

Hello

Thank you for the opportunity to submit a response to the Quality of Advice Review

I am not going to respond to the entire document but just 2 areas in which I have relevant expertise and industry involvement both as an industry participant and a professional investor.

4.5 Disclosure Documents

In answer to the specific questions in the review:

64 How much does the requirement to prepare a SOA contribute to the cost of advice?
The SOA contributes a significant cost to the provision of financial advice. But just as important as the use by clients - clients in many cases simply don't read 50 page documents designed to cover the ass of the financial adviser rather than providing them with simple advice they can understand.

65 To what extent can the content requirements for SOAs and ROAs be streamlined, simplified or made more principles-based to reduce compliance costs while still ensuring that consumers have the information they need to make an informed decision?
Remove all the unnecessary information and duplicate information that really has nothing to do with advice. Limit the SOA to 2 pages. Set this as a standard. At least then consumers will read the SOA and it will drive down the cost of preparation.

66 To what extent is the length of the disclosure documents driven by regulatory requirements or existing practices and attitudes towards risk and compliance adopted within industry?
To a major extent. It has become a legal document not and advice document

67 How could the regulatory regime be amended to facilitate the delivery of disclosure documents that are more engaging for consumers?
It is all about simplifying the requirements by removing the need for reams of gobbledygook. Remove the justification for the advice - just provide the advice

68 Are there particular types of advice that are better suited to reduced disclosure documents? If so, why?
Yes. Limited advice on many products or maybe listed securities

4.6 Accountants Providing Financial Advice

Since the removal of the Accountants Exemption, SMSF trustees have been required to find an AFS licence holder for even the simplest advice for their SMSF. This is expensive and wasteful especially seeing, in many cases, their accountant is suitably qualified to provide the advice. The Limited Licence has not worked based on the numbers of accountants who received licences and the small number that were actually used.

In answer to the specific questions in the review:

71. Should accountants be able to provide financial advice on superannuation products outside of the existing AFSL regime and without needing to meet the education requirements imposed on other professionals wanting to provide financial advice? If so, why?

The answer is YES. Accountants have sufficient training and experience to provide advice on establishing an SMSF, contribution strategies, pensions, winding up an SMSF and investment strategies. The professional accounting and SMSF organisations already have specialty designation where accountants are provided with training which is in most cases in excess of the AFSL educational requirements.

72. If an exemption was granted, what range of topics should accountants be able to provide advice on? How can consumers be protected?

The exemption should allow accountants to talk with their client about establishing an SMSF, contribution strategies, pensions, winding up an SMSF and investment strategies. They are in fact the best people to do so as they have a far more holistic view of the client than a financial planner employed to meet a specific need. This would also reduce the cost of advice as the accountant already knows his / her client. The accountant already has professional indemnity insurance to protect his / her client.

73. What effect would allowing accountants to provide this advice have on the number of advisers in the market and the number of consumers receiving financial advice?

It may reduce the number of advisers although I doubt this will be the case with the current shortfall. More consumers will get advice this way.

74. Is the limited AFS licence working as intended? What changes to the limited licence could be made to make it more accessible to accountants wanting to provide financial advice?

The limited licence has not worked. I think it should be scrapped.

75. Are there other barriers to accountants providing financial advice about SMSFs, apart from the limited AFSL regime?

No

Thank you for reading my submission.

Sincerely



Ron Lesh

B.Bus, FCA, Grad. Dip. IT, CMgr, FIML, CCEO

Managing Director
rlesh@bglcorp.com.au | www.bglcorp.com.au



Suite 2 | 606-608 Hawthorn Road | (PO Box 8063) | Brighton East, Victoria,
3187 Australia

P: +61 (0)3 9530 6077
| F: +61 (0)3 9530 6964 | D: +61 (3) 9008 5301 | M: +61 (0) 414 957 824

HK: 800 933 545

|
SG: 800 6162 148

|
NZ: 0800 444 408

|
UK: 0800 028 3491



Disclaimer: The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use if, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer. Except as required by law, BGL Corporate Solutions Pty Ltd does not represent, warrant and/or guarantee that the integrity of the communication has been maintained nor that the communication is free of errors, virus, interception or interference. Check out our privacy policy at www.bglcorp.com.au.