

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
<p>The exercise of professional judgement</p>	<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1, 2, 3, 4, 5, 6, 7, 8, 9 (implied)</p> <p>Corporations Act 2001</p> <p>“s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <p style="padding-left: 20px;">(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p style="padding-left: 20px;">(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.161</p> <p>“In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client’s needs, as well as satisfying the requirements of the law;</p> <p>(b) good quality advice refines and clarifies a client’s objectives, and helps the client, as much as possible, to achieve those objectives;</p> <p>(c) good quality advice can be comprehensive or limited in scope, depending on the client’s needs and circumstances;</p> <p>(d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them;</p> <p>(e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and</p> <p>(f) good quality advice involves good communication—including SOAs and verbal communication.</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>subject matter (the <i>client's relevant circumstances</i>);</p> <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <p style="padding-left: 40px;">(i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and</p> <p style="padding-left: 40px;">(ii) assessed the information gathered in the investigation;</p> <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”</p>	<p>RG 175.186</p> <p>“The safe harbour requires an advice provider to:</p> <p>(a) identify the objectives, financial situation and needs of the client that were disclosed by the client through instructions;</p> <p>(b) identify:</p> <p>(i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered relevant to advice sought on that subject matter (client’s relevant circumstances);</p> <p>(c) if it is reasonably apparent that information relating to the client’s relevant circumstances is incomplete or inaccurate, make reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assess whether the advice provider has the expertise required to provide the client with advice on the subject matter sought and, if not, decline to provide the advice;</p> <p>(e) if it would be reasonable to consider recommending a financial product:</p> <p>(i) conduct a reasonable investigation into the financial products that might achieve the objectives and meet the needs of the client that would reasonably be considered relevant to advice on that subject matter; and (ii) assess the information gathered in the investigation;</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>“s961H Resulting advice still based on incomplete or inaccurate information</p> <p>(1) If it is reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice is based is incomplete or inaccurate, the provider must, in accordance with subsections (2) and (3), warn the client that:</p> <ul style="list-style-type: none"> a) the advice is, or may be, based on incomplete or inaccurate information relating to the client’s relevant personal circumstances; and b) because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client’s objectives, financial situation and needs. <p>(2) The warning must be given to the client at the same time as the advice is provided and, subject to subsection (3), by the same means as the advice is provided.”</p> <p>“s961J(1) Conflict between client's interests and those of provider, licensee, authorised representative or associates</p> <p>If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of: (a) the provider; or</p>	<p>(f) base all judgements in advising the client on the client’s relevant circumstances; and</p> <p>(g) take any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client’s relevant circumstances (see s961B(2)).”</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<ul style="list-style-type: none"> a. an associate of the provider; or b. a financial services licensee of whom the provider is representative an associate of a financial services licensee of whom the provider is a representative; or c. an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or d. an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a financial services licensee; the provider must give priority to the client's interests when giving the advice.” 	<p>RG 175.224</p> <p>“When making inquiries into the client’s relevant circumstances, an advice provider may discover that a subject matter of advice different from the one sought by the client would better suit the client’s objectives, financial situation and needs. The advice provider may discuss this with the client and the client may decide to revise the subject matter of the advice they are seeking to the more suitable subject matter identified by the advice provider.”</p> <p>RG 175.219</p> <p>“Identifying the client’s relevant circumstances requires an advice provider to use their judgement and complete reasonable inquiries into the client’s relevant circumstances.”</p> <p>RG 175.222</p> <p>“To satisfy the requirement in s961B(2)(b)(ii), an advice provider may need to make inquiries additional to those that they normally make. This is particularly important where the advice is relatively complex or where it is reasonably apparent that the client has a low level of financial literacy.”</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
		<p>RG 175.225</p> <p>“If the advice provider considers that another subject matter would be more suitable, and does not advise the client, this may be conduct that would mislead or deceive the client, or would be likely to mislead or deceive...”</p> <p>RG 175.282</p> <p>“We consider that advice is appropriate if it would be reasonable to conclude, at the time the advice is provided, that:</p> <ul style="list-style-type: none"> (a) it is fit for its purpose—that is, following the advice is likely to satisfy the client’s relevant circumstances; and (b) the client is likely to be in a better position if they follow the advice (see RG 175.163–RG 175.170).” <p>RG 175.288</p> <p>“When the modified best interests duty applies, an advice provider only needs to take the steps in s961B(2)(a)–(c) to comply with the best interests duty in s961B(1): see Table 6. This means that whether the advice is appropriate is judged by reference to the information and knowledge the advice provider would have acquired as a result of:</p> <ul style="list-style-type: none"> (a) identifying the objectives, financial situation and needs of the client that were disclosed by the client through instructions;

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
		<p>(b) identifying: (i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and (ii) the client’s relevant circumstances; and (c) if it was reasonably apparent that information relating to the client’s relevant circumstances was incomplete or inaccurate, making reasonable inquiries to obtain complete and accurate information (see s961B(2)(a)–(c)).</p> <p><u>ASIC Regulatory Guide 244</u></p> <p>RG 244.65</p> <p>“Section 961B(2)(b)(i) of the safe harbour for meeting the best interests duty requires an advice provider to identify the subject matter of the advice that has been sought by the client (whether explicitly or implicitly). It is possible to limit the scope of advice within this subject matter to a single issue. Either you or your client can suggest limiting the subject matter of your advice. However, you must use your judgement when deciding on the scope of the advice. As an advice provider, you must determine the scope of advice in a way that is consistent with your client’s relevant circumstances and the subject matter of the advice they are seeking.”</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
<p>Appropriate scope of advice</p>	<p>Financial Planners and Advisers Code of Ethics 2019 (Code of Ethics)</p> <p>Standards 1, 5, 6,</p> <p>Corporations Act 2001</p> <p>“s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <p>(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances);</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.209</p> <p>“Some factors that may be relevant in identifying the subject matter of the advice sought by the client include: (a) what the client’s instructions are;</p> <p>(b) why the client is seeking financial advice;</p> <p>(c) the outcomes the client wants to achieve if they follow the advice (i.e. their goal in seeking advice); and</p> <p>(d) how much the client is willing to pay for the advice, if this amount is reasonable. Clients will not always understand how much it costs to provide advice on the subject matter they are seeking.”</p> <p>RG 175.211</p> <p>“As a matter of good practice, if it is not self-evident, advice providers should tell their clients what they think the subject matter of advice is that the client is seeking and test with the client whether this is correct. If this is not done, there is a much greater risk that an advice provider will not correctly identify the subject matter of the advice sought by the client.”</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none"> (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and (ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”</p>	<p>RG 175.212</p> <p>“As mentioned at <i>RG 175.209</i>, how much the client is willing to pay for the advice can be a relevant factor in determining the subject matter of the advice the client is seeking. However, it does not mean that advice providers can necessarily interpret the subject matter of advice sought according to what can be provided at the price the client is willing to pay.”</p> <p>RG 175.214</p> <p>“If a client requests advice on a number of topics but is not willing to pay for advice on all of these topics, the advice provider must discuss with the client what advice they can provide based on the amount the client is willing to pay. It is up to the client to determine whether or not they will continue to seek advice on a revised subject matter.”</p> <p>RG 175.215</p> <p>“In discussing the subject matter of advice with the client, the advice provider must not engage in conduct that will mislead or deceive, or is likely to mislead or deceive—for example, by engaging in conduct, including by omission, that will lead, or is likely to lead, the client to think that the advice provider believes that any revised subject matter is better for the client, if the advice provider does not believe this.”</p> <p>RG 175.224</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
		<p>“When making inquiries into the client’s relevant circumstances, an advice provider may discover that a subject matter of advice different from the one sought by the client would better suit the client’s objectives, financial situation and needs. The advice provider may discuss this with the client and the client may decide to revise the subject matter of the advice they are seeking to the more suitable subject matter identified by the advice provider.”</p> <p>RG 175.208</p> <p>“Often, advice providers may refine their understanding of the subject matter of advice sought as they discover more information about their client.”</p> <p>RG 175.219</p> <p>“Identifying the client’s relevant circumstances requires an advice provider to use their judgement and complete reasonable inquiries into the client’s relevant circumstances.”</p> <p>RG 175.225</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
		<p>“If the advice provider considers that another subject matter would be more suitable, and does not advise the client, <u>this may be conduct that would mislead or deceive the client or would be likely to mislead or deceive.</u> This would be the case if the client expects, or would be likely to expect, the advice provider to tell the client that the advice provider considers another subject matter more suitable.”</p> <p>RG 175.288</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
		<p>“When the modified best interests duty applies, an advice provider only needs to take the steps in s961B(2)(a)–(c) to comply with the best interests duty in s961B(1): see Table 6. This means that whether the advice is appropriate is judged by reference to the information and knowledge the advice provider would have acquired as a result of:</p> <ul style="list-style-type: none"> (a) identifying the objectives, financial situation and needs of the client that were disclosed by the client through instructions; (b) identifying: <ul style="list-style-type: none"> (i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and (ii) the client’s relevant circumstances; and (c) if it was reasonably apparent that information relating to the client’s relevant circumstances was incomplete or inaccurate, making reasonable inquiries to obtain complete and accurate information (see s961B(2)(a)–(c)).”
<p>Complete and accurate record keeping</p>	<p>Financial Planners and Advisers Code of Ethics 2019 Standard 8.</p>	<p>ASIC Corporations (Record-Keeping Requirements for Australian Financial Services Licensees when Giving Personal Advice) Instrument 2024/508</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>Corporations Act 2001</p> <p>“912G Record-keeping: personal advice</p> <p>(1) This section applies in relation to the provision of personal advice to a person (the client) as a retail client by a financial services licensee (the provider) or a representative (the provider) of a financial services licensee.</p> <p>(2) The financial services licensee must ensure that records of the following matters are kept in relation to the provision of the personal advice:</p> <p>(a) the information relied on and the action taken by the provider that indicates the provider has, in accordance with subsection 961B(1), acted in the best interests (the best interests duty) of the client in relation to the advice; and</p> <p>(b) if subsection 961B(2) is being relied on to prove that the best interests duty has been satisfied—the information relied on and the action taken by the provider that satisfies the steps in that subsection;</p> <p>Note: The keeping of records that satisfy the record-keeping obligation in paragraph (b) will satisfy the record-keeping obligation in paragraph (a).</p> <p>(c) the advice given, including the reasons why, under section 961G, it would be reasonable to conclude that</p>	

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>the advice is appropriate to the client, had the provider satisfied the best interests duty; (d) where the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of a person mentioned in any of the paragraphs in subsection 961J(1)—the information relied on and the action taken by the provider to indicate that the provider has given priority to the client’s interests when giving the advice.</p>	
<p>Client communication</p>	<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1, 2, 3, 4, 5, 6, 7, 8, 9.</p> <p>Corporations Act 2001</p> <p>Under Div 2 of Pt 7.7A, introduced by the Corporations Amendment (Further Future of Financial Advice Measures) Act 2012, advice providers providing personal advice must:</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.125 “Clear, concise and effective presentation of SOAs promotes understanding of advice by retail investors. We consider that the presentation requirements are as important as the content requirements in preparing an SOA”.</p> <p>RG 175.126 “An SOA should: (a) contain all key information in the body of the document instead of relegating some key information to an appendix;</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>a. act in the best interests of the client; provide the client with appropriate advice;</p> <p>b. warn the client if their advice is based on incomplete or inaccurate information; and</p> <p>c. where there is a conflict with their own interests, or those of one of their related parties, prioritise the interests of the client</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <p>(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances);</p>	<p>(b) be tailored to the client and not contain any irrelevant information such as generic research or educational materials that are not relevant to the SOA (this information can be made separately available to retail investors on request); and</p> <p>(c) avoid unnecessary repetition of content where it would not enhance consumer understanding.”</p> <p>RG 175.96 “An SOA must comply with the Corporations Act and Corporations Regulations, and must include all of the following:</p> <p>(a) the title ‘Statement of Advice’ on the cover, or at or near the front, of the document (s947A);</p> <p>(b) the name and contact details of the providing entity (s947B(2)(c) and 947C(2)(c)) and, if the providing entity is an AFS licensee, its AFS licence number (s912F and reg 7.6.01C(1)(e));</p> <p>(c) where the providing entity is providing the advice as an authorised representative—the name, contact details and AFS licence number of the authorising licensee(s), and a statement that the providing entity is the authorised representative of that licensee or those licensees (s947C(2)(d) and reg 7.7.11A);</p> <p>(d) a statement setting out the advice (s947B(2)(a) and 947C(2)(a));</p> <p>(e) information about the basis on which the advice is or was given (s947B(2)(b) and 947C(2)(b))—see RG 175.104–RG 175.107;</p> <p>(f) information about the remuneration, commission and other benefits that the providing entity (and the other related or associated persons specified in s947B(2)(d) or 947C(2)(e)) will</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none"> (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and (ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances</p>	<p>receive, or reasonably expects to receive, that might reasonably be expected to be or have been capable of influencing the providing entity in providing the advice (s947B(2)(d) and 947C(2)(e), and regs 7.7.09BC, 7.7.09BD, 7.7.11 and 7.7.12)—see RG 175.108–RG 175.124; (g) information about the remuneration, commissions and other benefits that a person has received or is to receive for referring another person to the AFS licensee or providing entity (regs 7.7.11 and 7.7.12); (h) details of any interests, associations or relationships that might reasonably be expected to be, or to have been capable of, influencing the providing entity in providing the advice (s947B(2)(e) and 947C(2)(f)); and (i) if s961H requires a warning to be given to the client because the advice is based on incomplete or inaccurate information—a statement setting out or recording the required warning (s947B(2)(f) and 947C(2)(g))—see RG 175.303–RG 175.306.”</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>s941A Obligation on financial services licensee to give a Financial Services Guide if financial service provided to person as a retail client</p> <p>(1) A financial services licensee (the <i>providing entity</i>) must give a person a Financial Services Guide in accordance with this Division if the providing entity provides a financial service to the person (the <i>client</i>) as a retail client.</p> <p>(2) This section has effect subject to section 941C.</p> <p>(3) A person contravenes this subsection if the person contravenes subsection (1).</p> <p>Note: This subsection is a civil penalty provision (see section 1317E).</p> <p>s942C Financial Services Guide given by authorised representative--main requirements</p> <p>(1) This section applies if the providing entity is an authorised representative.</p> <p>(2) Subject to subsection (3) and to the regulations (see subsection (4)), the Financial Services Guide must include the following statements and information:</p> <p>(a) a statement setting out the name and contact details of the providing entity; and</p>	

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>(b) a statement setting out any special instructions about how the client may provide instructions to the providing entity; and</p> <p>(c) a statement:</p> <p>(i) setting out the name and contact details of the authorising licensee, or of each of the authorising licensees; and</p> <p>(ii) stating that the providing entity is the authorised representative of that licensee or those licensees; and</p> <p>(d) information, in relation to the authorising licensee or each of the authorising licensees, about the kinds of financial services (the <i>authorised services</i>) that the providing entity provides as representative of the authorising licensee, and the kinds of financial products to which those services relate....</p> <p>946A Obligation to give client a Statement of Advice The providing entity must give the client a Statement of Advice in accordance with this Subdivision and Subdivision D.</p> <p>SECT 962G</p>	

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>Requirements for consent</p> <p>(1) A written consent given in relation to an ongoing fee arrangement complies with the requirements in this section if:</p> <ul style="list-style-type: none"> (a) before obtaining the consent, the fee recipient disclosed to the client, in writing, the matters set out in subsection (2); and (b) the consent is for: <ul style="list-style-type: none"> (i) the ongoing fee arrangement to be entered into, or renewed (as the case requires); and (ii) the ongoing fees disclosed as required under paragraph (2)(e) to be charged to the client; and (c) the consent is signed by the client; and (d) the consent is dated; and (e) the fee recipient has the consent or a copy of the consent. <p>(2) The matters that must be disclosed are as follows:</p> <ul style="list-style-type: none"> (a) the name and contact details of the person who is the fee recipient under the ongoing fee arrangement; (b) an explanation of why the fee recipient is seeking the consent; (c) the maximum period until the consent will cease to have effect under section 962H; 	

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>(d) information about the services that the client will be entitled to receive under the arrangement during that period;</p> <p>(e) for each ongoing fee that the client will be required to pay under the arrangement during that period:</p> <p>(i) the amount of the fee; or</p> <p>(ii) if the amount of the fee cannot be determined at the time of disclosure, a reasonable estimate of the amount of the ongoing fee and an explanation of the method used to work out the estimate;</p> <p>(f) the frequency of the ongoing fees during that period;</p> <p>(g) a statement that the ongoing fee arrangement can be terminated by the client at any time;</p> <p>(h) a statement that the arrangement will terminate, and no further advice will be provided or fee charged under it, if the consent is not given;</p> <p>(i) the date on which the arrangement will terminate if the consent is not given;</p> <p>(j) information about any other matters prescribed by the regulations.</p>	

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
<p>Managing conflicts of interest</p>	<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1, 2, 3, 7.</p> <p>Corporations Act 2001</p> <p>s961J(1) Conflict between client's interests and those of provider, licensee, authorised representative or associates If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of: (a) the provider; or an associate of the provider; or a financial services licensee of whom the provider is representative an associate of a financial services licensee of whom the provider is a representative; or</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.307 An advice provider must prioritise the interests of the client if the advice provider knows, or reasonably ought to know, when they give the advice that there is a conflict between the interests of the client and the interests of: (a) the advice provider; (b) an associate of the advice provider; (c) the advice provider's AFS licensee; (d) an associate of the advice provider's AFS licensee; (e) an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee; or</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a financial services licensee; <u>the provider must give priority to the client's interests when giving the advice.</u></p>	<p>(f) an associate of an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee: see s961J(1).</p> <p>ASIC Regulatory Guide 181</p> <p>RG 181.1 – 181.26 Statutory obligation to manage conflicts of interest. This policy sets out approach to compliance with the statutory obligation to manage conflicts of interest in s912A(1)(aa).</p>
<p>Applying the best interest duty</p>	<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1, 5, 6, 7, 8.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice. (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.288 When the modified best interests duty applies, an advice provider only needs to take the steps in s961B(2)(a)–(c) to comply with the best interests duty in s961B(1): see Table 6. This means that whether the advice is appropriate is judged by reference to the information and knowledge the advice provider would have acquired as a result of:</p> <p>(a) identifying the objectives, financial situation and needs of the client that were disclosed by the client through instructions; (b) identifying:</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the <i>client's relevant circumstances</i>); <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information</p>	<p>(i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the client's relevant circumstances; and</p> <p>(c) if it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, making reasonable inquiries to obtain complete and accurate information (see s961B(2)(a)–(c)).</p> <p>RG 320(c) An advice provider must not 'over-service' the client to generate more remuneration for themselves or one of their related parties. This means that the advice provider must provide a level of service commensurate with the client's needs. For example, they must not recommend an unduly complex strategy if the client is unlikely to seek ongoing advice.</p>
<p>Acting only when it is appropriate to do so</p>	<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1, 2, 3, 4, 5, 6, 7, 8, 9, 10,12.</p> <p>Corporations Act 2001</p> <p>SECT 962G</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.186 The safe harbour requires an advice provider to:</p> <ul style="list-style-type: none"> (a) identify the objectives, financial situation and needs of the client that were disclosed by the client through instructions; (b) identify:

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>Requirements for consent (1) A written consent given in relation to an ongoing fee arrangement complies with the requirements in this section if:</p> <p>(a) before obtaining the consent, the fee recipient disclosed to the client, in writing, the matters set out in subsection (2); and</p> <p>(b) the consent is for:</p> <p>(i) the ongoing fee arrangement to be entered into, or renewed (as the case requires); and</p> <p>(ii) the ongoing fees disclosed as required under paragraph (2)(e) to be charged to the client; and</p> <p>(c) the consent is signed by the client; and</p> <p>(d) the consent is dated; and</p> <p>(e) the fee recipient has the consent or a copy of the consent.</p> <p>(2) The matters that must be disclosed are as follows:</p> <p>(a) the name and contact details of the person who is the fee recipient under the ongoing fee arrangement;</p> <p>(b) an explanation of why the fee recipient is seeking the consent;</p> <p>(c) the maximum period until the consent will cease to have effect under section 962H;</p> <p>(d) information about the services that the client will be entitled to receive under the arrangement during that period;</p> <p>(e) for each ongoing fee that the client will be required to pay under the arrangement during that period:</p> <p>(i) the amount of the fee; or</p>	<p>(i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered relevant to advice sought on that subject matter (client's relevant circumstances);</p> <p>(c) if it is reasonably apparent that information relating to the client's relevant circumstances is incomplete or inaccurate, make reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assess whether the advice provider has the expertise required to provide the client with advice on the subject matter sought and, if not, decline to provide the advice;</p> <p>(e) if it would be reasonable to consider recommending a financial product:</p> <p>(i) conduct a reasonable investigation into the financial products that might achieve the objectives and meet the needs of the client that would reasonably be considered relevant to advice on that subject matter; and (ii) assess the information gathered in the investigation;</p> <p>(f) base all judgements in advising the client on the client's relevant circumstances; and</p> <p>(g) take any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances (see s961B(2)).</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>(ii) if the amount of the fee cannot be determined at the time of disclosure, a reasonable estimate of the amount of the ongoing fee and an explanation of the method used to work out the estimate;</p> <p>(f) the frequency of the ongoing fees during that period;</p> <p>(g) a statement that the ongoing fee arrangement can be terminated by the client at any time;</p> <p>(h) a statement that the arrangement will terminate, and no further advice will be provided or fee charged under it, if the consent is not given;</p> <p>(i) the date on which the arrangement will terminate if the consent is not given;</p> <p>(j) information about any other matters prescribed by the regulations.</p> <p><u>s961J(1)</u> Conflict between client's interests and those of provider, licensee, authorised representative or associates If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of:</p> <p>(a) the provider; or</p> <p>b. an associate of the provider; or</p> <p>c. a financial services licensee of whom the provider is presentative an associate of a financial services licensee of whom the provider is a representative; or</p>	<p>FPSB Practice Standards 1, 2, 3, 9, 11, 14, 15</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Unifying Principle	Legislative source	Further reading
	<p>d. an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or</p> <p>e. an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a financial services licensee;</p> <p><u>the provider must give priority to the client's interests when giving the advice.</u></p>	

The Stages of the Advice Process

Stage 1 – Engagement

overview - At this stage, financial planners explain what financial planning involves, what services they offer, and how they work, making sure the client understands their role and responsibilities. They assess whether they're the right fit for the client's needs, identify any potential conflicts of interest, and agree on the scope of the engagement. This agreement is documented clearly and includes details like fees, responsibilities, and how the relationship can be ended.

Legislative source

Financial Planners and Advisers Code of Ethics 2019 (Code of Ethics) Standards 1; 2; 3; 4; 5; 6; 7; 8; 10.

Corporations Act 2001

Under Div 2 of Pt 7.7A, introduced by the Corporations Amendment (Further Future of Financial Advice Measures) Act 2012, advice providers providing personal advice must:

- a. act in the best interests of the client; provide the client with appropriate advice;
- b. warn the client if their advice is based on incomplete or inaccurate information; and
- c. where there is a conflict with their own interests, or those of one of their related parties, prioritise the interests of the client

s912A General obligations

A financial services licensee must:

1. (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and
 - (aa) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a

Further reading

ASIC Regulatory Guide 175

RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client's needs, as well as satisfying the requirements of the law;

(b) good quality advice refines and clarifies a client's objectives, and helps the client, as much as possible, to achieve those objectives;

(c) good quality advice can be comprehensive or limited in scope, depending on the client's needs and circumstances;

(d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept

representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

s941A Obligation on financial services licensee to give a Financial Services Guide if financial service provided to person as a retail client

(1) A financial services licensee (the *providing entity*) must give a person a Financial Services Guide in accordance with this Division if the providing entity provides a financial service to the person (the *client*) as a retail client.

(2) This section has effect subject to section 941C.

(3) A person contravenes this subsection if the person contravenes subsection (1).

Note: This subsection is a civil penalty provision (see section 1317E).

s942C Financial Services Guide given by authorised representative--main requirements

(1) This section applies if the providing entity is an authorised representative.

(2) Subject to subsection (3) and to the regulations (see subsection (4)), the Financial Services Guide must include the following statements and information:

(a) a statement setting out the name and contact details of the providing entity; and

(b) a statement setting out any special instructions about how the client may provide instructions to the providing entity; and

(c) a statement:

(i) setting out the name and contact details of the authorising licensee, or of each of the authorising licensees; and

and implement the strategies and products recommended to them;

(e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and

(f) good quality advice involves good communication—including SOAs and verbal communication.

RG175.162 – RG167: Acting in the best interests of the client

When providing personal advice to a client, an advice provider must act in the best interests of the client in relation to that advice: see s961B(1). We refer to this as the ‘best interests duty’. In this section, we provide guidance on how advice providers can comply with the best interests duty.

RG 175.209: How to identify the subject matter of the advice

Some factors that may be relevant in identifying the subject matter of the advice sought by the client include:

(a) what the client’s instructions are;

(b) why the client is seeking financial advice;

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(ii) stating that the providing entity is the authorised representative of that licensee or those licensees; and

(d) information, in relation to the authorising licensee or each of the authorising licensees, about the kinds of financial services (the *authorised services*) that the providing entity provides as representative of the authorising licensee, and the kinds of financial products to which those services relate....

s961B Provider must act in the best interests of the client

- (1) The provider must act in the best interests of the client in relation to the advice.
- (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:
 - (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;
 - (b) identified:
 - (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the ***client's relevant circumstances***);

s961J(1) Conflict between client's interests and those of provider, licensee, authorised representative or associates

If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of: (a) the provider; or an associate of the provider; or a financial services licensee of whom the provider is representative or an associate of a financial services licensee of whom the provider is a representative; or an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a

(c) the outcomes the client wants to achieve if they follow the advice (i.e. their goal in seeking advice); and

(d) how much the client is willing to pay for the advice, if this amount is reasonable. Clients will not always understand how much it costs to provide advice on the subject matter they are seeking.

RG 175.211

As a matter of good practice, if it is not self-evident, advice providers should tell their clients what they think the subject matter of advice is that the client is seeking and test with the client whether this is correct. If this is not done, there is a much greater risk that an advice provider will not correctly identify the subject matter of the advice sought by the client.

RG 175.222 To satisfy the requirement in s961B(2)(b)(ii), an advice provider may need to make inquiries additional to those that they normally make. This is particularly important where the advice is relatively complex or where it is reasonably apparent that the client has a low level of financial literacy.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

financial services licensee; the provider must give priority to the client's interests when giving the advice.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT 2006

SECT 32 - Carrying out applicable customer identification procedure before commencement of provision of designated service

- b. A reporting entity must not commence to provide a designated service to a customer unless the reporting entity has carried out the applicable customer identification procedure in respect of the customer.

SECT 41 - Reports of suspicious matters

Suspicious matter reporting obligation

(1) A suspicious matter reporting obligation arises for a reporting entity in relation to a person (the **first person**) if, at a particular time (the **relevant time**):

- (a) the reporting entity commences to provide, or proposes to provide, a designated service to the first person; or
- (b) both:
 - (i) the first person requests the reporting entity to provide a designated service to the first person; and
 - (ii) the designated service is of a kind ordinarily provided by the reporting entity; or
- (c) both:
 - (i) the first person inquires of the reporting entity whether the reporting entity would be willing or prepared to provide a designated service to the first person; and
 - (ii) the designated service is of a kind ordinarily provided by the reporting entity;
 and any of the following conditions is satisfied:
 - (d) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the first person is not the person the first person claims to be;

RG 175.158 We consider that any process of giving good quality financial advice has some or all of the following features: (a) a clearly defined scope that is appropriate to the subject matter of advice sought by the client and the client's relevant circumstances;

(b) an investigation of the client's relevant circumstances;

(c) assistance given by the advice provider to the client, if required, to set prioritised, specific and measurable goals and objectives;

(d) where relevant, consideration of potential strategies and options that are available to the client to meet their objectives and needs;

(e) where relevant, consideration of all aspects of the impact of the advice—for example, tax or social security consequences...

RG 175.147 AFS licensees also have an obligation to take reasonable steps to ensure that their representatives comply with: (a) the best interests duty in s961B; (b) the appropriate advice requirement in s961G;

(e) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that an agent of the first person who deals with the reporting entity in relation to the provision or prospective provision of the designated service is not the person the agent claims to be;

(f) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service:

(i) may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a taxation law; or

(ii) may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a law of a State or Territory that deals with taxation; or

(iii) may be relevant to investigation of, or prosecution of a person for, an offence against a law of the Commonwealth or of a State or Territory; or

(iv) may be of assistance in the enforcement of the *Proceeds of Crime Act 2002* or regulations under that Act; or

(v) may be of assistance in the enforcement of a law of a State or Territory that corresponds to the *Proceeds of Crime Act 2002* or regulations under that Act;

(g) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the provision, or prospective provision, of the service is preparatory to the commission of an offence covered by paragraph (a), (b) or (c) of the definition of **financing of terrorism** in section 5;

(h) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service may be relevant to the investigation of, or prosecution of a person for, an offence covered by paragraph (a), (b) or (c) of the definition of **financing of terrorism** in section 5;

(i) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the provision, or prospective provision, of the service is preparatory to the commission of an offence covered by paragraph (a) or (b) of the definition of **money laundering** in section 5;

(j) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service may be relevant to the investigation of, or prosecution of a person for, an offence covered by paragraph (a) or (b) of the definition of **money laundering** in section 5.

(c) the obligation to warn the client if advice is based on incomplete or inaccurate information in s961H; and

(d) the obligation to prioritise the client's interest in s961J (see s961L).

RG 175.307

An advice provider must prioritise the interests of the client if the advice provider knows, or reasonably ought to know, when they give the advice that there is a conflict between the interests of the client and the interests of:

- (a) the advice provider;
- (b) an associate of the advice provider;
- (c) the advice provider's AFS licensee;
- (d) an associate of the advice provider's AFS licensee;
- (e) an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee; or
- (f) an associate of an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee: see s961J(1).

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

--	--

<p>Outcome 1) - Identify the client¹, including</p> <ul style="list-style-type: none"> a) In whose beneficial interest advice should be provided b) If there is more than one client c) Any conflicts between the interests of parties seeking advice d) Whether there are any vulnerabilities or like factors that would influence advice delivery 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT 2006</p> <p>SECT 32 - Carrying out applicable customer identification procedure before commencement of provision of designated service</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.147 AFS licensees also have an obligation to take reasonable steps to ensure that their representatives comply with: (a) the best interests duty in s961B;</p>

¹ Div 2 of Pt7.7A(a),(c) of the Corporations Act; s961J(1); AML/CTF Act 2006

- a. A reporting entity must not commence to provide a designated service to a customer unless the reporting entity has carried out the applicable customer identification procedure in respect of the customer.

SECT 41 - Reports of suspicious matters

Suspicious matter reporting obligation

(1) A suspicious matter reporting obligation arises for a reporting entity in relation to a person (the **first person**) if, at a particular time (the **relevant time**):

(a) the reporting entity commences to provide, or proposes to provide, a designated service to the first person; or

(b) both:

(i) the first person requests the reporting entity to provide a designated service to the first person; and

(ii) the designated service is of a kind ordinarily provided by the reporting entity; or

(c) both:

(i) the first person inquires of the reporting entity whether the reporting entity would be willing or prepared to provide a designated service to the first person; and

(ii) the designated service is of a kind ordinarily provided by the reporting entity;

and any of the following conditions is satisfied:

(d) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the first person is not the person the first person claims to be;

(e) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that an agent of the first person who deals with the reporting entity in relation to the provision or prospective provision of the designated service is not the person the agent claims to be;

(f) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service:

(i) may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a taxation law; or

(ii) may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a law of a State or Territory that deals with taxation; or

- (b) the appropriate advice requirement in s961G;
(c) the obligation to warn the client if advice is based on incomplete or inaccurate information in s961H; and
(d) the obligation to prioritise the client's interest in s961J (see s961L).

[ASIC Regulatory Guide 181](#)

RG 181.1 – 181.26 Statutory obligation to manage conflicts of interest

This policy sets out approach to compliance with the statutory obligation to manage conflicts of interest in s912A(1)(aa).

FPSB Practice Standards 1, 2

- (iii) may be relevant to investigation of, or prosecution of a person for, an offence against a law of the Commonwealth or of a State or Territory; or
- (iv) may be of assistance in the enforcement of the *Proceeds of Crime Act 2002* or regulations under that Act; or
- (v) may be of assistance in the enforcement of a law of a State or Territory that corresponds to the *Proceeds of Crime Act 2002* or regulations under that Act;
- (g) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the provision, or prospective provision, of the service is preparatory to the commission of an offence covered by paragraph (a), (b) or (c) of the definition of **financing of terrorism** in section 5;
- (h) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service may be relevant to the investigation of, or prosecution of a person for, an offence covered by paragraph (a), (b) or (c) of the definition of **financing of terrorism** in section 5;
- (i) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the provision, or prospective provision, of the service is preparatory to the commission of an offence covered by paragraph (a) or (b) of the definition of **money laundering** in section 5;
- (j) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service may be relevant to the investigation of, or prosecution of a person for, an offence covered by paragraph (a) or (b) of the definition of **money laundering** in section 5.

Corporations Act 2001

s912A General obligations

A financial services licensee must:

1. (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(aa) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

s961J(1) Conflict between client's interests and those of provider, licensee, authorised representative or associates

If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of:

- (a) the provider; or an associate of the provider; or
- (c) a financial services licensee of whom the provider is representative an associate of a financial services licensee of whom the provider is a representative; or
- (d) an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a financial services licensee; the provider must give priority to the client's interests when giving the advice.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 2 - Be satisfied you understand²:

- a. The motivation of the client in seeking financial advice.
- b. The client's expectations.
- c. The client's level of financial literacy.
- d. The client's previous experience of financial advice (if any) and the outcome of that experience.

Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1; 2; 3; 4; 5; 6; 7; 8; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations</p> <p>A financial services licensee must:</p> <ol style="list-style-type: none"> 1. (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and <ol style="list-style-type: none"> (aa) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative. 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice:</p> <ol style="list-style-type: none"> (a) good quality advice meets the client's needs, as well as satisfying the requirements of the law; (b) good quality advice refines and clarifies a client's objectives, and helps the client, as much as possible, to achieve those objectives; (c) good quality advice can be comprehensive or limited in scope, depending on the client's needs and circumstances; (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them;

² s961B(2)(b)(i); RG 244.65; FPSB Standard 6

4 FPSB Standard 3

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

s961B Provider must act in the best interests of the client

- (1) The provider must act in the best interests of the client in relation to the advice.
- (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:
 - (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;
 - (b) identified:
 - (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);
 - (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;
 - (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
 - (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
 - (f) based all judgements in advising the client on the client's relevant circumstances;
 - (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

- (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and
- (f) good quality advice involves good communication—including SOAs and verbal communication.

RG 175.147 AFS licensees also have an obligation to take reasonable steps to ensure that their representatives comply with: (a) the best interests duty in s961B; (b) the appropriate advice requirement in s961G; (c) the obligation to warn the client if advice is based on incomplete or inaccurate information in s961H; and (d) the obligation to prioritise the client's interest in s961J (see s961L).

RG 175.209: How to identify the subject matter of the advice

Some factors that may be relevant in identifying the subject matter of the advice sought by the client include:

- (a) what the client's instructions are;
- (b) why the client is seeking financial advice;
- (c) the outcomes the client wants to achieve if they follow the advice (i.e. their goal in seeking advice); and
- (d) how much the client is willing to pay for the advice, if this amount is reasonable. Clients will not always understand how much it costs to provide advice on the subject matter they are seeking.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

RG 175.222 To satisfy the requirement in s961B(2)(b)(ii), an advice provider may need to make inquiries additional to those that they normally make. This is particularly important where the advice is relatively complex or where it is reasonably apparent that the client has a low level of financial literacy.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

2) **Outcome 3** - Be satisfied the client understands³:

- a) The outline of the financial advice process, the adviser’s approach to this, and what will be required from the client at each stage.
- b) The fees and other costs that may be incurred and how these are paid.
- c) Any tax implications associated with the provision of advice

Legislative source

[Financial Planners and Advisers Code of Ethics 2019](#)

Standard 1; 2; 3; 4; 6.

[Corporations Act 2001](#)

[s941A](#) Obligation on financial services licensee to give a Financial Services Guide if financial service provided to person as a retail client

(1) A financial services licensee (the *providing entity*) must give a person a Financial Services Guide in accordance with this Division if the providing entity provides a financial service to the person (the *client*) as a retail client.

(2) This section has effect subject to section 941C.

(3) A person contravenes this subsection if the person contravenes subsection (1).

Note: This subsection is a civil penalty provision (see section 1317E).

[s942C](#) Financial Services Guide given by authorised representative--main requirements

Further reading

[ASIC Regulatory Guide 175](#)

RG 175.209: How to identify the subject matter of the advice

Some factors that may be relevant in identifying the subject matter of the advice sought by the client include: (a) what the client’s instructions are;

(b) why the client is seeking financial advice;

(c) the outcomes the client wants to achieve if they follow the advice (i.e. their goal in seeking advice); and

(d) how much the client is willing to pay for the advice, if this amount is reasonable. Clients will not always understand how much it costs to provide advice on the subject matter they are seeking.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>(1) This section applies if the providing entity is an authorised representative.</p> <p>(2) Subject to subsection (3) and to the regulations (see subsection (4)), the Financial Services Guide must include the following statements and information:</p> <p>(a) a statement setting out the name and contact details of the providing entity; and</p> <p>(b) a statement setting out any special instructions about how the client may provide instructions to the providing entity; and</p> <p>(c) a statement:</p> <p>(i) setting out the name and contact details of the authorising licensee, or of each of the authorising licensees; and</p> <p>(ii) stating that the providing entity is the authorised representative of that licensee or those licensees; and</p> <p>(d) information, in relation to the authorising licensee or each of the authorising licensees, about the kinds of financial services (the <i>authorised services</i>) that the providing entity provides as representative of the authorising licensee, and the kinds of financial products to which those services relate....</p>	<p>RG 175.158 We consider that any process of giving good quality financial advice has some or all of the following features: (a) a clearly defined scope that is appropriate to the subject matter of advice sought by the client and the client’s relevant circumstances;</p> <p>(b) an investigation of the client’s relevant circumstances;</p> <p>(c) assistance given by the advice provider to the client, if required, to set prioritised, specific and measurable goals and objectives;</p> <p>(d) where relevant, consideration of potential strategies and options that are available to the client to meet their objectives and needs;</p> <p>(e) where relevant, consideration of all aspects of the impact of the advice—for example, tax or social security consequences...</p> <p>FPSB Practice Standard 1, 3, 6</p>
--	--

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 4) - Identify, highlight and resolve any client misunderstanding, and any unrealistic expectations ⁴	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice. (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following: (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client's needs, as well as satisfying the requirements of the law; (b) good quality advice refines and clarifies a client's objectives, and helps the client, as much as possible, to achieve those objectives; (c) good quality advice can be comprehensive or limited in scope, depending on the client's needs and circumstances; (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them; (e) sound strategic advice is a key component of good quality advice. Product recommendations</p>

⁴ FPSB Standard 6, 11

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

should follow, rather than direct, the suggested strategies; and

(f) good quality advice involves good communication—including SOAs and verbal communication.

RG 175.147 AFS licensees also have an obligation to take reasonable steps to ensure that their representatives comply with: (a) the best interests duty in s961B; (b) the appropriate advice requirement in s961G; (c) the obligation to warn the client if advice is based on incomplete or inaccurate information in s961H; and (d) the obligation to prioritise the client’s interest in s961J (see s961L).

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 5) - Identify any conflicts of interest between adviser and client, and be satisfied⁵:</p> <ul style="list-style-type: none"> a) These can be managed in line with your ethical and regulatory obligations b) The client understands the conflict and how it will be managed. 	
Legislative source	Further reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4.</p> <p>Corporations Act 2001</p> <p>s961J(1) Conflict between client's interests and those of provider, licensee, authorised representative or associates</p> <p>If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of:</p> <ul style="list-style-type: none"> (a) the provider; or an associate of the provider; or (c) a financial services licensee of whom the provider is representative an associate of a financial services licensee of whom the provider is a representative; or (d) an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a financial services licensee; the provider must give priority to the client's interests when giving the advice. 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.307</p> <p>An advice provider must prioritise the interests of the client if the advice provider knows, or reasonably ought to know, when they give the advice that there is a conflict between the interests of the client and the interests of:</p> <ul style="list-style-type: none"> (a) the advice provider; (b) an associate of the advice provider; (c) the advice provider's AFS licensee; (d) an associate of the advice provider's AFS licensee; (e) an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee; or (f) an associate of an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee: see s961J(1). <p>ASIC Regulatory Guide 181</p> <p>RG 181.1 – 181.26 Statutory obligation to manage conflicts of interest</p>

⁵ s961J(1); RG 181

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 6) - Identify, highlight and resolve any other matters that may limit or impede delivery of advice in client's best interest, and be satisfied the client understands what the limitations are, how they will be resolved and any client obligations in relation to this ⁶

Legislative source	Further Reading
<p data-bbox="100 456 1102 494">Financial Planners and Advisers Code of Ethics 2019</p> <p data-bbox="100 526 1102 566">Standards 1; 2; 3; 4; 5; 6; 7.</p> <p data-bbox="100 582 1102 622">Corporations Act 2001</p> <p data-bbox="100 662 1102 774">CORPORATIONS ACT 2001 Under Div 2 of Pt 7.7A, introduced by the Corporations Amendment (Further Future of Financial Advice Measures) Act 2012, advice providers providing personal advice must:</p> <ul style="list-style-type: none"> <li data-bbox="156 782 1102 853">b. act in the best interests of the client; provide the client with appropriate advice; <li data-bbox="156 861 1102 933">c. warn the client if their advice is based on incomplete or inaccurate information; and <li data-bbox="156 941 1102 1013">d. where there is a conflict with their own interests, or those of one of their related parties, prioritise the interests of the client 	<p data-bbox="1102 456 2116 494">ASIC Regulatory Guide 175</p> <p data-bbox="1102 534 2116 805">RG 175.147 AFS licensees also have an obligation to take reasonable steps to ensure that their representatives comply with: (a) the best interests duty in s961B; (b) the appropriate advice requirement in s961G; (c) the obligation to warn the client if advice is based on incomplete or inaccurate information in s961H; and (d) the obligation to prioritise the client's interest in s961J (see s961L).</p> <p data-bbox="1102 861 2116 1189">RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client's needs, as well as satisfying the requirements of the law; (b) good quality advice refines and clarifies a client's objectives, and helps the client, as much as possible, to achieve those objectives; (c) good quality advice can be comprehensive or limited in scope, depending on the client's needs and circumstances;</p>

⁶ RG 244.68; RG 244.81

s912A General obligations

A financial services licensee must:

1. (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and
 - (aa) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

s961H Resulting advice still based on incomplete or inaccurate information

(1) If it is reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice is based is incomplete or inaccurate, the provider must, in accordance with subsections (2) and (3), warn the client that:

- a) the advice is, or may be, based on incomplete or inaccurate information relating to the client's relevant personal circumstances; and
- b) because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client's objectives, financial situation and needs.

- (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them;
- (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and
- (f) good quality advice involves good communication—including SOAs and verbal communication.

RG 175.307

An advice provider must prioritise the interests of the client if the advice provider knows, or reasonably ought to know, when they give the advice that there is a conflict between the interests of the client and the interests of:

- (a) the advice provider;
- (b) an associate of the advice provider;
- (c) the advice provider's AFS licensee;
- (d) an associate of the advice provider's AFS licensee;
- (e) an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee; or
- (f) an associate of an authorised representative who has authorised the advice provider to provide financial services (or a financial service) on behalf of an AFS licensee: see s961J(1).

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(2) The warning must be given to the client at the same time as the advice is provided and, subject to subsection (3), by the same means as the advice is provided.”

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 7 - Decline to proceed with engagement and (where appropriate) refer the client to another adviser if⁷:</p> <ul style="list-style-type: none"> a) There is an identified unmanageable conflict b) The adviser is not able to meet the client’s needs c) There are other reasons that advising the client would be unethical. 	
Legislative source	Further reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1; 2; 3.</p> <p>Corporations Act 2001</p> <p>CORPORATIONS ACT 2001 Under Div 2 of Pt 7.7A, introduced by the Corporations Amendment (Further Future of Financial Advice Measures) Act 2012, advice providers providing personal advice must:</p> <ul style="list-style-type: none"> c. act in the best interests of the client; provide the client with appropriate advice; d. warn the client if their advice is based on incomplete or inaccurate information; and e. where there is a conflict with their own interests, or those of one of their related parties, prioritise the interests of the client <p>s912A General obligations</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.186 The safe harbour requires an advice provider to:</p> <ul style="list-style-type: none"> (a) identify the objectives, financial situation and needs of the client that were disclosed by the client through instructions; (b) identify: <ul style="list-style-type: none"> (i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered relevant to advice sought on that subject matter (client’s relevant circumstances);

⁷ s961B(2)(d)

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

A financial services licensee must:

- c) (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and
- (aa) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

s961B Provider must act in the best interests of the client

- (1) The provider must act in the best interests of the client in relation to the advice.
- (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:
 - (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;
 - (b) identified:
 - (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);
 - (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;
 - (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
 - (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and

- (c) if it is reasonably apparent that information relating to the client's relevant circumstances is incomplete or inaccurate, make reasonable inquiries to obtain complete and accurate information;
- (d) assess whether the advice provider has the expertise required to provide the client with advice on the subject matter sought and, if not, decline to provide the advice;
- (e) if it would be reasonable to consider recommending a financial product:
 - (i) conduct a reasonable investigation into the financial products that might achieve the objectives and meet the needs of the client that would reasonably be considered relevant to advice on that subject matter; and (ii) assess the information gathered in the investigation;
- (f) base all judgements in advising the client on the client's relevant circumstances; and
- (g) take any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances (see s961B(2)).

- (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

s961H Resulting advice still based on incomplete or inaccurate information

(1) If it is reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice is based is incomplete or inaccurate, the provider must, in accordance with subsections (2) and (3), warn the client that:

- d) the advice is, or may be, based on incomplete or inaccurate information relating to the client's relevant personal circumstances; and
- e) because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client's objectives, financial situation and needs.

(2) The warning must be given to the client at the same time as the advice is provided and, subject to subsection (3), by the same means as the advice is provided."

(3) If a Statement of Advice is the means by which the advice is provided, or is given to the client at the same time as the advice is provided, the warning may be given by including it in the Statement of Advice.

Note: The Statement of Advice must at least contain a record of the warning (see paragraphs 947B(2)(f) and 947C(2)(g)).

(4) If 2 or more individuals provide the advice and one of those individuals provides a warning in accordance with this section, the other individuals are taken to have complied with this section.

(5) Nothing in this section affects the duty of the provider under section 961B to make reasonable inquiries to obtain complete and accurate information.

[ASIC Regulatory Guide 181](#)

RG 181.1 – 181.26 Statutory obligation to manage conflicts of interest

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

s961J(1) Conflict between client's interests and those of provider, licensee, authorised representative or associates

If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of:

- a) the provider; or an associate of the provider; or
- b) a financial services licensee of whom the provider is representative an associate of a financial services licensee of whom the provider is a representative; or
- c) an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or
- d) an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a financial services licensee; the provider must give priority to the client's interests when giving the advice

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 8) - identify a preliminary scope of advice and be satisfied the client understands⁸:</p> <ul style="list-style-type: none"> a) any limitations to the advice provided. b) why providing limited scope advice is compatible with client best interest c) that the initial scope of advice may need to be adapted and amended as the adviser learns more about the clients needs 	
<p>Legislative source</p>	<p>Regulatory guide</p>
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1; 2; 3; 4; 5; 6; 7.</p> <p>Corporations Act 2001</p> <p>s912A General obligations</p> <p>A financial services licensee must:</p> <ul style="list-style-type: none"> (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (aa) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative. 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client’s needs, as well as satisfying the requirements of the law;</p> <ul style="list-style-type: none"> (b) good quality advice refines and clarifies a client’s objectives, and helps the client, as much as possible, to achieve those objectives; (c) good quality advice can be comprehensive or limited in scope, depending on the client’s needs and circumstances; (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them; (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and (f) good quality advice involves good communication—including SOAs and verbal communication.

⁸ RG 244D

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

RG 175.209: How to identify the subject matter of the advice

Some factors that may be relevant in identifying the subject matter of the advice sought by the client include: (a) what the client's instructions are;

(b) why the client is seeking financial advice;

(c) the outcomes the client wants to achieve if they follow the advice (i.e. their goal in seeking advice); and

(d) how much the client is willing to pay for the advice, if this amount is reasonable. Clients will not always understand how much it costs to provide advice on the subject matter they are seeking.

RG 175.211

As a matter of good practice, if it is not self-evident, advice providers should tell their clients what they think the subject matter of advice is that the client is seeking and test with the client whether this is correct. If this is not done, there is a much greater risk that an advice provider will not correctly identify the subject matter of the advice sought by the client.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 9) - Provide client with a record of the agreed terms of engagement, including:

- a. Services to be provided
- b. Applicable fees and how these will be paid
- c. Circumstances in which the engagement may be terminated by either party.

Legislative Source

[Financial Planners and Advisers Code of Ethics 2019](#)

[Corporations Act 2001](#)

s912A General obligations

A financial services licensee must:

- (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and
- (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

Further Reading

[ASIC Regulatory Guide 175](#)

RG 175.209 Some factors that may be relevant in identifying the subject matter of the advice sought by the client include: (a) what the client’s instructions are;
 (b) why the client is seeking financial advice;
 (c) the outcomes the client wants to achieve if they follow the advice (i.e. their goal in seeking advice); and
 (d) how much the client is willing to pay for the advice, if this amount is reasonable. Clients will not always understand how much it costs to provide advice on the subject matter they are seeking.

ASIC Info Sheet 286

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 10) - Obtain Client Consent to proceed	
Legislative Source	Further Reading
<p><u>Financial Planners and Advisers Code of Ethics 2019</u></p> <p>Standards 1; 2; 3; 4; 7; 8.</p> <p><u>Corporations Act 2001</u></p> <p>s962G -Requirements for consent (1) A written consent given in relation to an ongoing fee arrangement complies with the requirements in this section if:</p> <p>(a) before obtaining the consent, the fee recipient disclosed to the client, in writing, the matters set out in subsection (2); and</p> <p>(b) the consent is for:</p> <p>(i) the ongoing fee arrangement to be entered into, or renewed (as the case requires); and</p> <p>(ii) the ongoing fees disclosed as required under paragraph (2)(e) to be charged to the client; and</p> <p>(c) the consent is signed by the client; and</p> <p>(d) the consent is dated; and</p> <p>(e) the fee recipient has the consent or a copy of the consent.</p> <p>(2) The matters that must be disclosed are as follows:</p> <p>(a) the name and contact details of the person who is the fee recipient under the ongoing fee arrangement;</p> <p>(b) an explanation of why the fee recipient is seeking the consent;</p>	<p>ASIC Info Sheet 286</p> <p>FPSB Practice Standard 1, 2, 3, 6</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (c) the maximum period until the consent will cease to have effect under section 962H;
- (d) information about the services that the client will be entitled to receive under the arrangement during that period;
- (e) for each ongoing fee that the client will be required to pay under the arrangement during that period:
 - (i) the amount of the fee; or
 - (ii) if the amount of the fee cannot be determined at the time of disclosure, a reasonable estimate of the amount of the ongoing fee and an explanation of the method used to work out the estimate;
- (f) the frequency of the ongoing fees during that period;
- (g) a statement that the ongoing fee arrangement can be terminated by the client at any time;
- (h) a statement that the arrangement will terminate, and no further advice will be provided or fee charged under it, if the consent is not given;
- (i) the date on which the arrangement will terminate if the consent is not given;
- (j) information about any other matters prescribed by the regulations.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Stage 2 – researching the client’s circumstances	
Overview - Identify the client’s personal and financial goals, gather accurate and complete factual data (like income, assets, liabilities), and collect qualitative insights (like values, attitudes toward money, and financial literacy). The aim is to build a solid understanding of the client’s needs and priorities so that any advice or recommendations are relevant and well-informed. It is likely that the scope of advice will need to be revisited at this stage, and – with the client’s informed consent - may need to be amended. If the information is incomplete or inconsistent, planners should either adjust the engagement or consider ending it to maintain professional integrity. The advisor should ensure that the client understands the importance of providing all the relevant information about their personal circumstances and needs.	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019 (Code of Ethics) Standards 1; 3; 4; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.165 This depends on the circumstances and includes the following factors:</p> <p>(a) the position the client would have been in if they did not follow the advice, which is to be assessed at the time the advice is provided;</p> <p>(b) the facts at the time the advice is provided that the advice provider had, or should have had, if they followed their obligations. In particular, we will not examine investment performance retrospectively, with the benefit of hindsight (see Example 2 in this guide and paragraph 1.23 of the Revised Explanatory Memorandum to the Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012 (Revised Explanatory Memorandum));</p> <p>(c) the subject matter of the advice sought by the client;</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>(b) identified:</p> <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none"> (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and (ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”</p>	<p>(d) the client’s objectives, financial situation and needs. Many clients seek advice with the objective of improving their financial position. However, a client’s objectives, financial situation and needs may also encompass other things, such as:</p> <ul style="list-style-type: none"> (i) improving a client’s understanding of their financial position; (ii) aligning their financial position with their appetite for risk; (iii) reassuring them that that they do not need to change their strategy or product holdings as a result of a review; or (iv) increasing their confidence to spend or donate their money (see Example 3 to Example 5); <p>(e) where relevant, product features that the client particularly values, provided that the client understands the cost of, and is prepared to pay for, those features</p> <p>RG 175.208 Often, advice providers may refine their understanding of the subject matter of advice sought as they discover more information about their client.</p> <p>RG 175.219 Identifying the client’s relevant circumstances requires an advice provider to use their judgement and complete reasonable inquiries into the client’s relevant circumstances.</p> <p>RG 175.222 To satisfy the requirement in s961B(2)(b)(ii), an advice provider may need to make inquiries additional to those that they normally make. This is particularly important where the advice is relatively complex or where it is reasonably apparent that the client has a low level of financial literacy.</p> <p>RG 175.224 When making inquiries into the client’s relevant circumstances, an advice provider may discover that a subject matter of advice different from the one sought by the client would better suit the client’s objectives, financial situation and needs. The advice provider may discuss this with the client and the client may decide to revise the subject matter of the advice they are seeking to the more suitable subject matter identified by the advice provider.</p>
--	--

s961H Resulting advice still based on incomplete or inaccurate information

(1) If it is reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice is based is incomplete or inaccurate, the provider must, in accordance with subsections (2) and (3), warn the client that:

- a. the advice is, or may be, based on incomplete or inaccurate information relating to the client's relevant personal circumstances; and
- b. because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client's objectives, financial situation and needs.

(2) The warning must be given to the client at the same time as the advice is provided and, subject to subsection (3), by the same means as the advice is provided.

RG 175.225 If the advice provider considers that another subject matter would be more suitable, and does not advise the client, this may be conduct that would mislead or deceive the client, or would be likely to mislead or deceive...

RG 175.288 When the modified best interests duty applies, an advice provider only needs to take the steps in s961B(2)(a)–(c) to comply with the best interests duty in s961B(1): see Table 6. This means that whether the advice is appropriate is judged by reference to the information and knowledge the advice provider would have acquired as a result of:

(a) identifying the objectives, financial situation and needs of the client that were disclosed by the client through instructions;

(b) identifying:

(i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and

(ii) the client's relevant circumstances; and

(c) if it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, making reasonable inquiries to obtain complete and accurate information (see s961B(2)(a)–(c)).

RG 175.304 If it is reasonably apparent, after reasonable inquiries have been made, that information about the client's objectives, financial situation and needs on which the advice is based is incomplete or inaccurate, an advice provider must warn the client that: (a) the advice is, or may be, based on incomplete or inaccurate information relating to the client's relevant circumstances; and

(b) because of this, the client should, before acting on the advice, consider the appropriateness of the advice, taking into account their objectives, financial situation and needs: see s961H.

ASIC Regulatory Guide 244

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

RG 244.65

Section 961B(2)(b)(i) of the safe harbour for meeting the best interests duty requires an advice provider to identify the subject matter of the advice that has been sought by the client (whether explicitly or implicitly). It is possible to limit the scope of advice within this subject matter to a single issue. Either you or your client can suggest limiting the subject matter of your advice. However, you must use your judgement when deciding on the scope of the advice. As an advice provider, you must determine the scope of advice in a way that is consistent with your client's relevant circumstances and the subject matter of the advice they are seeking.

RG 244.68

... you need to ensure that you do not reduce the scope of advice to exclude critical issues that are relevant to the subject matter of the advice.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 1) - Working with the client, define their financial situation, their needs and their objectives, and based on these agree the client's goals	
Legislative source	Further reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <p>(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances);</p> <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.219 Identifying the client's relevant circumstances requires an advice provider to use their judgement and complete reasonable inquiries into the client's relevant circumstances.</p> <p>RG 175.222 To satisfy the requirement in s961B(2)(b)(ii), an advice provider may need to make inquiries additional to those that they normally make. This is particularly important where the advice is relatively complex or where it is reasonably apparent that the client has a low level of financial literacy</p> <p>RG 175.208 Often, advice providers may refine their understanding of the subject matter of advice sought as they discover more information about their client.</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- | | |
|--|--|
| <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none">(i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and(ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances</p> | |
|--|--|

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 2) - Help the client prioritise these with reference to</p> <ul style="list-style-type: none"> a. Need b. Time frames c. Client preference. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 5.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information; 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.219 Identifying the client's relevant circumstances requires an advice provider to use their judgement and complete reasonable inquiries into the client's relevant circumstances.</p> <p>RG 175.222 To satisfy the requirement in s961B(2)(b)(ii), an advice provider may need to make inquiries additional to those that they normally make. This is particularly important where the advice is relatively complex or where it is reasonably apparent that the client has a low level of financial literacy</p> <p>RG 175.165 This depends on the circumstances and includes the following factors:</p> <ul style="list-style-type: none"> (a) the position the client would have been in if they did not follow the advice, which is to be assessed at the time the advice is provided; (b) the facts at the time the advice is provided that the advice provider had, or should have had, if they followed their obligations. In particular, we will not

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none"> (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and (ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances</p>	<p>examine investment performance retrospectively, with the benefit of hindsight (see Example 2 in this guide and paragraph 1.23 of the Revised Explanatory Memorandum to the Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012 (Revised Explanatory Memorandum));</p> <p>(c) the subject matter of the advice sought by the client;</p> <p>(d) the client's objectives, financial situation and needs. Many clients seek advice with the objective of improving their financial position. However, a client's objectives, financial situation and needs may also encompass other things, such as: (i) improving a client's understanding of their financial position;</p> <ul style="list-style-type: none"> (ii) aligning their financial position with their appetite for risk; (iii) reassuring them that that they do not need to change their strategy or product holdings as a result of a review; or (iv) increasing their confidence to spend or donate their money (see Example 3 to Example 5); <p>(e) where relevant, product features that the client particularly values, provided that the client understands the cost of, and is prepared to pay for, those features.</p>
--	---

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 3) - Obtain the information relevant to the agreed scope of advice. This should include sufficient supporting or corroborative information to allow the adviser to safely conclude that the scope of advice is appropriate</p>	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <p>(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances);</p> <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.219 Identifying the client's relevant circumstances requires an advice provider to use their judgement and complete reasonable inquiries into the client's relevant circumstances.</p> <p>RG 175.224</p> <p>When making inquiries into the client's relevant circumstances, an advice provider may discover that a subject matter of advice different from the one sought by the client would better suit the client's objectives, financial situation and needs. The advice provider may discuss this with the client and the client may decide to revise the subject matter of the advice they are seeking to the more suitable subject matter identified by the advice provider</p> <p>RG 175.225</p> <p>If the advice provider considers that another subject matter would be more suitable, and does not advise the client, this may be conduct that would mislead or deceive the client, or would be likely to mislead or deceive...</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 4) - Review the information provided and work with the client to identify and resolve any</p> <ul style="list-style-type: none"> a) Inconsistencies b) Omissions c) Unrealistic client expectations 	
<p><u>Financial Planners and Advisers Code of Ethics 2019</u></p> <p>Standard 1; 3; 4; 5; 6</p> <p><u>Corporations Act 2001</u></p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the <i>client's relevant circumstances</i>); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information; 	<p><u>ASIC Regulatory Guide 175</u></p> <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice:</p> <ul style="list-style-type: none"> (a) good quality advice meets the client's needs, as well as satisfying the requirements of the law; (b) good quality advice refines and clarifies a client's objectives, and helps the client, as much as possible, to achieve those objectives; (c) good quality advice can be comprehensive or limited in scope, depending on the client's needs and circumstances; (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them; (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

s961H Resulting advice still based on incomplete or inaccurate information

(1) If it is reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice is based is incomplete or inaccurate, the provider must, in accordance with subsections (2) and (3), warn the client that:

- (a) the advice is, or may be, based on incomplete or inaccurate information relating to the client's relevant personal circumstances; and
- (b) because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client's objectives, financial situation and needs.

(f) good quality advice involves good communication—including SOAs and verbal communication.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(2) The warning must be given to the client at the same time as the advice is provided and, subject to subsection (3), by the same means as the advice is provided.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 5) - Be satisfied the client understands the correlation between the quality of the information provided and the quality of the advice provided ⁹ .	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961G Resulting advice must be appropriate to the client The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.</p> <p>s961H Resulting advice still based on incomplete or inaccurate information (1) If it is reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice is based is incomplete or inaccurate, the provider must, in accordance with subsections (2) and (3), warn the client that: (a) the advice is, or may be, based on incomplete or inaccurate information relating to the client's relevant personal circumstances; and (b) because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client's objectives, financial situation and needs.</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.304 If it is reasonably apparent, after reasonable inquiries have been made, that information about the client's objectives, financial situation and needs on which the advice is based is incomplete or inaccurate, an advice provider must warn the client that: (a) the advice is, or may be, based on incomplete or inaccurate information relating to the client's relevant circumstances; and (b) because of this, the client should, before acting on the advice, consider the appropriateness of the advice, taking into account their objectives, financial situation and needs: see s961H.</p>

⁹ s961B(2) (a) –(c); RG 175.288(c)

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(2) The warning must be given to the client at the same time as the advice is provided and, subject to subsection (3), by the same means as the advice is provided.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 6) - Assist the client to be able to make an informed decision by providing the necessary information and education in relation to the subject matter of the advice.</p>	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 4; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961G Resulting advice must be appropriate to the client The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.164 When assessing whether an advice provider has complied with the best interests duty, we will consider whether a reasonable advice provider would believe that the client is likely to be in a better position if the client follows the advice.</p> <p>RG 175.165 This depends on the circumstances and includes the following factors:</p> <ul style="list-style-type: none"> (a) the position the client would have been in if they did not follow the advice, which is to be assessed at the time the advice is provided; (b) the facts at the time the advice is provided that the advice provider had, or should have had, if they followed their obligations. In particular, we will not examine investment performance retrospectively, with the benefit of hindsight (see Example 2 in this guide and paragraph 1.23 of the Revised Explanatory Memorandum to the Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012 (Revised Explanatory Memorandum)); (c) the subject matter of the advice sought by the client;

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(d) the client’s objectives, financial situation and needs. Many clients seek advice with the objective of improving their financial position. However, a client’s objectives, financial situation and needs may also encompass other things, such as: (i) improving a client’s understanding of their financial position;

- (ii) aligning their financial position with their appetite for risk;
- (iii) reassuring them that that they do not need to change their strategy or product holdings as a result of a review; or
- (iv) increasing their confidence to spend or donate their money (see Example 3 to Example 5);

(e) where relevant, product features that the client particularly values, provided that the client understands the cost of, and is prepared to pay for, those features

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 7) - For each financial need and objective:</p> <ul style="list-style-type: none"> a. Identify your client's <ul style="list-style-type: none"> i. Capacity for risk (including but not limited to investment risk) ii. Attitude to risk (including but not limited to investment risk) b. Be sure your client understands <ul style="list-style-type: none"> i. The difference between attitude to risk and capacity for risk ii. How this will be reflected in your advice. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standards 1; 3; 4; 5;6.</p> <p>Corporations Act 2001</p> <p>s961G Resulting advice must be appropriate to the client The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.164 When assessing whether an advice provider has complied with the best interests duty, we will consider whether a reasonable advice provider would believe that the client is likely to be in a better position if the client follows the advice.</p> <p>RG 175.165 This depends on the circumstances and includes the following factors:</p> <ul style="list-style-type: none"> (a) the position the client would have been in if they did not follow the advice, which is to be assessed at the time the advice is provided; (b) the facts at the time the advice is provided that the advice provider had, or should have had, if they followed their obligations. In particular, we will not examine investment performance retrospectively, with the benefit of hindsight (see Example 2 in this guide and paragraph 1.23 of the Revised Explanatory Memorandum to the Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012 (Revised Explanatory Memorandum)); (c) the subject matter of the advice sought by the client;

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(d) the client's objectives, financial situation and needs. Many clients seek advice with the objective of improving their financial position. However, a client's objectives, financial situation and needs may also encompass other things, such as: (i) improving a client's understanding of their financial position;

(ii) aligning their financial position with their appetite for risk;

(iii) reassuring them that they do not need to change their strategy or product holdings as a result of a review; or

(iv) increasing their confidence to spend or donate their money (see Example 3 to Example 5);

(e) where relevant, product features that the client particularly values, provided that the client understands the cost of, and is prepared to pay for, those features

RG 175.222 To satisfy the requirement in s961B(2)(b)(ii), an advice provider may need to make inquiries additional to those that they normally make. This is particularly important where the advice is relatively complex or where it is reasonably apparent that the client has a low level of financial literacy

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Stage 3 - Analyse and Assess the Client’s Financial Status	
<p>Overview - This involves:</p> <ul style="list-style-type: none"> • reviewing both the client’s goals and their actual and prospective financial resources; • identifying any gaps, risks, or conflicts between objectives; and • evaluating whether the client’s current path is likely to meet their needs. <p>Planners use this analysis to confirm priorities and assumptions, helping shape the strategies and recommendations that follow. It’s about turning raw data into meaningful insights that guide the rest of the planning journey. Again, it may be necessary to revisit the scope of advice or the service provided and obtain the client’s informed consent to amend this, if the analysis shows that the originally agreed scope is narrower than what is in the client’s best interest.</p>	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 5; 6</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.158 We consider that any process of giving good quality financial advice has some or all of the following features: (a) a clearly defined scope that is appropriate to the subject matter of advice sought by the client and the client’s relevant circumstances;</p> <p>(b) an investigation of the client’s relevant circumstances;</p> <p>(c) assistance given by the advice provider to the client, if required, to set prioritised, specific and measurable goals and objectives;</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);
- (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information
- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
- (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

- (d) where relevant, consideration of potential strategies and options that are available to the client to meet their objectives and needs;
- (e) where relevant, consideration of all aspects of the impact of the advice—for example, tax or social security consequences...

RG 175.225

If the advice provider considers that another subject matter would be more suitable, and does not advise the client, this may be conduct that would mislead or deceive the client, or would be likely to mislead or deceive...

ASIC Regulatory Guide 244

RG 244.68

... you need to ensure that you do not reduce the scope of advice to exclude critical issues that are relevant to the subject matter of the advice.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 1) - Analyse the client’s financial situation ¹⁰</p> <p>a) Review all relevant client data within the scope of the engagement.</p> <p>b) Consider both client-stated objectives and broader financial factors (e.g. retirement age, income needs, risk tolerance)</p>	
Legislative Source	Further reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 4; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <p>(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances);</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.225 If the advice provider considers that another subject matter would be more suitable, and does not advise the client, this may be conduct that would mislead or deceive the client, or would be likely to mislead or deceive...</p> <p>RG 175.158 We consider that any process of giving good quality financial advice has some or all of the following features: (a) a clearly defined scope that is appropriate to the subject matter of advice sought by the client and the client’s relevant circumstances;</p> <p>(b) an investigation of the client’s relevant circumstances;</p> <p>(c) assistance given by the advice provider to the client, if required, to set prioritised, specific and measurable goals and objectives;</p>

¹⁰ s961B(2)(b)(i), (2)(g)

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none"> (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and (ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances.</p>	<p>(d) where relevant, consideration of potential strategies and options that are available to the client to meet their objectives and needs;</p> <p>(e) where relevant, consideration of all aspects of the impact of the advice—for example, tax or social security consequences...</p>
---	---

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 2) - Assess alignment with client goals</p> <ul style="list-style-type: none"> a) Compare the client's current financial status to their objectives, needs, and priorities. b) Identify gaps, risks, or conflicts between goals. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 4; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information; (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice; 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.158 We consider that any process of giving good quality financial advice has some or all of the following features: (a) a clearly defined scope that is appropriate to the subject matter of advice sought by the client and the client's relevant circumstances;</p> <p>(b) an investigation of the client's relevant circumstances;</p> <p>(c) assistance given by the advice provider to the client, if required, to set prioritised, specific and measurable goals and objectives;</p> <p>(d) where relevant, consideration of potential strategies and options that are available to the client to meet their objectives and needs;</p> <p>(e) where relevant, consideration of all aspects of the impact of the advice—for example, tax or social security consequences...</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
- (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 3) - Confirm and document client priorities</p> <ul style="list-style-type: none"> a. Discuss and resolve any conflicting objectives. b. Reach agreement with the client on which goals take precedence. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 4; 5; 6.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information; (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice; 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.158 We consider that any process of giving good quality financial advice has some or all of the following features: (a) a clearly defined scope that is appropriate to the subject matter of advice sought by the client and the client's relevant circumstances;</p> <p>(b) an investigation of the client's relevant circumstances;</p> <p>(c) assistance given by the advice provider to the client, if required, to set prioritised, specific and measurable goals and objectives;</p> <p>(d) where relevant, consideration of potential strategies and options that are available to the client to meet their objectives and needs;</p> <p>(e) where relevant, consideration of all aspects of the impact of the advice—for</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:

- (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
- (ii) assessed the information gathered in the investigation;

(f) based all judgements in advising the client on the client's relevant circumstances;

(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances.

example, tax or social security consequences.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 4) - Evaluate feasibility and assumptions</p> <ul style="list-style-type: none"> a. Determine whether the client's current course of action is likely to meet their goals. b. Use reasonable assumptions based on the client's circumstances. 	
Legislative source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 3; 4; 5; 6</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information; 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.158 We consider that any process of giving good quality financial advice has some or all of the following features: (a) a clearly defined scope that is appropriate to the subject matter of advice sought by the client and the client's relevant circumstances;</p> <p>(b) an investigation of the client's relevant circumstances;</p> <p>(c) assistance given by the advice provider to the client, if required, to set prioritised, specific and measurable goals and objectives;</p> <p>(d) where relevant, consideration of potential strategies and options that are available to the client to meet their objectives and needs;</p> <p>(e) where relevant, consideration of all aspects of the impact of the advice—for example, tax or social security consequences...</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

RG 175.225

If the advice provider considers that another subject matter would be more suitable, and does not advise the client, this may be conduct that would mislead or deceive the client, or would be likely to mislead or deceive.

[ASIC Regulatory Guide 244](#)

RG 244.68

... you need to ensure that you do not reduce the scope of advice to exclude critical issues that are relevant to the subject matter of the advice.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 5) - Prepare for strategy development</p> <p>c) Ensure the analysis supports the next stage of advice.</p> <p>d) Adjust the scope or seek additional information if needed to proceed responsibly</p>	
Legislative Source	Further Reading
<p><u>Financial Planners and Advisers Code of Ethics 2019</u></p> <p>Standard 1; 3; 4; 5; 6.</p> <p><u>Corporations Act 2001</u></p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <p>(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p> <p>(b) identified:</p> <p>(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances);</p> <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or</p>	<p><u>ASIC Regulatory Guide 175</u></p> <p>RG 175.225</p> <p>If the advice provider considers that another subject matter would be more suitable, and does not advise the client, <u>this may be conduct that would mislead or deceive the client, or would be likely to mislead or deceive...</u></p> <p><u>ASIC Regulatory Guide 244</u></p> <p>RG 244.68</p> <p>... you need to ensure that you do not reduce the scope of advice to exclude critical issues that are relevant to the subject matter of the advice.</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

inaccurate, made reasonable inquiries to obtain complete and accurate information;

(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;

(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:

- (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
- (ii) assessed the information gathered in the investigation;

(f) based all judgements in advising the client on the client's relevant circumstances;

(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

Stage 4 – Identify Suitable Strategies and Develop Recommendations

Overview - During this stage, you explore different strategies that could help the client meet their goals, evaluate which ones are most appropriate, and then build tailored recommendations based on those strategies. You also identify any products or services that support the plan, making sure they align with the client’s needs and your professional judgment. Finally, you present your recommendations clearly, explaining the reasoning, risks, and how they fit the client’s situation—so the client can make informed decisions with confidence.

Financial Planners and Advisers Code of Ethics 2019

Standard 1;2; 3; 4; 5; 6; 7; 9; 10.

Corporations Act 2001

s961B Provider must act in the best interests of the client

- (1) The provider must act in the best interests of the client in relation to the advice.
- (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:
 - (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;
 - (b) identified:
 - (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and

ASIC Regulatory Guide 175

RG 175.125 Clear, concise and effective presentation of SOAs promotes understanding of advice by retail investors. We consider that the presentation requirements are as important as the content requirements in preparing an SOA.

RG 175.126 An SOA should:

- (a) contain all key information in the body of the document instead of relegating some key information to an appendix;
- (b) be tailored to the client and not contain any irrelevant information such as generic research or educational materials that are not relevant to the SOA (this information can be made separately available to retail investors on request); and
- (c) avoid unnecessary repetition of content where it would not enhance consumer understanding.

RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);
- (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;
- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

- advice meets the client’s needs, as well as satisfying the requirements of the law;
- (b) good quality advice refines and clarifies a client’s objectives, and helps the client, as much as possible, to achieve those objectives;
- (c) good quality advice can be comprehensive or limited in scope, depending on the client’s needs and circumstances;
- (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them;
- (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and
- (f) good quality advice involves good communication—including SOAs and verbal communication.

RG 175.164 When assessing whether an advice provider has complied with the best interests duty, we will consider whether a reasonable advice provider would believe that the client is likely to be in a better position if the client follows the advice.

RG 175.282

We consider that advice is appropriate if it would be reasonable to conclude, at the time the advice is provided, that:

- (a) it is fit for its purpose—that is, following the advice is likely to satisfy the client’s relevant circumstances; and

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

	<p>(b) the client is likely to be in a better position if they follow the advice (see <i>RG 175.163–RG 175.170</i>).</p>
--	--

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 1) - Identify and evaluate financial advice strategies

- a) Identify viable strategies that could reasonably meet the client’s confirmed objectives, including making no changes to the client’s existing financial strategy or situation.
- b) Assess each strategy’s suitability based on client needs, priorities, and circumstances.

Financial Planners and Advisers Code of Ethics 2019

Standard 1; 2; 3; 5; 6; 9; 10.

Corporations Act 2001

s961B Provider must act in the best interests of the client

- (1) The provider must act in the best interests of the client in relation to the advice.
- (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:
 - (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;
 - (b) identified:
 - (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);
 - (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;

RG 175.282

We consider that advice is appropriate if it would be reasonable to conclude, at the time the advice is provided, that:

- (a) it is fit for its purpose—that is, following the advice is likely to satisfy the client’s relevant circumstances; and
- (b) the client is likely to be in a better position if they follow the advice (see RG 175.163–RG 175.170).

FPSB Practice Standard 8, 10, 12, 13, 14, 15

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 2) - Develop financial advice recommendations</p> <ul style="list-style-type: none"> a. Build recommendations from selected strategies that align with the client’s goals. b. Consider if changes to existing strategy are required to achieve client’s goals. Only recommend changes if the benefits of changing outweigh the costs of doing so ¹¹ 	
<p>Legislative source</p>	<p>Further Reading</p>
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 5; 6; 9; 10.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice:</p> <ul style="list-style-type: none"> (a) good quality advice meets the client’s needs, as well as satisfying the requirements of the law; (b) good quality advice refines and clarifies a client’s objectives, and helps the client, as much as possible, to achieve those objectives; (c) good quality advice can be comprehensive or limited in scope, depending on the client’s needs and circumstances; (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them; (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and

¹¹ RG 175.282(b)

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and</p> <p>(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances);</p> <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none"> (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and (ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”</p>	<p>(f) good quality advice involves good communication—including SOAs and verbal communication.</p> <p>RG 175.164 When assessing whether an advice provider has complied with the best interests duty, we will consider whether a reasonable advice provider would believe that the client is likely to be in a better position if the client follows the advice.</p> <p>RG 175.165 This depends on the circumstances and includes the following factors:</p> <ul style="list-style-type: none"> (a) the position the client would have been in if they did not follow the advice, which is to be assessed at the time the advice is provided; (b) the facts at the time the advice is provided that the advice provider had, or should have had, if they followed their obligations. In particular, we will not examine investment performance retrospectively, with the benefit of hindsight (see Example 2 in this guide and paragraph 1.23 of the Revised Explanatory Memorandum to the Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012 (Revised Explanatory Memorandum)); (c) the subject matter of the advice sought by the client; (d) the client’s objectives, financial situation and needs. Many clients seek advice with the objective of improving their financial position. However, a client’s objectives, financial situation and needs may also encompass other things, such as: (i) improving a client’s understanding of their financial position; <ul style="list-style-type: none"> (ii) aligning their financial position with their appetite for risk; (iii) reassuring them that that they do not need to change their strategy or product holdings as a result of a review; or
--	--

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(iv) increasing their confidence to spend or donate their money (see Example 3 to Example 5);

(e) where relevant, product features that the client particularly values, provided that the client understands the cost of, and is prepared to pay for, those features.

RG 175.282

We consider that advice is appropriate if it would be reasonable to conclude, at the time the advice is provided, that:

(a) it is fit for its purpose—that is, following the advice is likely to satisfy the client’s relevant circumstances; and

(b) the client is likely to be in a better position if they follow the advice (see RG 175.163–RG 175.170).

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 3) - Identify appropriate products and services</p> <ul style="list-style-type: none"> a. Select products/services that support the recommended strategies. b. Be satisfied that you fully understand their features, risks, and benefits before recommending including the risks of recommending a new product generally 	
<p>Legislative Source</p> <p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1;2; 3; 5; 6; 9;10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must: (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice. (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p>	<p>Further reading</p> <p>ASIC Regulatory Guide 175</p> <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client’s needs, as well as satisfying the requirements of the law; (b) good quality advice refines and clarifies a client’s objectives, and helps the client, as much as possible, to achieve those objectives; (c) good quality advice can be comprehensive or limited in scope, depending on the client’s needs and circumstances; (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them; (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and (f) good quality advice involves good communication—including SOAs and verbal communication.</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;

(b) identified:

- (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
- (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);

(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;

(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;

(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:

- (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
- (ii) assessed the information gathered in the investigation;

(f) based all judgements in advising the client on the client's relevant circumstances;

(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

RG 175.164 When assessing whether an advice provider has complied with the best interests duty, we will consider whether a reasonable advice provider would believe that the client is likely to be in a better position if the client follows the advice.

RG 175.186 The safe harbour requires an advice provider to:

- (a) identify the objectives, financial situation and needs of the client that were disclosed by the client through instructions;
- (b) identify:
 - (i) the subject matter of the advice sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered relevant to advice sought on that subject matter (client’s relevant circumstances);
- (c) if it is reasonably apparent that information relating to the client’s relevant circumstances is incomplete or inaccurate, make reasonable inquiries to obtain complete and accurate information;
- (d) assess whether the advice provider has the expertise required to provide the client with advice on the subject matter sought and, if not, decline to provide the advice;
- (e) if it would be reasonable to consider recommending a financial product:
 - (i) conduct a reasonable investigation into the financial products that might achieve the objectives and meet the needs of the client that would reasonably be considered relevant to advice on that subject matter; and
 - (ii) assess the information gathered in the investigation;
- (f) base all judgements in advising the client on the client’s relevant circumstances; and

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

(g) take any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances (see s961B(2)).

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 4) - Present recommendations clearly</p> <ul style="list-style-type: none"> a. Explain rationale, assumptions, and risks in a way the client can understand. b. Help the client make informed decisions and disclose any conflicts of interest. 	
Legislative source	Further reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 9.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information; 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.126 An SOA should:</p> <ul style="list-style-type: none"> (a) contain all key information in the body of the document instead of relegating some key information to an appendix; (b) be tailored to the client and not contain any irrelevant information such as generic research or educational materials that are not relevant to the SOA (this information can be made separately available to retail investors on request); and (c) avoid unnecessary repetition of content where it would not enhance consumer understanding. <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client's needs, as well as satisfying the requirements of the law;</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

s946A Obligation to give client a Statement of Advice

The providing entity must give the client a Statement of Advice in accordance with this Subdivision and Subdivision D.

s947B Statement of Advice given by financial services licensee--main requirements

- (1) This section applies if the providing entity is a financial services licensee.
- (2) Subject to subsection (3) and to the regulations (see subsection (4)), the Statement of Advice must include the following statements and information:
 - (a) a statement setting out the advice; and
 - (b) information about the basis on which the advice is or was given; and
 - (c) a statement setting out the name and contact details of the providing entity; and
 - (d) information about any remuneration (including commission) or other benefits that any of the following is to receive that might reasonably be expected to be or have been capable of influencing the providing entity in providing the advice:
 - (i) the providing entity;
 - (ii) a related body corporate of the providing entity;
 - (iii) a director or employee of the providing entity or a related body corporate;

- (b) good quality advice refines and clarifies a client’s objectives, and helps the client, as much as possible, to achieve those objectives;
- (c) good quality advice can be comprehensive or limited in scope, depending on the client’s needs and circumstances;
- (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them;
- (e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and
- (f) good quality advice involves good communication—including SOAs and verbal communication.

- (iv) an associate of any of the above;
 - (v) any other person in relation to whom the regulations require the information to be provided;
- and
- (e) information about:
 - (i) any other interests, whether pecuniary or not and whether direct or indirect, of the providing entity or of any associate of the providing entity; and
 - (ii) any associations or relationships between the providing entity or any associate of the providing entity and the issuers of any financial products;
that might reasonably be expected to be or have been capable of influencing the providing entity in providing the advice; and
 - (f) if section 961H requires a warning to be given to the client in relation to the advice-- a statement setting out, or recording, the warning required by that section; and
 - (g) any other statements or information required by the regulations; and
 - (h) unless in accordance with the regulations, for information to be disclosed in accordance with paragraph (d) and subparagraph (e)(i), any amounts are to be stated in dollars.
- (3) Subject to subsection (4), the level of detail about a matter that is required is such as a person would reasonably require for the purpose of deciding whether to act on the advice as a retail client.
- (4) The regulations may provide all or any of the following:
- (a) that a provision of subsection (2) does not apply in a particular situation;
 - (b) that particular information is not required by a provision of subsection (2), either in a particular situation or generally;
 - (c) a more detailed statement of the information that is required by a provision of subsection (2), either in a particular situation or generally.
- (5) The Statement of Advice:
- (a) must also include any information required by section 947D, if applicable; and
 - (b) may also include other information.
- (6) The statements and information included in the Statement of Advice must be worded and presented in a clear, concise and effective manner.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 5) - Document and disclose</p> <ul style="list-style-type: none"> a. Provide recommendations in writing or durable format. b. Include all relevant details such as objectives, strategies, products, risks, fees, and any third-party benefits. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 9.</p> <p>Corporations Act 2001</p> <p>s961B Provider must act in the best interests of the client</p> <p>(1) The provider must act in the best interests of the client in relation to the advice.</p> <p>(2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:</p> <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information; 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.125 Clear, concise and effective presentation of SOAs promotes understanding of advice by retail investors. We consider that the presentation requirements are as important as the content requirements in preparing an SOA.</p>

- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

s946A Obligation to give client a Statement of Advice

The providing entity must give the client a Statement of Advice in accordance with this Subdivision and Subdivision D.

s947B Statement of Advice given by financial services licensee--main requirements

- (1) This section applies if the providing entity is a financial services licensee.
- (2) Subject to subsection (3) and to the regulations (see subsection (4)), the Statement of Advice must include the following statements and information:
 - (a) a statement setting out the advice; and
 - (b) information about the basis on which the advice is or was given; and
 - (c) a statement setting out the name and contact details of the providing entity; and
 - (d) information about any remuneration (including commission) or other benefits that any of the following is to receive that might reasonably be expected to be or have been capable of influencing the providing entity in providing the advice:
 - (i) the providing entity;
 - (ii) a related body corporate of the providing entity;
 - (iii) a director or employee of the providing entity or a related body corporate;

- (iv) an associate of any of the above;
 - (v) any other person in relation to whom the regulations require the information to be provided; and
 - (e) information about:
 - (i) any other interests, whether pecuniary or not and whether direct or indirect, of the providing entity or of any associate of the providing entity; and
 - (ii) any associations or relationships between the providing entity or any associate of the providing entity and the issuers of any financial products; that might reasonably be expected to be or have been capable of influencing the providing entity in providing the advice; and
 - (f) if section 961H requires a warning to be given to the client in relation to the advice-- a statement setting out, or recording, the warning required by that section; and
 - (g) any other statements or information required by the regulations; and
 - (h) unless in accordance with the regulations, for information to be disclosed in accordance with paragraph (d) and subparagraph (e)(i), any amounts are to be stated in dollars.
- (3) Subject to subsection (4), the level of detail about a matter that is required is such as a person would reasonably require for the purpose of deciding whether to act on the advice as a retail client.
- (4) The regulations may provide all or any of the following:
- (a) that a provision of subsection (2) does not apply in a particular situation;
 - (b) that particular information is not required by a provision of subsection (2), either in a particular situation or generally;
 - (c) a more detailed statement of the information that is required by a provision of subsection (2), either in a particular situation or generally.
- (5) The Statement of Advice:
- (a) must also include any information required by section 947D, if applicable; and
 - (b) may also include other information.
- (6) The statements and information included in the Statement of Advice must be worded and presented in a clear, concise and effective manner.

Stage 5 - Implement the Client's Financial Planning Recommendation	
<p>Overview - During this stage, you confirm with the client what's being implemented, who's responsible for each part, and make sure you have their consent before moving forward. You coordinate with other professionals if needed, handle documentation, and ensure any products or services are selected and secured appropriately. If circumstances change or a recommendation becomes outdated, you reassess before proceeding. The goal is to carry out the plan diligently, transparently, and in the client's best interest</p>	
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must: (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative</p> <p>s961G Resulting advice must be appropriate to the client The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.46 (d) The other sections of the Corporations Act that may apply are for AFS licensees and representatives that provide personal advice to retail clients and have an ongoing fee arrangement with their client (fee recipients), Subdiv B of Div 3 of Pt 7.7A, which deals with client consent to enter or renew an ongoing fee arrangement; INFO 286).</p> <p>RG 175.96 ...<i>The SOA should be dated and should normally set out the period of time during which the recommended course of action remains current.</i></p> <p>Information Sheet 286 (INFO 286).</p>

s962T Requirements for consent--deduction of fees from accounts

The requirements for the consent are:

- (a) before obtaining the consent, the fee recipient disclosed to the account holder, in writing, the matters set out in subsection 962G(2); and
- (b) the consent is given by the account holder for the ongoing fees disclosed under paragraph (a), to be deducted from the account ; and
- (c) the consent specifies the name of the account holder and the account number; and
- (d) for each amount to be deducted, the consent specifies:
 - (i) the amount to be deducted; or
 - (ii) if the amount to be deducted cannot be determined at the time the consent is given, a reasonable estimate of that amount and an explanation of the method used to work out the estimate; and
- (e) the consent is signed by the account holder; and
- (f) the consent is dated; and
- (g) any other requirements prescribed by the regulations.

Note: If the account is held jointly, these paragraphs must be satisfied in relation to each account holder: see subsections 962R(3) and 962S(4).

s962G - Requirements for consent (1) A written consent given in relation to an ongoing fee arrangement complies with the requirements in this section if:

- (a) before obtaining the consent, the fee recipient disclosed to the client, in writing, the matters set out in subsection (2); and
- (b) the consent is for:
 - (i) the ongoing fee arrangement to be entered into, or renewed (as the case requires); and
 - (ii) the ongoing fees disclosed as required under paragraph (2)(e) to be charged to the client; and
- (c) the consent is signed by the client; and

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (d) the consent is dated; and
- (e) the fee recipient has the consent or a copy of the consent.
- (2) The matters that must be disclosed are as follows:
 - (a) the name and contact details of the person who is the fee recipient under the ongoing fee arrangement;
 - (b) an explanation of why the fee recipient is seeking the consent;
 - (c) the maximum period until the consent will cease to have effect under section 962H;
 - (d) information about the services that the client will be entitled to receive under the arrangement during that period;
 - (e) for each ongoing fee that the client will be required to pay under the arrangement during that period:
 - (i) the amount of the fee; or
 - (ii) if the amount of the fee cannot be determined at the time of disclosure, a reasonable estimate of the amount of the ongoing fee and an explanation of the method used to work out the estimate;
 - (f) the frequency of the ongoing fees during that period;
 - (g) a statement that the ongoing fee arrangement can be terminated by the client at any time;
 - (h) a statement that the arrangement will terminate, and no further advice will be provided or fee charged under it, if the consent is not given;
 - (i) the date on which the arrangement will terminate if the consent is not given;
 - (j) information about any other matters prescribed by the regulations.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 1) - Agree on implementation responsibilities</p> <ul style="list-style-type: none"> a) Define who is responsible for each part of the plan— adviser, client, or other professionals. b) Document any changes to the original scope based on client agreement. 	
<p>Legislative Source</p>	<p>Further Reading</p>
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1;2; 3; 4; 5; 6; 7; 8; 9; 10</p> <p>Corporations Act 2001</p> <p>s912A General obligations</p> <p>A financial services licensee must:</p> <ul style="list-style-type: none"> (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative. <p>ASIC Corporations (Record-Keeping Requirements for Australian Financial Services Licensees when Giving Personal Advice) Instrument 2024/508</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.46 (d) The other sections of the Corporations Act that may apply are for AFS licensees and representatives that provide personal advice to retail clients and have an ongoing fee arrangement with their client (fee recipients), Subdiv B of Div 3 of Pt 7.7A, which deals with client consent to enter or renew an ongoing fee arrangement; INFO 286).</p> <p>Information Sheet 286.</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 2) - Meet legal requirements before implementation</p> <p>a. Review to ensure all necessary documentation and authorizations are in place.</p>	
<p>Legislative Source</p>	<p>Further Reading</p>
<p>Financial Planners and Advisers Code of Ethics 2019 (Code of Ethics) Standard 1;2 3; 4; 5; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations</p> <p>A financial services licensee must:</p> <p>(a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and</p> <p>(b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.46 (d) The other sections of the Corporations Act that may apply are for AFS licensees and representatives that provide personal advice to retail clients and have an ongoing fee arrangement with their client (fee recipients), Subdiv B of Div 3 of Pt 7.7A, which deals with client consent to enter or renew an ongoing fee arrangement; INFO 286).</p> <p>Information Sheet 286.</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 4) - Obtain client’s informed consent</p> <ul style="list-style-type: none"> a. Be satisfied the client understands your recommendations and the likely benefits and costs of proceeding b. Get clear approval in writing before implementing any recommendations. c. Do not provide or charge for services without prior consent. d. Where appropriate, offer an ongoing review service <ul style="list-style-type: none"> i. Agree the dates for any review activities that form part of the agreement If part of the agreement, define the ad-hoc events which will trigger action and what those actions will be. ii. Provide the terms for any ongoing review service in writing. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must:</p> <ul style="list-style-type: none"> (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative. <p>s961G Resulting advice must be appropriate to the client The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.46 (d) The other sections of the Corporations Act that may apply are for AFS licensees and representatives that provide personal advice to retail clients and have an ongoing fee arrangement with their client (fee recipients), Subdiv B of Div 3 of Pt 7.7A, which deals with client consent to enter or renew an ongoing fee arrangement; INFO 286).</p> <p>Information Sheet 286.</p>

the client.

s962G - Requirements for consent (1) A written consent given in relation to an ongoing fee arrangement complies with the requirements in this section if:

- (a) before obtaining the consent, the fee recipient disclosed to the client, in writing, the matters set out in subsection (2); and
- (b) the consent is for:
 - (i) the ongoing fee arrangement to be entered into, or renewed (as the case requires); and
 - (ii) the ongoing fees disclosed as required under paragraph (2)(e) to be charged to the client; and
- (c) the consent is signed by the client; and
- (d) the consent is dated; and
- (e) the fee recipient has the consent or a copy of the consent.

(2) The matters that must be disclosed are as follows:

- (a) the name and contact details of the person who is the fee recipient under the ongoing fee arrangement;
- (b) an explanation of why the fee recipient is seeking the consent;
- (c) the maximum period until the consent will cease to have effect under section 962H;
- (d) information about the services that the client will be entitled to receive under the arrangement during that period;
- (e) for each ongoing fee that the client will be required to pay under the arrangement during that period:
 - (i) the amount of the fee; or
 - (ii) if the amount of the fee cannot be determined at the time of disclosure, a reasonable estimate of the amount of the ongoing fee and an explanation of the method used to work out the estimate;
- (f) the frequency of the ongoing fees during that period;
- (g) a statement that the ongoing fee arrangement can be terminated by the client at any time;

- (h) a statement that the arrangement will terminate, and no further advice will be provided or fee charged under it, if the consent is not given;
- (i) the date on which the arrangement will terminate if the consent is not given;
- (j) information about any other matters prescribed by the regulations.

s962T Requirements for consent--deduction of fees from accounts

The requirements for the consent are:

- (a) before obtaining the consent, the fee recipient disclosed to the account holder, in writing, the matters set out in subsection 962G(2); and
- (b) the consent is given by the account holder for the ongoing fees disclosed under paragraph (a), to be deducted from the account ; and
- (c) the consent specifies the name of the account holder and the account number; and
- (d) for each amount to be deducted, the consent specifies:
 - (i) the amount to be deducted; or
 - (ii) if the amount to be deducted cannot be determined at the time the consent is given, a reasonable estimate of that amount and an explanation of the method used to work out the estimate; and
- (e) the consent is signed by the account holder; and
- (f) the consent is dated; and
- (g) any other requirements prescribed by the regulations.

Note: If the account is held jointly, these paragraphs must be satisfied in relation to each account holder: see subsections 962R(3) and 962S(4).

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 5) - Implement diligently and ethically</p> <ul style="list-style-type: none"> c) Act promptly and thoroughly on agreed recommendations. d) Ensure the recommendations remain current and relevant before implementation. e) Ensure the client is aware that the recommendations are time limited and should not be implemented if there have been changes to relevant circumstances.¹² f) Notify the client in writing if a recommendation is not implemented and explain why. 	
Legislative Source	Further reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1;2; 3; 4; 5; 6; 8; 9 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must: (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.</p> <p>s961G Resulting advice must be appropriate to the client The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.75 A failure by the providing entity or advice provider to comply with any of the obligations relating to the provision of advice (including common law obligations) may mean, among other things, that the AFS licensee (or the authorising licensee if the providing entity or advice provider is an authorised representative, or the advice provider is a representative) has failed to comply with the general licensee obligation to do all things necessary to ensure that it acts ‘efficiently, honestly and fairly’: see s912A(1)(a).</p>

¹² RG 175.96 Note: “...set out a period of time during which the recommended course of action remains current.”

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Outcome 6) - Handle client variations in line with your ethical and regulatory obligations, ensuring

- g) If a client requests changes that may impact their goals, inform them in writing of the risks and consequences.
- h) You do not action changes which do not align with existing recommendations and/or the client's best interests without a new review and/or advice as appropriate.

Legislative Source

[Financial Planners and Advisers Code of Ethics 2019](#)

Standard 1;2; 3; 4; 5; 6; 8; 9; 10.

[Corporations Act 2001](#)

[s912A](#) General obligations

A financial services licensee must:

- (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and
- (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

[s961G](#) Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

Further Reading

s961B Provider must act in the best interests of the client

- (1) The provider must act in the best interests of the client in relation to the advice.
- (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:
 - (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;
 - (b) identified:
 - (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);
 - (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;
 - (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
 - (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
 - (f) based all judgements in advising the client on the client's relevant circumstances;
 - (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances”

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 7) - Maintain a client asset register (if applicable)</p> <ul style="list-style-type: none"> a. Record details when taking custody or discretion over client assets. b. Ensure secure and accessible recordkeeping 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 8.</p> <p>ASIC Corporations (Record-Keeping Requirements for Australian Financial Services Licensees when Giving Personal Advice) Instrument 2024/508</p> <p>Corporations Act 2001</p> <p>s988a Obligation to keep financial records</p> <p>(1) A financial services licensee must (subject to subsection (2)):</p> <ul style="list-style-type: none"> (a) keep financial records that correctly record and explain the transactions and financial position of the financial services business carried on by the licensee; and (b) keep those records in accordance with the requirements of this Subdivision; and (c) comply with the requirements of this Subdivision in relation to conversion of records into the English language (see subsection 988C(2)). <p>Note: Failure to comply with this subsection is an offence (see subsection 1311(1)).</p> <p>(2) The licensee does not contravene a requirement of this Subdivision merely because some or all of the records are kept as a part of, or in conjunction with, the records relating to any other business that is carried on by the licensee.</p> <p>Note: A defendant bears an evidential burden in relation to the matters in this subsection. See subsection 13.3(3) of the <i>Criminal Code</i>.</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.334 In our view, the duties imposed by the Corporations Act require AFS licensees to keep adequate records about their financial services business, and this includes an obligation to keep records of personal advice and the steps an advice provider takes in providing their client with personal advice.</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

Stage 6 – Review the Client’s Situation

Overview - At this stage it is about keeping the plan relevant and on track over time. Properly conceived, this is less a “stage”, and more a description of an ongoing relationship that may exist for a lifetime. At this stage, financial planners continue to work with the client to agree on how and when ongoing reviews will happen, and what they’ll cover. The review looks at whether the client’s goals, circumstances, or previously implemented recommendations have changed in the time since the most recent advice was provided, and whether the current plan still makes sense. If needed, planners update the recommendations and clearly communicate any changes. The role of the adviser here is to ensure the advice stays aligned with the client’s evolving needs and priorities. However ongoing service or periodic reviews should only be provided where there is a need or benefit to the client for doing so. The advisor must pay close attention to the services they are offering to provide on an ongoing basis, and ensure that these services, as agreed, are the provided.

Legislative Source

Financial Planners and Advisers Code of Ethics 2019

Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.

Corporations Act 2001

s912A General obligations

A financial services licensee must:

- (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and
- (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.

Further Reading

ASIC Regulatory Guide 175

RG 175.46 (d) The other sections of the Corporations Act that may apply are for AFS licensees and representatives that provide personal advice to retail clients and have an ongoing fee arrangement with their client (fee recipients), Subdiv B of Div 3 of Pt 7.7A, which deals with client consent to enter or renew an ongoing fee arrangement; INFO 286).

RG 175.147 AFS licensees also have an obligation to take reasonable steps to ensure that their representatives comply with: (a) the best interests duty in s961B;

946A Obligation to give client a Statement of Advice

The providing entity must give the client a Statement of Advice in accordance with this Subdivision and Subdivision D.

s961B Provider must act in the best interests of the client

- (1) The provider must act in the best interests of the client in relation to the advice.
- (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following:
 - (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;
 - (b) identified:
 - (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the **client's relevant circumstances**);
 - (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;
 - (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
 - (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
 - (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
 - (f) based all judgements in advising the client on the client's relevant circumstances;
 - (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

- (b) the appropriate advice requirement in s961G;
 - (c) the obligation to warn the client if advice is based on incomplete or inaccurate information in s961H; and
 - (d) the obligation to prioritise the client's interest in s961J (see s961L).
- RG 175.161** In Section C of [REP 279](#), we identified the following principles that underpin good quality advice: (a) good quality advice meets the client's needs, as well as satisfying the requirements of the law;
- (b) good quality advice refines and clarifies a client's objectives, and helps the client, as much as possible, to achieve those objectives;
 - (c) good quality advice can be comprehensive or limited in scope, depending on the client's needs and circumstances;
 - (d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them;
 - (e) sound strategic advice is a key component of good quality advice. Product recommendations should

s961G Resulting advice must be appropriate to the client

The provider must only provide the advice to the client if it would be reasonable to conclude that the advice is appropriate to the client, had the provider satisfied the duty under section 961B to act in the best interests of the client.

s961H Resulting advice still based on incomplete or inaccurate information

(1) If it is reasonably apparent that information relating to the objectives, financial situation and needs of the client on which the advice is based is incomplete or inaccurate, the provider must, in accordance with subsections (2) and (3), warn the client that:

- a) the advice is, or may be, based on incomplete or inaccurate information relating to the client’s relevant personal circumstances; and
- b) because of that, the client should, before acting on the advice, consider the appropriateness of the advice, having regard to the client’s objectives, financial situation and needs.

(2) The warning must be given to the client at the same time as the advice is provided and, subject to subsection (3), by the same means as the advice is provided.”

(3) If a Statement of Advice is the means by which the advice is provided, or is given to the client at the same time as the advice is provided, the warning may be given by including it in the Statement of Advice.

Note: The Statement of Advice must at least contain a record of the warning (see paragraphs 947B(2)(f) and 947C(2)(g)).

(4) If 2 or more individuals provide the advice and one of those individuals provides a warning in accordance with this section, the other individuals are taken to have complied with this section.

(5) Nothing in this section affects the duty of the provider under section 961B to make reasonable inquiries to obtain complete and accurate information.

s961J(1) Conflict between client's interests and those of provider, licensee, authorised representative or associates

If the provider knows, or reasonably ought to know, that there is a conflict between the interests of the client and the interests of:

- a) the provider; or an associate of the provider; or

follow, rather than direct, the suggested strategies; and

(f) good quality advice involves good communication—including SOAs and verbal communication.

RG 175.320(c) An advice provider must not ‘over-service’ the client to generate more remuneration for themselves or one of their related parties. This means that the advice provider must provide a level of service commensurate with the client’s needs. For example, they must not recommend an unduly complex strategy if the client is unlikely to seek ongoing advice

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>b) a financial services licensee of whom the provider is representative an associate of a financial services licensee of whom the provider is a representative; or c) an authorised representative who has authorised the provider, under subsection 916B(3), to provide a specified financial service or services on behalf of a financial services licensee; or d) an associate of an authorised representative who has authorised the provider under subsection 916B(3), to provide a specific financial service or financial services on behalf of a financial services licensee; the provider must give priority to the client's interests when giving the advice</p>	
---	--

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 1) - Identify whether client would benefit from continuing with the ongoing service</p> <ul style="list-style-type: none"> a) Only propose where there is a clear benefit or value add b) Ensure the client fully understands what this will be, and also the risks of not proceeding 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must: (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.</p> <p>s961B Provider must act in the best interests of the client (1) The provider must act in the best interests of the client in relation to the advice. (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following: (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p>	<p>ASIC Regulatory Guide 175</p> <p>RG 175.320(c) An advice provider must not ‘over-service’ the client to generate more remuneration for themselves or one of their related parties. This means that the advice provider must provide a level of service commensurate with the client’s needs. For example, they must not recommend an unduly complex strategy if the client is unlikely to seek ongoing advice</p> <p>FPSB Practice Standard 19</p>

(b) identified:

- (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
- (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the ***client's relevant circumstances***);

(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;

(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;

(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:

- (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
- (ii) assessed the information gathered in the investigation;

(f) based all judgements in advising the client on the client's relevant circumstances;

(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 2) - Revisit and agree on review responsibilities and terms</p> <ul style="list-style-type: none"> c) Define how and when reviews will occur. d) Clarify roles and expectations for both adviser and client. e) If no review service is agreed, clearly outline that no review will be undertaken unless requested by the client. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must:</p> <ul style="list-style-type: none"> (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative. <p>s962G - Requirements for consent (1) A written consent given in relation to an ongoing fee arrangement complies with the requirements in this section if:</p> <ul style="list-style-type: none"> (a) before obtaining the consent, the fee recipient disclosed to the client, in writing, the matters set out in subsection (2); and (b) the consent is for: <ul style="list-style-type: none"> (i) the ongoing fee arrangement to be entered into, or renewed (as the case requires); and 	<p>ASIC Regulatory Guide 175</p> <p>RG 175.46 (d) The other sections of the Corporations Act that may apply are for AFS licensees and representatives that provide personal advice to retail clients and have an ongoing fee arrangement with their client (fee recipients), Subdiv B of Div 3 of Pt 7.7A, which deals with client consent to enter or renew an ongoing fee arrangement; INFO 286).</p>

- (ii) the ongoing fees disclosed as required under paragraph (2)(e) to be charged to the client; and
 - (c) the consent is signed by the client; and
 - (d) the consent is dated; and
 - (e) the fee recipient has the consent or a copy of the consent.
- (2) The matters that must be disclosed are as follows:
- (a) the name and contact details of the person who is the fee recipient under the ongoing fee arrangement;
 - (b) an explanation of why the fee recipient is seeking the consent;
 - (c) the maximum period until the consent will cease to have effect under section 962H;
 - (d) information about the services that the client will be entitled to receive under the arrangement during that period;
 - (e) for each ongoing fee that the client will be required to pay under the arrangement during that period:
 - (i) the amount of the fee; or
 - (ii) if the amount of the fee cannot be determined at the time of disclosure, a reasonable estimate of the amount of the ongoing fee and an explanation of the method used to work out the estimate;
 - (f) the frequency of the ongoing fees during that period;
 - (g) a statement that the ongoing fee arrangement can be terminated by the client at any time;
 - (h) a statement that the arrangement will terminate, and no further advice will be provided or fee charged under it, if the consent is not given;
 - (i) the date on which the arrangement will terminate if the consent is not given;
 - (j) information about any other matters prescribed by the regulations.

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 3) - Conduct the review</p> <ul style="list-style-type: none"> a. Assess progress toward the client’s goals. b. Identify any changes in the client’s circumstances or objectives c. Identify any changes in the client’s circumstances and objectives d. Confirm whether current recommendations are still appropriate. 	
<p>Legislative Source</p> <p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must: (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.</p> <p>s961B Provider must act in the best interests of the client (1) The provider must act in the best interests of the client in relation to the advice. (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following: (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p>	<p>Further Reading</p> <p>ASIC Regulatory Guide 175</p> <p>RG 175.147 AFS licensees also have an obligation to take reasonable steps to ensure that their representatives comply with: (a) the best interests duty in s961B; (b) the appropriate advice requirement in s961G; (c) the obligation to warn the client if advice is based on incomplete or inaccurate information in s961H; and (d) the obligation to prioritise the client’s interest in s961J (see s961L).</p> <p>RG 175.161 In Section C of REP 279, we identified the following principles that underpin good quality advice: (a) good quality advice meets the client’s needs, as well as satisfying the requirements of the law;</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>(b) identified:</p> <ul style="list-style-type: none"> (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the client's relevant circumstances); <p>(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;</p> <p>(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;</p> <p>(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:</p> <ul style="list-style-type: none"> (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and (ii) assessed the information gathered in the investigation; <p>(f) based all judgements in advising the client on the client's relevant circumstances;</p> <p>(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances</p>	<p>(b) good quality advice refines and clarifies a client's objectives, and helps the client, as much as possible, to achieve those objectives;</p> <p>(c) good quality advice can be comprehensive or limited in scope, depending on the client's needs and circumstances;</p> <p>(d) good quality advice educates and equips clients to make informed decisions about their finances, including whether to accept and implement the strategies and products recommended to them;</p> <p>(e) sound strategic advice is a key component of good quality advice. Product recommendations should follow, rather than direct, the suggested strategies; and</p> <p>(f) good quality advice involves good communication—including SOAs and verbal communication.</p>
---	--

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 4) - Update recommendations if needed</p> <ul style="list-style-type: none"> f) Modify or replace recommendations based on new information. g) Follow the same process as initial advice (Standards 2–4) when making changes. 	
Legislative Source	Further Reading
<p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must:</p> <ul style="list-style-type: none"> (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative. <p>s961B Provider must act in the best interests of the client</p> <ul style="list-style-type: none"> (1) The provider must act in the best interests of the client in relation to the advice. (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following: <ul style="list-style-type: none"> (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions; (b) identified: 	

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- (i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly); and
 - (ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the ***client's relevant circumstances***);
- (c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;
- (d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;
- (e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:
- (i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and
 - (ii) assessed the information gathered in the investigation;
- (f) based all judgements in advising the client on the client's relevant circumstances;
- (g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

<p>Outcome 5) - Communicate outcomes</p> <p>a. Provide written confirmation of any updates, continued recommendations, or new advice.</p>	
<p>Legislative Source</p> <p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s912A General obligations A financial services licensee must: (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly; and (b) have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative.</p> <p>946A Obligation to give client a Statement of Advice The providing entity must give the client a Statement of Advice in accordance with this Subdivision and Subdivision D.</p> <p>s961B Provider must act in the best interests of the client (1) The provider must act in the best interests of the client in relation to the advice. (2) The provider satisfies the duty in subsection (1), if the provider proves that the provider has done each of the following: (a) identified the objectives, financial situation and needs of the client that were disclosed to the provider by the client through instructions;</p>	<p>Further Reading</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

(b) identified:

(i) the subject matter of the advice that has been sought by the client (whether explicitly or implicitly);
and

(ii) the objectives, financial situation and needs of the client that would reasonably be considered as relevant to advice sought on that subject matter (the ***client's relevant circumstances***);

(c) where it was reasonably apparent that information relating to the client's relevant circumstances was incomplete or inaccurate, made reasonable inquiries to obtain complete and accurate information;

(d) assessed whether the provider has the expertise required to provide the client advice on the subject matter sought and, if not, declined to provide the advice;

(e) if, in considering the subject matter of the advice sought, it would be reasonable to consider recommending a financial product:

(i) conducted a reasonable investigation into the financial products that might achieve those of the objectives and meet those of the needs of the client that would reasonably be considered as relevant to advice on that subject matter; and

(ii) assessed the information gathered in the investigation;

(f) based all judgements in advising the client on the client's relevant circumstances;

(g) taken any other step that, at the time the advice is provided, would reasonably be regarded as being in the best interests of the client, given the client's relevant circumstances

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

<p>Outcome 6) - Portfolio monitoring (if applicable)</p> <ul style="list-style-type: none"> a. Implement agreed monitoring services diligently. b. Ensure transparency around costs and service scope 	
<p>Legislative Source</p> <p>Financial Planners and Advisers Code of Ethics 2019</p> <p>Standard 1; 2; 3; 4; 5; 6; 7; 8; 9; 10.</p> <p>Corporations Act 2001</p> <p>s962G - Requirements for consent (1) A written consent given in relation to an ongoing fee arrangement complies with the requirements in this section if:</p> <ul style="list-style-type: none"> (a) before obtaining the consent, the fee recipient disclosed to the client, in writing, the matters set out in subsection (2); and (b) the consent is for: <ul style="list-style-type: none"> (i) the ongoing fee arrangement to be entered into, or renewed (as the case requires); and (ii) the ongoing fees disclosed as required under paragraph (2)(e) to be charged to the client; and (c) the consent is signed by the client; and (d) the consent is dated; and (e) the fee recipient has the consent or a copy of the consent. <p>(2) The matters that must be disclosed are as follows:</p> <ul style="list-style-type: none"> (a) the name and contact details of the person who is the fee recipient under the ongoing fee arrangement; (b) an explanation of why the fee recipient is seeking the consent; (c) the maximum period until the consent will cease to have effect under section 962H; (d) information about the services that the client will be entitled to receive under the arrangement during that period; 	<p>Further Reading</p> <p>ASIC Regulatory Guide 175</p> <p>RG 175.46 (d) The other sections of the Corporations Act that may apply are for AFS licensees and representatives that provide personal advice to retail clients and have an ongoing fee arrangement with their client (fee recipients), Subdiv B of Div 3 of Pt 7.7A, which deals with client consent to enter or renew an ongoing fee arrangement; INFO 286).</p> <p>RG 175.320(c) An advice provider must not ‘over-service’ the client to generate more remuneration for themselves or one of their related parties. This means that the advice provider must provide a level of service commensurate with the client’s needs. For example, they must not recommend an unduly complex strategy if the client is unlikely to seek ongoing advice</p>

The sources below are presented to assist the user in furthering their own enquiries. They are not intended to be comprehensive. Practicing financial advisers retain responsibility for ensuring a full understanding of their obligations and responsibilities.

- | | |
|--|--|
| <p>(e) for each ongoing fee that the client will be required to pay under the arrangement during that period:</p> <ul style="list-style-type: none">(i) the amount of the fee; or(ii) if the amount of the fee cannot be determined at the time of disclosure, a reasonable estimate of the amount of the ongoing fee and an explanation of the method used to work out the estimate; <p>(f) the frequency of the ongoing fees during that period;</p> <p>(g) a statement that the ongoing fee arrangement can be terminated by the client at any time;</p> <p>(h) a statement that the arrangement will terminate, and no further advice will be provided or fee charged under it, if the consent is not given;</p> <p>(i) the date on which the arrangement will terminate if the consent is not given;</p> <p>(j) information about any other matters prescribed by the regulations.</p> | |
|--|--|