

# MEMBERS DEMANDING LESS LICENSEE CONTROL: FPA

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<https://www.ifa.com.au/news/28131-members-demanding-less-licensee-control-fpa>

The FPA has elaborated on its proposal to move to individual registration of advisers, saying members are increasingly demanding to be freed from the shackles of their licensees.

FPA head of policy and standards Ben Marshan told ifa the flagship proposal of the FPA's five-year policy plan had come out of member feedback that dealer groups should scale back their role in adviser processes.

"For a long time the feedback from members has been that while they get a lot of help and support from their licensees, they would prefer to be more in control and responsible for the advice they provide and how they provide it to their clients," Mr Marshan said.

"In instances where a change of licensee is required by choice or by force, [such as] a licensee closing down, having the ability to move licensees more freely is in the best interest of their clients."

However, Mr Marshan said it would be logical under the new proposal for dealer groups to still provide important wholesale services to advisers, including bulk purchasing of PI insurance.

"A move to individual registration won't prevent planners from operating out of a collective structure, like a dealer group, and securing PI on that basis," he said.

Mr Marshan said the FPA was realistic in expecting the government would not make the move to self-licensing an immediate priority given its current legislative workload, but that it would make sense to consider implementing the proposal at the same time as the introduction of the new adviser disciplinary body.

"The government has already committed to setting up a body to monitor every financial planner – these costs will be borne by the industry," he said.

"We are recommending the individual registration proposal to be accompanied by reform that focuses on individual practitioners and reduces the duplication of having AFSLs covering financial advice. Without reform, the government is just adding a duplicate layer of regulation."

Financial services law firm The Fold Legal [recently told ifa](#) it expected the disciplinary body to be established in late 2021.

Mr Marshan also confirmed that the FPA did not expect to play an active role in maintaining the adviser register that would be associated with its self-registration policy, but would be able to share information given its experience developing the joint associations' original code monitoring effort, Code Monitoring Australia.

“It will be an independent disciplinary body run by the government, so the FPA won't have direct involvement,” he said.

“However, the FPA did a lot of work preparing to launch, test and revise Code Monitoring Australia. Through this process, the FPA went through a lot of iterations for how a disciplinary body can be set up, so we have the experience and information to share with the new disciplinary body.”