



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

15 July 2022

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**RE: Post implementation review on the removal of the stamping fee exemption**

The Financial Planning Association of Australia<sup>1</sup> (FPA) welcomes the opportunity to provide feedback in response to Treasury's post implementation review on the removal of the stamping fee exemption that applies to listed investment entities.

The FPA supported the removal of the exemption that allowed stamping fees on listed investment entities. The FPA believes that fees for financial planning services should be paid by clients, not by product providers, and stamping fees do not promote clients to understand and compare the fees they are paying. In 2009 FPA members voted to ratify the FPA Remuneration Policy which sets out principles for best practice financial planner remuneration. The Policy states that members should move to a client directed remuneration model from 2012. While it is not mandatory, the Policy has been effective at promoting best practice for remuneration in financial planning.

Even before the introduction of the ban on commissions as part of the implementation of the Royal Commission recommendations, annual surveys of FPA members had indicated that all

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<sup>1</sup> The Financial Planning Association (FPA) is a professional body with more than 12,000 individual members and affiliates of whom around 8,500 are practising financial planners and 5,207 are CFP professionals. Since 1992, the FPA has taken a leadership role in the financial planning profession in Australia and globally:

- Our first "policy pillar" is to act in the public interest at all times.
- In 2009 we announced a remuneration policy banning all commissions and conflicted remuneration on investments and superannuation for our members – years ahead of the Future of Financial Advice reforms.
- The FPA was the first financial planning professional body in the world to have a full suite of professional regulations incorporating a set of ethical principles, practice standards and professional conduct rules that explain and underpin professional financial planning practices.
- We have an independent Conduct Review Commission, chaired by Dale Boucher, dealing with investigations and complaints against our members for breaches of our professional rules.
- We built a curriculum with 18 Australian Universities for degrees in financial planning through the Financial Planning Education Council (FPEC) which we established in 2011. Since 1 July 2013 all new members of the FPA have been required to hold, or be working towards, as a minimum, an approved undergraduate degree.
- When the Financial Adviser Standards and Ethics Authority (FASEA) was established, the FPEC 'gifted' this financial planning curriculum and accreditation framework to FASEA to assist the Standards Body with its work.
- We are recognised as a professional body by the Tax Practitioners Board.

commissions on investment products have been trending down for FPA members for many years. This reduced to zero with the phasing out of grandfathered commissions by the end of 2020.

Stamping fees on listed investment entities made up a tiny proportion of commission revenue for financial planners overall. Removing the exemption for stamping fees did not have major consequences for the vast majority of financial planners.

For this reason, we do not support any changes to the treatment of stamping fees as they were introduced from 1 July 2020.

The FPA would welcome the opportunity to discuss with the Treasury the issues raised in our submission. If you have any questions, please contact me on [ben.marshan@fpa.com.au](mailto:ben.marshan@fpa.com.au) or on 02 9220 4500.

Yours sincerely



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