

3 February 2022

Advice and Investment Branch Retirement,
Advice and Investment Division
Treasury
Langton Crescent
Parkes ACT 2600

By email: AdviceReview@treasury.gov.au

To whom it may concern,

Re: Quality of Advice Review - Draft Terms of Reference

Thank you for this opportunity to comment on the draft Terms of Reference for your upcoming review of financial advice.

Monochrome Asset Management offers crypto-asset exposure for wholesale clients via a secure, regulated, and familiar investment vehicle. Monochrome Asset Management Pty Ltd is a Corporate Authorised Representative (CAR No.128 6428) of Non Correlated Capital Pty Ltd (AFSL No. 499882).

Monochrome is committed to developing the investment community's knowledge and understanding of crypto-assets. An important way to increase the understanding of crypto-assets in Australia is to enable Australia's investment advice industry to engage with clients on this asset class.

We have two specific areas of interest in your review's Terms of Reference.

- The classification of wholesale investors.
 - We welcome the fact that this important issue is specifically listed under Term of Reference 3.2: "The processes through which investors are designated as sophisticated investors and wholesale clients, and whether the consent arrangements are working effectively."
 - We look forward to making a detailed submission on this point as the review proceeds.

- Provision of Professional Indemnity Insurance for advice on crypto-assets.
 - This appears to be covered under Term of Reference 2.4: "Whether parts of the regulatory framework have in practice created undesirable unintended consequences and how those consequences might be mitigated or reduced."
 - We would urge that the Terms of Reference more specifically note that the ability of financial advisers to access insurance is fundamental to their ability to assist investors in any asset class.
 - The fact that advisers are unable to access Professional Indemnity Insurance in relation to crypto-assets is a significant factor limiting investor's access to advice in this emerging asset class.

We look forward to the confirmation of your review's Terms of Reference and participating once it commences.

Please do not hesitate to contact me on 0404 066 044 or at Craig.hobart@monochrome.co with any queries in relation to Monochrome Asset Management or our engagement with your review.

Yours sincerely,

Craig Hobart


