



4 September 2018

Dr Mark Brimble  
Interim Managing Director  
Financial Adviser Standards and Ethics Authority

Email: [consultation@fasea.gov.au](mailto:consultation@fasea.gov.au)

Dear Dr Brimble,

### **SMSF ASSOCIATION SUBMISSION ON PROPOSED FOREIGN QUALIFICATIONS STANDARD**

The SMSFA welcomes the opportunity to make a submission on the Financial Adviser Standards and Ethics Authority's (FASEA) proposed foreign qualifications standard. It is important that qualifications obtained overseas include the FASEA competencies and for individuals to have an understanding of Australian regulatory and legal obligations, particularly when the Australian framework is complex and specific.

We note that effective consultation on the proposed foreign qualification standard is difficult without finalisation of the FASEA education standards.

*3.1 Do you agree that the NOOSR/DET assessment is an appropriate approach in assessing the education level of an overseas qualification? If not, why not?*

We believe that the NOOSR/DET assessment is an appropriate approach for individuals to have their foreign qualification assessed against Australian qualifications.

*4.1. Do you agree with the approach for approving New Entrant Foreign Qualifications? If not, why not?*

*4.2. Is there an alternative approach that should be considered for approving New Entrant foreign qualifications?*

New entrants for foreign qualification purposes will not only include individuals who have never given advice before, but also experienced individuals who have given advice overseas.

Given this variety, we do not support the 'blanket rule' that a new entrant with a NOOSR/DET approved degree must undertake the post graduate pathway and a new entrant with a NOOSR/DET unapproved degree must undertake the undergraduate degree pathway. Furthermore, without the



finalisation of the FASEA education standard pathways it is premature to express a definitive opinion.

However, we do believe that a post graduate degree is the most likely option that a new entrant with an approved degree will undertake. This assumes that they will be given credit for a majority of their approved degree and potential experience as to not repeat fundamental subjects.

Furthermore, depending on the final design of the education standards, there may be appropriate foreign qualification bridging courses that are developed to ensure that individuals are only undertaking post graduate level study in subjects that are relevant to ensuring they meet minimum Australian Standards. For example, it is arguable that an individual with an approved specific financial advice NOOSR/DET degree and years of experience in financial advice should be able to undertake a bridging course to meet the FASEA standards rather than a post graduate degree.

The SMSFA also believes individuals who are experienced advisers but are deemed to be a new entrant without a NOOSR/DET approved degree should also have the option of a post graduate FASEA degree if deemed eligible by an education provider. This may be the case when an individual's foreign qualification is not approved but their experience, knowledge and other qualifications can satisfy enrolment for a post graduate degree.

An undergraduate degree is a significant barrier to entry for a new entrant with a non-approved degree but with significant financial advice provision experience overseas. We believe a similar solution is being created for individuals that are 'career changers' in FASEA's education standards. Therefore, under these circumstances, undertaking an eight subject graduate diploma is more appropriate for their situation than a three year 24 subject undergraduate degree.

We also believe individuals that have also given prior financial advice should not be required to undertake the professional year if they are approved for an exception by the Australian Securities and Investments Commission.

*4.3. Do you agree with the approach for approving Existing Adviser Foreign Qualifications? If not, why not?*

*4.4. Is there an alternative approach that should be considered for approving Existing Adviser foreign qualifications?*

The SMSFA has no specific concerns relating to the proposed foreign qualification pathway for existing advisers.

We believe this pathway should aim to mirror the final FASEA education standards as closely as possible. This includes provisions for limited licence advisers as stated in our previous submission to FASEA regarding the education standards.

We also support the inclusion of bridging courses which would provide an appropriate pathway for those foreign qualified existing advisers whose NOOSR/DET approved degree is akin to a FASEA approved degree. This provides a distinct pathway from those existing advisers with related and unrelated foreign degrees.



*4.5. Do you agree that a Precedent Database and its availability on the FASEA website will be useful? If not, why not?*

*4.6. Do you agree with the information that will be updated periodically on the website? If not, why not?*

The SMSFA supports the use of a Precedent Database on the FASEA website. We believe it has the potential to be useful and informative for individuals who are assessing the relevance of their degree and which pathway may apply to them.

We believe that the 'Year awarded' category should be updated to be as applicable as possible. Providing a range of relevant years will ensure that the Precedent Database is able to be used by a wider range of individuals. The use of a single year per approved degree will be too specific to be useful unless an individual is 'lucky' enough to have studied the same course in the same year, rendering the database ineffective.

If you have any questions about our submission please do not hesitate in contacting us.

Yours sincerely,

A handwritten signature in black ink that reads 'John L. Maroney'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John Maroney  
CEO  
SMSF Association

### **ABOUT THE SMSF ASSOCIATION**

The SMSF Association is the peak professional body representing SMSF sector which is comprised of over 1.1 million SMSF members who have \$750 billion of the funds under management and a diverse range of financial professionals servicing SMSFs. The SMSF Association continues to build integrity through professional and education standards for advisors and education standards for trustees. The SMSF Association consists of professional members, principally accountants, auditors, lawyers, financial planners and other professionals such as tax professionals and actuaries. Additionally, the SMSF Association represents SMSF trustee members and provides them access to independent education materials to assist them in the running of their SMSF.