. It is vital that the professional association, regulator and academic communities work together to improve the reputation of the financial advice industry in the minds of consumers. The formation of the FPEC and development of a national exam for financial advisers, as recommended by the PJC report, will set this process in train."

"Finsia looks forward to working with professional bodies across the industry and the regulator to enhance and codify the professionalism of the industry."

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About Finsia

Finsia — the Financial Services Institute of Australasia — is Australasia's premier membership organisation for the financial services industry.

Finsia advances our members' careers by building their capability and professional standing – and by connecting them to leading content, insights and influential networks. Finsia also plays a vital role in strengthening the financial services industry through policy initiatives and respected credentials that drive rigorous professional standards.

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