

[PS 146]

Licensing: Training of financial product advisers

Chapter 7 — Financial services and markets

Issued 28/11/2001

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Previous version: see [SPS 146] in the ASIC Digest on CD-ROM. For a summary of the differences between this version and the previous version, see Information Release [IR 03/02].

What this policy statement is about

[PS 146.1] This policy statement sets out minimum training standards for people who provide financial product advice to retail clients (training standards).

[PS 146.2] The training standards apply to a natural person who is:

- (a) an Australian financial services licensee (licensee); or
- (b) a representative of an Australian financial services licensee; or
- (c) a securities licensee or futures licensee under the old Corporations Act; or
- (d) the representative of a securities licensee or futures licensee under the old Corporations Act;

if they provide financial product advice to a retail client. We use the terms “financial product adviser” or “adviser” to describe these people.

[PS 146.3] In general, advisers will meet the training standards by satisfactorily completing training courses listed on the ASIC Training Register relevant to their advisory activities. As an alternative, experienced advisers can demonstrate their competence through individual assessment by an authorised assessor.

[PS 146.3A] Persons providing advice only on basic deposit products or related non-cash payment products will be able to meet the training standards set out in this policy by successfully completing a training course which is not on the ASIC Training Register but which has instead been assessed by the licensee.

[PS 146.4] This policy statement also gives guidance to training providers and professional and industry organisations about the training standards.

[PS 146.5] This policy statement covers:

- A our role in the training of advisers
see [PS 146.6]–[PS 146.10]
- B who must meet the training standards
see [PS 146.11]–[PS 146.29]
- C when advisers must meet the training standards
see [PS 146.30]–[PS 146.41]
- D training guidance
see [PS 146.42]–[PS 146.82]
- E assessing the quality of training
see [PS 146.83]–[PS 146.102]
- F continuing training guidance
see [PS 146.103]–[PS 146.116]

Note: This policy statement sets out training requirements for individual advisers providing financial product advice to retail clients. For the organisational expertise requirements and training standard requirements for all providers of financial services, see Policy Statement 164 *Licensing: Organisational capacities* [PS 164].

Transitional note: During the 2-year transitional period, the terms “adviser” and “financial product adviser” in this policy statement are taken to include a natural person who provides financial product advice to a retail client and who is a securities licensee or a futures licensee under the old Corporations Act, or a representative of such a licensee.

Important note:

This policy statement was first published on 28 November 2001. It has been amended to reflect regulations made in 2002 and to provide some clarifications.

Contents

What this policy statement is about...[PS 146.1]

A Our role in the training of advisers

Our policy...[PS 146.6]

Underlying principles...[PS 146.7]

Explanations...[PS 146.9]

B Who must meet the training standards?

Our policy...[PS 146.11]

Underlying principles...[PS 146.19]

Explanations...[PS 146.21]

C When must advisers meet the training standards?

Our policy...[PS 146.30]

Explanations...[PS 146.34]

D Training guidance

Our policy...[PS 146.42]

Underlying principles...[PS 146.46]

Explanations...[PS 146.47]

E Assessing the quality of training

Our policy...[PS 146.83]

Underlying principles...[PS 146.84]

Explanations...[PS 146.86]

F Continuing training guidance

Our policy...[PS 146.103]

Underlying principles...[PS 146.105]

Explanations...[PS 146.106]

Appendix A: Knowledge requirements...[PS 146.117]

A1 Generic knowledge...[PS 146.118]

A2 Specialist knowledge...[PS 146.119]

Appendix B: Skill requirements...[PS 146.127]

Appendix C: What criteria must a professional or industry association meet to become an authorised assessor?...[PS 146.128]

Appendix D: What conditions are placed on a professional or industry association that is an authorised assessor?...[PS 146.129]

Key terms...[PS 146.130]

Related information...[PS 146.131]

A Our role in the training of advisers

Our policy

[PS 146.6] We have set minimum standards for the training of advisers. We expect industry standards and codes of conduct to fully reflect and build on the training standards.

Underlying principles

[PS 146.7] ASIC is responsible for promoting the protection of consumers of financial products (which include securities, interests in managed investment schemes, derivatives, superannuation, life insurance, general insurance, deposit taking products, non-cash payment products and foreign exchange).

[PS 146.8] By establishing and enforcing training standards, we can help licensees comply with their legal obligations to ensure that they and their representatives are adequately trained and competent to provide the services covered by their licence.

Explanations

[PS 146.9] We recognise that there is a considerable amount of training and education currently being undertaken by advisers, using a range of training methodologies and a well-developed network of training courses and providers. We also recognise industry's important role in the development and promotion of best practice relating to training and competence.

[PS 146.10] However, we consider that by issuing training standards, we will provide greater certainty for:

- (a) licensees about how we will assess their compliance with their legal obligations; and
- (b) training and education providers and professional and industry associations about our regulatory requirements, so that they can develop appropriate training courses and standards.

B Who must meet the training standards?

Our policy

[PS 146.11] Subject to [PS 146.14], all advisers must meet the training standards set out in this policy statement (the term “adviser” is defined in the “Key terms” section of this policy statement). All natural persons who provide financial product advice to retail clients must meet the training standards. This encompasses natural person licensees and natural person representatives of licensees. It also includes natural persons who are authorised by a corporate authorised representative of a licensee.

[PS 146.12] Our policy applies to the provision of both personal advice and general advice as defined in s766B(3) and (4) of the *Corporations Act 2001* (Corporations Act): see [PS 146.22]. It also applies to financial advice provided under a securities licence or futures licence as defined in the old Corporations Act.

[PS 146.13] This policy applies to natural persons whose conduct amounts to the provision of financial product advice to retail clients. For guidance on what is the provision of financial product advice, see *Licensing: The scope of the licensing regime: Financial product advice and dealing — An ASIC guide* (November 2001, updated November 2002).

[PS 146.14] Examples of conduct that we will not treat as involving the provision of financial product advice for the purposes of this policy statement include:

- (a) conduct done in the course of work of a kind ordinarily done by clerks or cashiers (s766A(3));
- (b) conduct being the provision of an exempt document or statement (s766B(1)) as defined in reg 7.1.08A;
- (c) advice for which there is an exemption under the Corporations Act from the obligation to hold a licence, for example:
 - (i) the provision of general advice in the media by (or by persons acting on behalf of) product issuers where the advice relates to the issuer’s own products and where certain warnings are provided (reg 7.6.01(1)(o)); and
 - (ii) referrals which are exempt from licensing under reg 7.6.01(1)(e) or (ea).

- (d) mere preparation of advertisements to which s1018A applies, provided that:
- (i) the AFS licence of the issuer or seller (as the case may be) authorises the provision of financial product advice; and
 - (ii) a responsible officer of the issuer or seller approves the advertisement before its publication or dissemination.

Customer service representatives

[PS 146.15] Call centre or front desk staff who deal with initial queries from customers (customer service representatives) may provide financial product advice to customers in the course of their work. Customer service representatives do not need to meet the training standards where the only financial product advice they provide is either:

- (a) derived from a script approved by a person who meets the training standards (see [PS 146.15A]); or
- (b) made under the direct supervision of a person who meets the training standards (see [PS 146.15B]).

Where a client seeks financial product advice that does not fall within this exemption, the customer service representative must refer the client to a person who meets the training standards.

[PS 146.15A] For the purposes of paragraph (a) of [PS 146.15], a script can be used for the provision of advice on both Tier 1 and Tier 2 products (see Table 3), and can include, but is not limited to:

- (a) pre-determined explanatory text which has been approved by a person who meets the training standards;
- (b) a series of pre-determined questions and answers which have been approved by a person who meets the training standards; or
- (c) reading directly from an information booklet/sheet that has been approved by a person who meets the training standards.

Where a customer service representative supplements (or is asked to supplement) a script with text that has not been approved by a person who meets the training standards, the customer service representative must refer the client to a person who meets the training standards.

[PS 146.15B] For the purposes of advice provided under paragraph (b) of [PS 146.15], a supervisor who meets the training standards must be present on site to monitor and supervise the customer service representatives.

[PS 146.16] The licensee must have compliance measures in place designed to ensure that customer service representatives who do not meet the training standards operate only within the limits set out in [PS 146.15]. These measures must include an effective means of monitoring what customer service representatives inform retail clients when following the requirements set out in paragraphs (a) and (b) of [PS 146.15]. Further, while we will not insist that these customer service representatives comply with the training standards, licensees must ensure that their customer service representatives have the necessary competencies to perform their functions.

Para-planners and trainee advisers

[PS 146.17] Para-planners and trainee advisers perform functions such as collecting information from retail clients about their objectives, financial situation or needs, preparing draft Statements of Advice and assisting in the explanation of financial product advice to retail clients. We will not require para-planners and trainee advisers to meet the training standards provided a person who *does* meet the training standards plays a material role in, and remains responsible for (together with the licensee), the provision of financial product advice to retail clients. This means that a person (person A) meeting the training standards must:

- (a) review any draft Statement of Advice prepared by the para-planner or trainee adviser with a view to assessing whether all legal obligations have been complied with, and take any necessary action to ensure such compliance (this may mean, for example, that person A needs to obtain further information from the client or needs to alter the draft Statement of Advice); and
- (b) manage and lead any verbal explanation of the financial product advice to the client.

[PS 146.18] Where para-planners and trainee advisers are used in relation to the provision of financial product advice, we consider that the licensee must have compliance measures in place designed to ensure that a person who satisfies the training standards plays a material role in the provision of the advice, as described in [PS 146.17]. These measures must include an effective means of monitoring what para-planners and trainee advisers inform retail clients. Further, while we will not insist that these para-planners and trainee advisers comply with the training standards, licensees must ensure that their para-planners and trainee advisers have the necessary competencies to perform their functions.

Underlying principles

[PS 146.19] A licensee must (among other obligations):

- (a) do all things necessary to ensure that the financial services covered by the AFS licence are provided efficiently, honestly and fairly (s912A(1)(a));
- (b) comply with the financial services laws (as defined in s761A) (s912A(1)(c));
- (c) take reasonable steps to ensure its representatives comply with the financial services laws (s912A(1)(ca));
- (d) maintain the competence to provide the financial services covered by the AFS licence (s912A(1)(e)); and
- (e) ensure that its representatives are adequately trained, and are competent to provide the financial services covered by the AFS licence (s912A(1)(f)).

In order to comply with these obligations, a licensee who provides financial product advice must ensure that all natural persons who provide financial product advice on its behalf (including the licensee, if it is a natural person) meet the training standards. We will impose licence conditions relating to the training of representatives where the licence authorises the provision of retail financial product advice: see Pro Forma 209 *Australian financial services licence conditions* [PF 209], Conditions 6 and 7.

[PS 146.20] This policy statement focuses on protecting retail clients because they generally do not have the resources or expertise to assess whether their adviser has an appropriate level of competency to provide financial advice.

[PS 146.20A] By allowing customer service representatives who provide financial product advice to operate via the use of a script or supervisor, appropriate training standards are maintained while also allowing significant flexibility for licensees.

Explanations

[PS 146.21] Table 1 below sets out the types of advisers who must meet the training standards, and who has the legal obligation to ensure that the training standards are met.

Table 1: Who must meet the training standards

	Advisers who are representatives	Advisers who are natural person licensees
Who needs to meet the training standards?	Natural persons who are representatives of licensees, as defined in s910A, and natural persons who are authorised by corporate authorised representatives. Natural persons who are representatives of securities licensees or futures licensees under the old Corporations Act.	Natural person licensees and natural persons who are securities licensees or futures licensees under the old Corporations Act.
Who has the obligation to ensure the training standards are met?	The licensee	The natural person licensee
What is the basis for imposing the training standards?	The licensee's obligation to train their representatives and have competent representatives	The licensee's obligation to maintain the competence to provide financial services
What are the circumstances in which the training standards apply?	The provision of financial product advice by the representative to retail clients	The provision of financial product advice by the natural person licensee to retail clients (but not the provision of such advice by a representative of a licensee)

Personal advice and general advice

[PS 146.22] We consider that advisers providing either general advice or personal advice will need to have the generic knowledge *and* specialist knowledge relevant to their activities and the products they advise on in order to provide a competent service. However, advisers providing personal advice will also need the knowledge, *and skills*, to match a client's needs to specific investments/risk cover and strategies.

We will not require particular *skills* for persons providing general advice because we recognise that skills will vary significantly between products and businesses. However, we expect that persons providing general advice will be competent to provide this advice. Appendix B therefore does not apply to the provision of general advice.

What should licensees do to meet their training obligations?

[PS 146.23] To satisfy their training obligations, and to meet the training standards, licensees should undertake the following steps:

- (a) identify the advisory tasks and functions they and their representatives perform;
- (b) determine the appropriate knowledge requirements and skills needed to competently perform those tasks and functions (see Appendices A and B at [PS 146.117] and [PS 146.127]);
- (c) ensure that any natural person who provides financial product advice to retail clients under the AFS licence or old Corporations Act securities licence or futures licence has:
 - (i) satisfactorily completed training courses at an appropriate education level (see [PS 146.43]) that are relevant to those tasks and functions; or

Note: The courses must be approved by an authorised assessor (see [PS 146.83]) and listed on the ASIC Training Register (see [PS 146.101]) except for courses covering basic deposit products and related non-cash payment products: see Section D.

 - (ii) been individually assessed as competent (see [PS 146.52]–[PS 146.53]); and
- (d) implement procedures for continuing training.

We expect training to comply with the standards outlined in this policy statement but we also expect it to reflect the type of product and type of service being provided.

Customer service representatives, para-planners and trainee advisers

[PS 146.24] The licensee remains ultimately responsible for all the financial services provided under its licence, regardless of how those services are provided. A licensee must take reasonable steps to ensure that its representatives (as defined in s910A) comply with the financial services law and are adequately trained and competent to provide financial services.

[PS 146.25] The obligations of a licensee described in [PS 146.24] generally mean that natural persons who provide financial product advice to retail clients must satisfy the training standards. However, we consider it is not necessary to insist that customer service representatives (such as call centre and front desk staff), para-planners and trainee advisers comply with the training standards because:

- (a) their activities are of a limited nature (in some cases they may not be providing financial services); and
- (b) someone who does comply with the training standards plays a material role in the provision of the advice to retail clients.

This approach provides significant flexibility for licensees in meeting their obligations under this policy.

[PS 146.26] However, we will review the policy set out in [PS 146.15]–[PS 146.18], if it results in lesser quality financial product advice being provided to retail clients.

Training for other financial services

[PS 146.27] This policy statement sets training standards for persons giving financial product advice to retail clients. Under the law, licensees have a duty to adequately train their representatives in relation to *all* financial services provided under the licence. This policy does not diminish this overriding duty in any way.

[PS 146.28] The training standards may also serve as a guide, with appropriate adaptation, for licensees whose representatives provide financial services other than retail financial product advice (eg in relation to dealing or wholesale financial product advice). If the need arises, we will provide specific guidance on training standards for financial services other than advising retail clients. We consider that the standards set out in this policy are minimum standards. Where a service or product provided is complex, training requirements may be greater than those set out in this policy statement.

[PS 146.29] Licensees should have adequate policies and monitoring procedures in place to ensure that staff not trained in compliance with the training standards do not provide financial product advice.

C When must advisers meet the training standards?

Our policy

[PS 146.30] Advisers must meet the training standards by the start dates set out in Table 2.

[PS 146.31] After the applicable compliance date, an adviser must not provide advice to retail clients in any area or on a product where they do not meet the training standards. ASIC will not extend these deadlines. Licensees may be in breach of their obligations to adequately train representatives if any of their representatives are not in compliance by the due date.

Compliance monitoring

[PS 146.32] We will monitor compliance with our policy and, if we become aware of non-compliance, we will consider all available enforcement options. This may include imposing licence conditions or suspending or cancelling licences, depending on the nature of the breach.

Note: For more information on our approach to compliance monitoring, in particular for advisers whose compliance date is 30 June 2002, see Information release

[IR 02/10] *Compliance with Policy Statement 146.*

Adviser training before compliance date

[PS 146.33] While advisers do not have to meet the training standards until the start dates in Table 2, we nevertheless expect licensees to have in place, in the interim period, measures to ensure their advisers are appropriately competent and trained on an ongoing basis. It is up to the licensee to determine the minimum standards during this interim period.

Table 2: Compliance dates

Type of adviser	Compliance date
Group 1	
People advising on securities (including advisers under old Corporations Act securities licences and futures licences); interests in managed investments; derivatives entered into or acquired on a financial market; interests in public offer superannuation funds (other than life office sourced superannuation schemes); debentures, stocks or bonds issued by a government	30 June 2002
Group 2	
People advising on life insurance products (other than consumer credit insurance products) and interests in life office sourced superannuation schemes	
Sub-group 2a	
For insurance brokers (and their agents and representatives)	The later of: (a) 30 June 2002 (b) the time they or their principal applies for a full AFS licence
Sub-group 2b	
For insurance agents (other than qualified licensees):	
(a) if the agent enters into a new authorising agreement (either to replace an old authorising agreement or because of a new agency) after 11 March 2002	The latest of: (a) 30 June 2002 (b) the time they or their principal applies for a full AFS licence (c) the date the agent enters into a new authorising agreement
(b) in any other case (eg if the agent remains under any existing, authorising agreement(s) for the entire 2-year transitional period)	By the end of the 2-year transitional period (11 March 2004)

Table 2: Compliance dates (cont.)

Type of adviser	Compliance date
Sub-group 2c	
For employees and directors of a life insurer	The later of: <ul style="list-style-type: none"> <li data-bbox="772 461 991 495">(a) 30 June 2002 <li data-bbox="772 510 1331 584">(b) the time they or their principal applies for a full AFS licence
Sub-group 2d	
For qualified licensees and their representatives	The earlier of: <ul style="list-style-type: none"> <li data-bbox="772 741 1331 815">(a) the time they or their principal applies for a full AFS licence <li data-bbox="772 831 1302 904">(b) the end of the 2-year transitional period (11 March 2004)
Sub-group 2e	
For those people where more than one of sub-groups 2a–2d is applicable	The earliest applicable compliance date
Group 3	
People advising on all other financial products not in groups 1 or 2. This includes interests in superannuation funds (other than public offer superannuation funds and life office sourced superannuation schemes); pooled superannuation trusts (PSTs); retirement savings accounts; general insurance products; deposit-taking facilities; foreign exchange; non-cash payment products; and consumer credit insurance products (regardless of whether the consumer credit insurance is underwritten by a registered life or general insurance company).	By the end of the 2-year transitional period (11 March 2004)

Explanations

Group 1

[PS 146.34] Advisers in this group must already be complying with the training standards from 30 June 2002.

Transitional note: During the 2-year transitional period, this compliance date also applies to a natural person who provides financial product advice to a retail client and who is a securities licensee or futures licensee under the old Corporations Act or a representative of such a licensee.

[PS 146.35] Securities and futures licensees under the old Corporations Act have been aware since September 1999 of the requirement to comply with the training standards. The original compliance date was extended to 30 June 2002 to accommodate industry concerns, but has not been extended beyond this date.

Group 2

[PS 146.36] Generally, advisers on life insurance (including insurance brokers and their agents and representatives) must meet the training standards by 30 June 2002, or at the time they or their principal are granted a licence, whichever is the later. This date does not apply to:

- (a) insurance agents (as defined in s1436A(1)), subject to their existing authorising agreements (as defined in s1436A(1)); or
- (b) qualified licensees (as defined in s1434) and their representatives.

[PS 146.37] We remind principals that they are already subject to obligations under the Life Code about the training of their employees and agents who provide advice on their life products. Further, they have already been on notice that we are expecting compliance by 30 June 2002.

[PS 146.38] While we believe it is appropriate to continue our policy that they comply by this date, we recognise that, in some cases, the transitional provisions have allowed additional time for certain advisers to meet the training standards. This category includes:

- (a) insurance agents (as defined in s1436A(1)), subject to their existing authorising agreements (as defined in s1436A(1)); and
- (b) qualified licensees (as defined in s1434) and their representatives.

For these people, the relevant compliance dates for meeting the training standards are set out in the applicable sub-groups 2 of Table 2.

Group 3

[PS 146.39] Persons advising on Group 3 products must meet the training standards by the end of the 2-year transitional period.

Note: The policy set out in Part IV of *Policy Statement 123 Investment advisory services: superannuation advice* [PS 123] relating to non-public offer superannuation funds continues during the 2-year transitional period. See also *Policy Statement 167 Licensing: Discretionary powers and transition* at [PS 167.41].

[PS 146.40] The 2-year transitional period will give licensees time to:

- (a) establish procedures to comply with relevant legislative obligations imposed under the FSR transition;
- (b) review their policies about educating and training their advisers;
- (c) revise, where necessary, their training courses to meet our knowledge and skill requirements; and
- (d) arrange for their training courses (or individual advisers) to be assessed by an authorised assessor.

[PS 146.40A] We recognise that consumer credit insurance can be offered as a general insurance product or a life insurance product. In order to maintain consistency in the compliance dates, we have determined that all providers of advice for consumer credit insurance must meet the training standards by the end of the 2-year transitional period.

Encouraging early compliance

[PS 146.41] We encourage advisers to meet the training standards as early as possible. Those who have not already taken significant steps, such as enrolling in courses, are unlikely to meet the competency standards by the end of the 2-year transitional period. We will not give relief on the basis of lack of preparation.

D Training guidance

Our policy

Approved training or individual assessment

[PS 146.42] Advisers will meet the training standards by satisfactorily completing approved training courses relevant to their activities. These courses must be:

- (a) assessed by an authorised assessor as meeting the relevant requirements for knowledge and skills, if appropriate (see [PS 146.49]); and
- (b) listed on the ASIC Training Register (see [PS 146.48]).

However, courses on basic deposit products and related non-cash payment products do not need to comply with these requirements but can, instead, be assessed by the licensee. As an alternative, advisers with at least 5 years relevant experience over the immediate past 8 years may demonstrate their competence by being individually assessed: see [PS 146.52]–[PS 146.53].

Educational levels

[PS 146.43] All advisers must satisfactorily complete approved training courses or be individually assessed at an educational level appropriate to the complexity of their activities and clients' needs: the higher Tier 1 level, or Tier 2. The appropriate level depends on the type of product advised on.

Note: See [PS 146.54]–[PS 146.66] for a more detailed explanation of these levels.

Table 3: Summary of educational levels

	Who	Characteristics
Tier 1	People advising on all financial products except those listed under Tier 2	The characteristics of this level are <i>broadly</i> equivalent to the “Diploma” level under the Australian Qualifications Framework
Tier 2	People advising on the following financial products: <ul style="list-style-type: none"> • general insurance products except for personal sickness and accident (as defined in reg 7.1.14) • consumer credit insurance (as defined in reg 7.1.15) • basic deposit products • non-cash payment products 	The characteristics of this level are <i>broadly</i> equivalent to the “Certificate III” level under the Australian Qualifications Framework

Note 1: Tier 2 training is sufficient for advice on travel insurance products, even where the product covers losses arising due to sickness or accident while travelling.

Note 2: Tier 2 training is sufficient for advice on consumer credit insurance products, even where the product covers consumer credit liabilities that cannot be paid due to sickness or accident.

Note 3: We will monitor developments to determine whether Tier 2 remains the appropriate educational level.

Pre 1995 training

[PS 146.44] Advisers who have completed training that is listed on the ASIC Training Register (but before 1 January 1995) will generally need to demonstrate that their knowledge and skills are complete and current, particularly in the areas of regulation, compliance and disclosure. This can be demonstrated by producing evidence of relevant continuing training or undertaking approved supplementary or gap training.

Foreign qualifications

[PS 146.45] We will accept recognised foreign qualifications relevant to the activities undertaken. However, advisers with foreign qualifications will generally need to undertake a course on the ASIC Training Register to become familiar with Australian regulatory requirements.

Underlying principles

[PS 146.46] We have developed a set of knowledge and skill requirements to establish a benchmark against which training courses and advisers can be assessed for the purposes of meeting the training standards. Assessment against skill requirements is needed only where appropriate.

Explanations

Approved training

[PS 146.46A] Advisers will meet the training standards by satisfactorily completing approved training courses relevant to their activities. Approved training courses are those assessed by an authorised assessor and listed on the ASIC Training Register. Courses for advice on basic deposit products and related non-cash payment products can, instead, be assessed by the licensee as meeting the Tier 2 educational level.

[PS 146.46B] We have decided to provide greater flexibility for licensees in the development and assessment of training courses for basic deposit products and related non-cash payment products in light of the legislative approach to regulating these products differently (eg a Financial Services Guide and a Statement of Advice are not required for advice on these products: s941C(6) and 946B(5)). We will review our policy if we determine that the quality of financial advice on these products being provided to retail clients is not adequate. In this regard ASIC may be minded to periodically audit adviser competencies or the quality of the course and its delivery to ensure the training standards prescribed in this policy statement are maintained.

[PS 146. 47] Generally, advisers will undertake courses that have already been assessed by an authorised assessor (see [PS 146.86]) and are listed on the ASIC Training Register. However, licensees may choose to develop their own courses in partnership with an authorised assessor or have their own courses assessed by an authorised assessor and placed on the ASIC Training Register.

[PS 146.48] The ASIC Training Register is available on our website at www.asic.gov.au. It lists courses according to the name of the organisation issuing the qualification, the name of the course and the knowledge categories.

Note: For information on how we maintain the ASIC Training Register, see [PS 146.101]–[PS 146.102].

[PS 146.49] Advisers must complete subjects or units that address:

- (a) our generic knowledge requirements (see Appendix A at [PS 146.117]); and
- (b) our specialist knowledge requirements and, where appropriate, skill requirements relevant to all the areas and products they advise on (eg superannuation, managed investments, life insurance): see Appendices A and B at [PS 146.117] and [PS 146.127]. Appendix B does not apply to those persons providing only general advice.

[PS 146.50] In most cases, an adviser will need to complete a number of individual subjects or units listed on the ASIC Training Register, depending on the products, type of activities and clients. In other cases, the adviser will meet the training standards by completing all units within a course.

Course exemptions and professional association designations

[PS 146.51] Some advisers have received exemptions from courses or subjects listed on the ASIC Training Register by passing another course or subject, or on the basis of their experience. We will recognise these exemptions providing they are only a minority of the subjects or units of the course undertaken to meet the training standards. We will also recognise professional association designations where the qualification on which the designation was granted is listed on the ASIC Training Register.

Individual assessment

[PS 146.52] Experienced advisers who do not have relevant qualifications can meet the training standards by being individually assessed by an authorised assessor. To be eligible for this option, advisers must have at least 5 years relevant experience over the immediate past 8 years in the areas in which they advise.

[PS 146.53] Individual assessment means an assessment of a person's capability to undertake their current duties, taking into consideration their previous work experience. It is also known by various other names including workplace assessment, recognition of current competency, recognition of prior learning or professional assessment. This type of assessment does not necessarily include a formal written examination. Advisers can be assessed against the training standards for their current activities in a variety of ways (eg on-the-job, portfolio assessment, oral or practical tests, challenge tests).

The ASIC Training Register contains the names of assessors that carry out individual assessment.

ASIC's knowledge and skill requirements

Knowledge

[PS 146.54] In light of the wide range of products offered in the financial services industry, we have identified a range of knowledge requirements that should be covered in training courses or when assessing an individual adviser. We consider that our requirements are consistent with those already developed by industry and with the guidelines contained in industry codes of conduct. We recognise that the extent and scope of the knowledge requirements may vary according to the activities undertaken.

[PS 146.55] Our knowledge requirements are set out in Appendix A. All advisers should demonstrate an understanding of:

- (a) generic knowledge relevant to the products they advise on and the markets in which they operate; and
- (b) specialist knowledge about the specific products they advise on and the markets in which they operate. We have developed specialist knowledge requirements relevant to each sector in the financial services industry.

Skills

[PS 146.56] Advisers need appropriate skills to be able to apply their knowledge in practical situations. We have identified a range of skill requirements for advisers providing personal advice: see Appendix B. Our requirements are consistent with those already developed by the industry. We have not specified skill requirements where a person provides general advice only. However, we expect a licensee to ensure its representatives are competent to provide general advice. We anticipate that a licensee's compliance arrangements will monitor the delivery of any general advice. Consequently, we do not require a person to have their skills assessed by an authorised assessor if they are only providing general advice.

Table 4: Examples of knowledge and skill requirements

Knowledge and skills needed	
Financial planner	<p>An adviser providing financial planning advice that requires a detailed client needs analysis should undertake approved training courses which address the elements set out under our requirements for:</p> <ul style="list-style-type: none"> • generic knowledge • specialist knowledge under the financial planning (see Table A2.1 in Appendix A) and superannuation (see Table A2.5) categories; and <p style="padding-left: 40px;">Note: They will also need to complete courses covering insurance (see Table A2.6), managed investments (see Table A2.4) and securities markets (see Table A2.2) if they advise on these products.</p> <ul style="list-style-type: none"> • appropriate skills
Insurance broker	<p>An insurance broker advising on life or general insurance products should undertake approved training courses which address the elements set out under ASIC's requirements for:</p> <ul style="list-style-type: none"> • generic knowledge • core insurance knowledge (see Table A2.6a in Appendix A) • specialist knowledge covering general insurance, life insurance and insurance broking (see Table A2.6b) • appropriate skills
Tier 2 General insurance products	<p>If a person advises only on Tier 2 general insurance products (see Table 3), they will need to undertake approved training courses which address:</p> <ul style="list-style-type: none"> • generic knowledge • core insurance knowledge (see Table A2.6a in Appendix A); • specialist knowledge covering general insurance (see Table A2.6b) • appropriate skills
Basic deposit products and related non-cash payment products	<p>If a person advises on Tier 2 basic deposit products and related non-cash payment products (see Table 3), they will need to undertake training courses which address:</p> <ul style="list-style-type: none"> • generic knowledge • specialist knowledge covering basic deposit products and related non-cash payment products (see Table A2.7 in Appendix A) • appropriate skills

Educational levels

[PS 146.57] All advisers should undertake a level of training or individual assessment at either Tier 1 or Tier 2 level.

Tier 1

[PS 146.58] For *personal* advice, the program content of Tier 1 courses should be assessed at a level that enables advisers to:

- (a) demonstrate an understanding of the generic and specialist knowledge requirements in Appendix A that are relevant to their tasks and specific industry and product;
- (b) analyse and plan approaches to technical problems and client issues;
- (c) evaluate information for planning and research purposes;
- (d) apply their knowledge to relevant tasks;
- (e) apply judgement to the selection of products and services for clients;
- (f) apply knowledge, and evaluation and co-ordination skills, to a variety of technical situations; and
- (g) apply knowledge and skills to developing and analysing strategies for clients.

[PS 146.58A] In relation to *general advice*, the program content of Tier 1 courses should be assessed at a level that enables providers of general advice to demonstrate an understanding of the generic and specialist knowledge requirements in Appendix A that are relevant to their tasks and specific industry and product.

[PS 146.58B] As the level and type of skill varies so much in relation to the provision of general advice, we have not mandated the skill requirements for advisers that only provide this type of advice. However, we expect a licensee to ensure that its representatives are competent to provide this advice. The appropriate skills for advisers who provide general advice will vary according to the particular form of the advice and the products about which the general advice is given.

[PS 146.59] The characteristics of Tier 1 courses are broadly equivalent to the “Diploma” level in the Australian Qualifications Framework. This Framework is a national government system that provides the criteria for all vocational qualifications issued by TAFEs, universities and approved private education and training providers (eg RTOs).

[PS 146.60] We are not prescribing that advisers should necessarily undertake a formal diploma course. The reference to this qualification in this policy statement is for comparative purposes only, as a guide for licensees and training providers on the level of the required content of the course.

Tier 2

[PS 146.61] For *personal* advice, the content of a course designed to meet the Tier 2 level should enable the advisers to:

- (a) demonstrate an understanding of the generic and specialist knowledge requirements in Appendix A that are relevant to their tasks and specific industry and product;
- (b) apply a range of well developed skills to a variety of customer services and technical situations;
- (c) apply known solutions to a variety of predictable problems;
- (d) perform processes that require a range of well developed skills when some discretion and judgement are required;
- (e) interpret available information about the client and product, using discretion and judgement.

[PS 146.61A] In relation to *general* advice, the program content of Tier 2 courses should be assessed at a level that enables providers of general advice to demonstrate an understanding of the generic and specialist knowledge requirements in Appendix A that are relevant to their tasks and to the specific industry and product.

[PS 146.61B] As the level and type of skill varies so much in relation to the provision of general advice, we have not mandated the skill requirements for advisers that only provide this type of advice. However, we expect a licensee to ensure that its representatives are competent to provide this advice. The appropriate skills for advisers who provide general advice will vary according to the particular form of the advice and the products about which the general advice is given.

[PS 146.62] The characteristics of Tier 2 courses are broadly equivalent to “Certificate III” level in the Australian Qualifications Framework. We are not prescribing that advisers should necessarily undertake a formal Certificate III course.

General insurance and consumer credit insurance products

[PS 146.63] We have applied the lower Tier 2 level of training to courses that cover the types of general insurance products set out in

Table 3 and consumer credit insurance because, while these products carry certain risks, they:

- (a) are relatively straightforward;
- (b) do not have any investment component;
- (c) are subject to standard terms and conditions except for previously disclosed variations; and
- (d) are of limited life, often 12 months.

[PS 146.64] We have not included personal sickness and accident insurance products in Tier 2. In contrast to Tier 2 product types, this type of product may be complex and choices a client makes may have an increased potential to impact significantly on the client's financial situation. We believe, as a result, greater reliance is placed on the adviser's competence for advice on these products. Further, our regulatory experience has led us to conclude that a higher standard of training is required to advise on this type of product.

Note: We will monitor developments to determine whether Tier 2 remains the appropriate education level for all kinds of general insurance products (other than personal sickness and accident).

Basic deposit products and non-cash payment products

[PS 146.65] We have also applied the Tier 2 level to courses that cover basic deposit products (s761A) and non-cash payment products (s763D). These products are also relatively straightforward and well understood by the public.

Note: While Tier 2 training is required for these products, ASIC does not require courses for advisers on basic deposit products and related non-cash payment products to be assessed by an authorised assessor or placed on the ASIC Training Register. These courses can instead be assessed by the licensee itself as meeting the Tier 2 training standard .

Licensee must assess Tier 2 products

[PS 146.66] A licensee may consider that some types of products included in Tier 2 are not, in fact, straightforward or standard products. In these cases, they should make sure that their advisers are trained at the higher educational level.

Pre 1995 training

[PS 146.67] We consider that training listed on the ASIC Training Register but undertaken before 1 January 1995 would generally need to be supplemented, particularly in the areas of regulation, compliance and disclosure, unless documented evidence of continuing training can be produced.

[PS 146.68] We are not saying that pre 1995 training is irrelevant or that advisers who have completed older courses must do entirely new courses. However, pre 1995 training did not cover training in the ASIC's Good Advice policy, all the major changes in taxation, nor the requirements of the Life Code.

[PS 146.69] We consider that advisers who commenced their training before 1 January 1995 but completed a majority of the subjects or units of the course after that date, would generally not need to supplement the pre 1995 subjects or units. Further, it may not be necessary to repeat an introductory subject or unit completed before 1995, if the adviser can show that the content was covered at a more advanced level after 1995.

[PS 146.70] There are circumstances where an adviser with pre 1995 training will not have to undertake gap training. We will accept the following as evidence of full knowledge training.

The adviser:

- (a) completed before 1 January 1995 training courses that are listed on the ASIC Training Register;
- (b) has worked continuously in the industry since 1 January 1995 in an area relevant to their current activity; and
 - (i) has been since 1 January 1995, and continues to be, a member of a recognised professional association relevant to the financial services industry that has a formal requirement for Continuing Professional Development (CPD). The adviser must have met the association's CPD requirements including training relevant to their current advisory activities and the areas of regulation, compliance and disclosure. The adviser must be able to satisfy their licensee with documentary evidence that they have met this requirement. This can include receipts, the licensee's internal records, certificates of attendance, course or conference notes or agenda, diary notes; or
 - (ii) in cases where paragraph (i) does not apply, has undertaken continuing training since 1 January 1995 by attending workshops, conferences or courses relevant to their advisory activities and the areas of regulation, compliance and disclosure.

The adviser must be able to satisfy their licensee of such attendance through independent documentary evidence (eg receipts, names and dates of training, course or conference notes or agenda). We consider that the adviser should have completed at least 24 hours of training per year to meet this requirement.

[PS 146.71] Alternatively, an adviser with pre 1995 qualifications can demonstrate their current competence by undergoing individual assessment (see [PS 146.52]), or gap training.

ASX affiliates

[PS 146.72] Advisers who became ASX affiliates before 1 January 1995 and have met their continuing training obligations in accordance with ASX Business Rules will be taken to have met the training standards in relation to advising on ASX-traded products (including products in respect of which an application for admission to quotation on ASX has been made). They will need to complete additional approved training if they wish to advise on other types of financial products.

Foreign qualifications

[PS 146.73] We will accept foreign qualifications relevant to the activities the adviser undertakes. Advisers will need to obtain evidence that a course has been recognised by a relevant overseas regulatory body (eg Financial Services Authority (UK), New Zealand Securities Commission, National Association of Securities Dealers (US), Canadian Dealers Association, Securities and Futures Commission (Hong Kong), and the Monetary Authority of Singapore). Relevant foreign university qualifications can be verified by the National Office of Overseas Skills Recognition in Canberra.

[PS 146.74] Foreign qualifications will not have addressed Australian requirements (eg obligations under the Corporations Act and relevant codes of conduct, and knowledge of other relevant Australian legislation including taxation and superannuation). Advisers with foreign qualifications must undertake a relevant course listed on the ASIC Training Register to become familiar with Australian requirements.

Licensees to determine program delivery

[PS 146.75] We have not prescribed any particular duration for a training course or method of delivery. Licensees will be able to choose training procedures that meet both the training standards and their own business needs, for example:

- (a) a single training course or combination of courses delivered in-house or by an external training provider; or
- (b) training methods such as course attendance, long distance education, or computer packages.

[PS 146.76] Except for courses on basic deposit products and related non-cash payment products, all training courses (or combinations of courses) will need to be assessed by an authorised assessor as meeting the training standards for the adviser's activities before being entered on the ASIC Training Register.

[PS 146.77] Once a course has been approved by an authorised assessor and recorded on the ASIC Training Register, it meets the requirements of this policy statement. We do not mandate any particular course or training provider. Licensees remain obliged to comply with the requirements of the Corporations Act in relation to their own or their representatives' competency.

Proposed new advisers

[PS 146.78] Licensees should provide proposed new advisers with appropriate induction on commencing employment. They should also ensure that, before the new entrants undertake activities under the AFS licence, they:

- (a) have undergone appropriate approved training courses; and
- (b) are properly supervised.

[PS 146.79] New advisers must not start advising retail clients until they satisfy the requirements of this policy.

Existing advisers

[PS 146.80] Existing advisers who have undergone training courses in the past can meet the training standards by having those courses accredited by an authorised assessor.

[PS 146.81] If the course has been approved by an authorised assessor (based on available evidence) and listed on the ASIC Training Register, then it satisfies the requirements of this policy. However, as stated in [PS 146.44], training undertaken before 1 January 1995 may need supplementing.

[PS 146.82] Where it is not possible to assess existing training, advisers may meet the training standards by:

- (a) satisfactorily completing a course already listed on the ASIC Training Register; or
- (b) being individually assessed (if they have 5 years relevant experience over the immediate past 8 years in the areas in which they advise).

E Assessing the quality of training

Our policy

[PS 146.83] Training courses (and individual advisers) meet the training standards if they have been assessed by an authorised assessor as meeting ASIC's knowledge and skill requirements.

The following organisations can undertake the role of authorised assessor:

- (a) a registered training organisation (RTO) with a scope of registration that allows it to deliver the Diploma of Financial Services (for training or assessment at Tier 1 level) or Certificate III in Financial Services (for Tier 2 level);
- (b) a self-accrediting organisation (SAO) (ie a university or other higher education institution approved under State or Territory legislation that delivers courses relevant to the financial services industry); or
- (c) a professional or industry association relevant to the financial services industry that has been accredited by us.

Basic deposit products and related non-cash payment products

[PS 146.83A] Courses for advice on basic deposit products and related non-cash payment products do not need to be assessed by an authorised assessor or placed on the ASIC Training Register but may instead be assessed by the licensee as meeting ASIC's knowledge and skill requirements at the Tier 2 level. A licensee may choose to engage an authorised assessor or other person to assist in the process of assessing the course. However, the licensee remains responsible for ensuring that the course meets the required standard. The licensee may use courses from the ASIC Training Register, or find it helpful to refer to such courses, especially in relation to generic knowledge requirements, in order to develop appropriate courses.

[PS 146.83B] For basic deposit products and related non-cash payment products, where a licensee chooses to meet its obligations by having its advisers individually assessed in accordance with [PS 146.52], such individual assessment must be carried out by an authorised assessor.

Underlying principles

[PS 146.84] The requirement that all training courses must be assessed as meeting the training standards will encourage consistent standards of education and training across all sectors of the financial services industry.

[PS 146.85] The ability to select from a range of organisations that are authorised assessors will give licensees flexibility to decide the most appropriate assessor to address their business and training needs.

Explanations

Role of an authorised assessor

[PS 146.86] The role of an authorised assessor is to:

- (a) benchmark their own training courses or those of licensees or other training providers against our knowledge and skill requirements;
- (b) examine their own processes and procedures or those of licensees or other training providers to assess whether the courses can successfully meet the training standards; and/or
- (c) assess an individual adviser against the training standards.

Who can be an authorised assessor

Registered training organisation (RTO)

[PS 146.87] These organisations have already undergone a registration process conducted by a State/Territory recognition authority and are accredited training and assessment organisations.

[PS 146.88] RTOs will need to demonstrate that they have the appropriate expertise to be an authorised assessor for the purposes of this policy statement. To do this, they must be registered, via their Scope of Registration, to deliver the Diploma of Financial Services (if offering or assessing training at Tier 1 level) or Certificate III in Financial Services (at Tier 2 level).

[PS 146.89] An RTO must lodge a copy of its Scope of Registration with us the first time it approves a course (their own course or that of a licensee).

Self-accrediting organisation (SAO)

[PS 146.90] Universities and higher education institutions have also undergone a statutory registration process. Only relevant schools or

departments (eg finance, commerce, economics) of self-accrediting organisations will be qualified to carry out this function

Professional and industry association

[PS 146.91] If a professional or industry association — that has not previously undergone a registration process as outlined above (eg to become an RTO) — wishes to become an authorised assessor, it must demonstrate to us that it:

- (a) represents members (individuals or organisations) who participate in the financial services industry;
- (b) has the expertise and facilities to assess training courses and/or individual advisers;
- (c) meets our criteria (see Appendix C);

Note: To ensure consistency between authorised assessor organisations, these criteria have been developed to be consistent with the criteria that an RTO or SAO must meet.

- (d) agrees to conditions imposed by ASIC (see Appendix D); and
- (e) agrees to assess training courses against the criteria outlined in [PS 146.94].

[PS 146.92] Deleted.

[PS 146.93] A professional or industry association can apply to become an ASIC authorised assessor by obtaining an application from the ASIC website at www.asic.gov.au.

Role of the Licensee: Basic deposit products and related non-cash payment products

[PS 146.93A] For basic deposit products and related non-cash payment products, where a course is assessed by the licensee rather than an authorised assessor, the role of the licensee is to:

- (a) benchmark their own training courses against our knowledge and skill requirements;
- (b) examine their own processes and procedures to assess whether the courses can successfully meet the training standards; and
- (c) upon completion of the course, assess an individual adviser against the training standards.

Criteria for assessing a training course

[PS 146.94] To assure itself that a training course successfully addresses the training standards, an authorised assessor (or licensee who assesses a course for basic deposit products and related non-cash payment products) should evaluate a course against the following criteria. The course should:

- (a) address our knowledge requirements (in all cases) and our skill requirements (where appropriate) (see Appendices A and B);
- (b) be developed in a way that takes into account existing industry specific standards, the Financial Services Training Package (see [PS 146.98]) and approved codes of conduct where applicable;
- (c) have clearly identified objectives and outcomes;
- (d) be delivered by appropriately qualified and experienced staff;
- (e) be delivered using appropriate methods and program materials;
- (f) be of an appropriate duration; and
- (g) be at an appropriate educational level.

[PS 146.95] The authorised assessor should also be satisfied that the licensee or training provider has:

- (a) adequate methods and materials for assessment of individuals (unless the licensee or training provider intends to outsource this function. In such a case, the outsourced entity must meet the relevant requirements);
- (b) adequate systems for recording assessment outcomes, exam results and archiving of records; and
- (c) adequate systems for recording and resolving grievances.

Re-assessment of training courses

[PS 146.96] Training courses must be assessed at least once every 5 years. A course would need to be assessed more often if there have been substantial changes to the functions performed by the advisers for whom the course was written, to the fundamentals of the financial services industry, or to the legislation relating to financial services.

Training courses delivered by authorised assessors

[PS 146.97] Training courses delivered by an authorised assessor that is an ASIC-accredited professional or industry association must be assessed by another authorised assessor. However, RTOs and SAOs will not be

required to have their own programs externally assessed. This is because a quality assessment process is already an integral component of their registration under applicable laws.

Financial Services Training Package

[PS 146.98] The Australian National Training Authority (ANTA) has endorsed the Financial Services Training Package, which contains competency standards for advisers across the broad financial services industry. When lodging courses on the ASIC Training Register, RTOs must produce evidence that they have aligned the course to the Financial Services Training Package, using the relevant competency standards, assessment guidelines and qualifications in accordance with ANTA guidelines. They must nominate the units of competency relevant to the underlying product, activity or financial sector.

[PS 146.99] RTOs that already have courses listed on the Training Register must align those courses to the Financial Services Training Package by 31 December 2002. This means that all RTOs will need to have reapplied to have their courses on the register by 31 December 2002.

Statement of Attainment (or equivalent)

[PS 146.100] After 31 December 2002, a Statement of Attainment (or equivalent) should be obtained upon completion of an approved training course on the ASIC Training Register in accordance with the Australian Quality Training Framework (AQTF). As courses will be aligned with the AQTF, after this date a Statement of Attainment should be able to be automatically issued. This statement certifies that the adviser has achieved a unit of competency under nationally endorsed standards.

[PS 146.100A] The Statement of Attainment (or equivalent) will usually be issued to the advisor by an authorised assessor upon the successful completion of an approved training course. This statement can also be produced as evidence of compliance with this policy.

[PS 146.100B] A Statement of Attainment is not required for advisers who have completed a course which was, at that time, listed on the ASIC Training Register and did not require the issue of a Statement of Attainment (ie. prior to 31 December 2002), regardless of whether it has subsequently been reviewed on the ASIC Training Register and confirmed as being aligned to the Financial Services Training Package.

[PS 146.100C] As the assessment of skills is necessary (in accordance with the AQTF) before a Statement of Attainment can be issued, we do not require a Statement of Attainment to be issued where a person provides general advice only.

ASIC Training Register

[PS 146.101] We maintain a register of recognised training courses and assessment services. The National Finance Industry Training Advisory Body (NFITAB) is assisting us to assess all applications for courses to be placed on the ASIC Training Register. All authorised assessors must notify ASIC within 30 days of approving a course (their own course or that of a licensee or another training provider). This ensures that the ASIC Training Register is kept up to date. If a course has been updated, ASIC does not have to be notified again, unless there have been significant changes. When a series of courses collectively meets our requirements, only the name of the overall series needs to be notified.

[PS 146.102] The ASIC Training Register lists courses that meet the criteria set out in [PS 146.94]. It does not list in-house induction, product training, or other continuing training.

How authorised assessors will notify us that they have approved a training course, or offer an assessment service

- The application form for lodging courses or assessment services with ASIC can be downloaded from our website at www.asic.gov.au.
- The authorised assessor should post their completed application to: ASIC Training Register Applications, PO Box Q1209, QVB, NSW 1230.
- The authorised assessor should lodge the form within 30 days of approving a training course or offering an assessment service.

You can find names of approved courses and assessment services on the ASIC Training Register on our website or from ASIC Infoline 1300 300 630.

F Continuing training guidance

Our policy

[PS 146.103] Licensees should implement policies and procedures to ensure that they and their advisers undertake continuing training to maintain and update the knowledge and skills that are appropriate for their activities.

[PS 146.104] We do not require continuing training courses to be assessed by an authorised assessor.

Underlying principles

[PS 146.105] Advisers should undertake continuing training to maintain their competence. This is particularly necessary because of rapidly changing markets and regulatory requirements.

Explanations

[PS 146.106] Licensees have an obligation to maintain their competence to provide the financial services authorised under their AFS licence: see s912A(1)(e). They must also ensure that their representatives are adequately trained and competent to provide those financial services: see s912A(1)(f). As part of meeting their obligations, licensees need to establish policies and procedures on continuing training that will address how they and their advisers will:

- (a) maintain knowledge and skills that are appropriate for their activities and responsibilities, and are consistent with the training standards;
- (b) update their knowledge and skills, especially in areas where there is continual change (eg legislation, regulatory policies and standards, economic and financial developments, new products and new market practices); and
- (c) develop new knowledge and skills to assist with their current role or roles contemplated in the near future.

[PS 146.107] These policies and procedures should include:

- (a) nominating a person who is responsible for continuing training (see [PS 146.108]);
- (b) establishing annual training plans for each adviser (see [PS 146.109]);

- (c) keeping records of advisers' training programs (see [PS 146.110]); and
- (d) deciding how much training each adviser needs each year (see [PS 146.114]).

Nominating a training officer

[PS 146.108] Licensees should nominate one or more persons who are directly responsible for the training (initial and continuing) of advisers.

Developing annual training plans

[PS 146.109] Licensees should develop an annual training plan for each adviser. Annual training plans should address the following steps:

- (a) assess the adviser's training needs in relation to the training standards, particularly if the adviser's functions change;
- (b) identify the adviser's gaps or weaknesses in the preceding year and the areas where training will be focused;
- (c) set objectives to be met (ie the desired changes in the adviser's knowledge, skills and/or performance at the end of the training year);
- (d) decide the structure of the continuing training program (including nominating the training methods);
- (e) assess whether the adviser has met the objectives of the training program; and
- (f) provide feedback sessions with the adviser about their performance.

Keeping records

[PS 146.110] It is a licence condition that a licensee must maintain a record of the training (relevant to the provision of financial services) that each of its representatives has undertaken after that person became a representative, and any training undertaken before that person became a representative to the extent that the licensee can obtain that information after reasonable inquiry: see reg 7.6.04(d). To demonstrate compliance with their continuing training obligations, licensees should:

- (a) keep written records of each adviser's training plan. The records should be updated at least annually and address the elements contained in [PS 146.109]; and
- (b) keep evidence of their advisers' continuing training (eg receipts, enrolment records, attendance lists, detailed diary notes).

[PS 146.111] A licensee can maintain evidence of continuing training in a variety of ways. Examples include:

- (a) a photocopy of the document indicating the qualification awarded or training undertaken;
- (b) a computer or system entry (after seeing the training evidence); or
- (c) an arrangement with the adviser to hold the qualification certificate.

Group training

[PS 146.112] We recognise that many organisations plan and structure continuing training for a whole group or department based on the type of function or task being performed. We will accept annual continuing training plans that address continuing training on a group basis. However, licensees must ensure that each individual within the group carries out only the functions and tasks for which their training has equipped them. Licensees must continue to assess their advisers' functions and make changes to their continuing training plans if those functions change.

[PS 146.113] Continuing training plans developed on a group basis must address the steps in [PS 146.109] and be monitored on an ongoing basis.

Minimum number of hours

[PS 146.114] We have not prescribed a minimum number of hours per year that an adviser should spend on continuing training. This is because the time required will vary according to the adviser's activities and level of experience. Licensees should nominate an appropriate figure, based on the adviser's activities and experience. As a guide, some professional bodies have already set a minimum number of hours to be satisfied by their members. We will monitor whether licensees nominate appropriate minimum hours of continuing training. We will consider setting minimum hours, if we become aware that licensees are not nominating appropriate figures.

Compliance

[PS 146.115] To meet their compliance obligations, licensees should prepare a statement that sets out their training policy and procedures, including their approach to continuing training. They should also ensure that tasks and functions carried out by individual advisers are documented, and any identified gaps or weaknesses in the adviser's activities are addressed.

[PS 146.116] Training procedures should address how a licensee will monitor that their continuing training policies are being carried out. This would include monitoring the continuing training of advisers who are geographically separated from the licensee and those advisers with multiple authorisations.

Appendix A: Knowledge requirements

[PS 146.117] The following list of ASIC's knowledge requirements applies to a range of products and activities relevant to the financial services sectors regulated by ASIC.

The requirements are grouped under:

A1 Generic knowledge

A2 Specialist knowledge, covering

A2.1 Financial planning

A2.2 Securities

A2.3 Derivatives

A2.4 Managed investments

A2.5 Superannuation

A2.6 Insurance — general, life and broking

A2.7 Deposit products and non-cash payment products

A2.8 Foreign exchange

All advisers should demonstrate that they have met the generic knowledge requirements and specialist knowledge requirements relevant to their activities. We recognise that, depending on the nature of the activities undertaken, the extent and scope of the knowledge requirements to be met may vary (and may not be listed above).

Licensees must first identify their advisers' tasks and functions. They must then determine which of ASIC's knowledge requirements should be covered in their training courses or individual assessments of advisers in relation to those tasks and functions.

Note: Advisers need only meet elements relevant to their activities. There may be other elements that a licensee or training provider may wish to include in a course.

A1 Generic knowledge

[PS 146.118] Advisers should have a generic knowledge of the environment in which they operate to understand the context in which the advice is given. Generic knowledge may be covered separately or within specialist knowledge training. Its content will depend on the adviser's activity and products advised on and *may* include the following concepts.

Table A1: Generic knowledge

The economic environment	<ul style="list-style-type: none"> • characteristics and impact of economic and business cycles • interest rates, exchange rates • inflation • government monetary and fiscal policies
Operation of financial markets	<ul style="list-style-type: none"> • roles played by intermediaries and issuers • structure and inter-relationships within the financial markets • inter-relationship between industry sectors
Financial products	<ul style="list-style-type: none"> • concept of a financial product — general definition, specific inclusions, exclusions • types of financial investment products • types of financial risk products (eg derivatives, risk insurance products)

[PS 146.118A] We recognise that the level of generic knowledge required will vary substantially depending on the type of advice and product. The greater the level of complexity of the service and product, the greater the level of generic knowledge required.

A2 Specialist knowledge

[PS 146.119] An adviser should be able to apply the following specialist knowledge, where relevant.

A2.1 Financial planning

[PS 146.120] An adviser providing financial planning advice to retail clients should be able to apply the following knowledge.

Note: The financial planning process may require knowledge of specialist categories (eg managed investments, superannuation and insurance): see Tables A2.4–A2.6.

Table A2.1: Financial planning (specialist knowledge)

Theories of investment, portfolio management and management of investment and risk	<ul style="list-style-type: none"> • range of financial products • types of investment products (eg cash, fixed interest, property, equities, managed investments) • types of financial risk products (eg risk insurance, derivatives) • investment concepts • investment strategies • identification of types of risk • client risk profile
Advisory functions	<ul style="list-style-type: none"> • the role of financial planner • participants in the advisory services market • range of services provided • the financial planning process
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> • the role of the representative/adviser • relevant legal principles (eg Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) • the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation) • relevant industry standards and codes of conduct • regulators' guidelines including ASIC's requirements in this policy • complaints resolution procedures (external and, if relevant, internal)
Taxation	<ul style="list-style-type: none"> • the Australian taxation and social security systems • relevant taxation laws and regulations • effects of taxation on particular financial products • effects of taxation on financial strategies of individuals and entities
Estate planning	<ul style="list-style-type: none"> • theory of estate planning (ie allowable investments, enduring and non-enduring powers of attorney, share purchase agreements) • management and investment strategies • relevant taxation laws and regulations

A2.2 Securities

[PS 146.121] An adviser providing advice on securities (including government bonds) should be able to apply the following knowledge (where applicable).

Table A2.2: Securities markets (specialist knowledge)

Operation of securities markets	<ul style="list-style-type: none"> • market participants • roles played by intermediaries
Types of products	<ul style="list-style-type: none"> • range of securities • associated risks • investment options using securities product • alternative products (eg derivatives) (where relevant)
Theories of investment, portfolio management and management of investment and risk	<ul style="list-style-type: none"> • investment concepts • investment strategies • identification of types of risk • client risk profile
Taxation	<ul style="list-style-type: none"> • awareness of taxation issues relating to securities
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> • the role of the representative/adviser • relevant legal principles (eg Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) • the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation) • relevant industry standards and codes of conduct • regulators' guidelines including our requirements in this policy • complaints resolution procedures (external and, if relevant, internal) • stockbroking competency standards (where relevant) • ASX Operating Rules (where relevant)

A2.3 Derivatives

[PS 146.122] An adviser providing advice on derivatives should be able to apply the following knowledge (where applicable).

Table A2.3: Derivatives markets (specialist knowledge)

Operation of derivatives markets	<ul style="list-style-type: none"> • market participants • roles played by intermediaries • structure and inter-relationships within and between the securities/derivatives sectors
Types of products	<ul style="list-style-type: none"> • range of derivatives • associated risks • investment options using derivatives products
Theories of investment, portfolio management and management of investment and risk	<ul style="list-style-type: none"> • investment concepts • investment strategies • identification of types of risk • client risk profile
Taxation	<ul style="list-style-type: none"> • awareness of taxation issues relating to derivatives
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> • the role of the representative/adviser • relevant legal principles (eg Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) • the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation) • relevant industry standards and codes of conduct • regulators' guidelines including our requirements in this policy • complaints resolution procedures (external and, if relevant, internal) • elements of the Registered Representatives Examination (where relevant) • SFE or ASXF Operating Rules (where relevant)

A2.4 Managed investments

[PS 146.123] An adviser providing advice on interests in managed investment schemes should be able to apply the following knowledge (where applicable).

Table A2.4: Managed investments (specialist knowledge)

Types of products	<ul style="list-style-type: none"> • concept of managed investments • specialist knowledge of the range of products offered under managed investment schemes, or a specific product offered under a scheme (eg <ul style="list-style-type: none"> — property trusts, real estate investment strategies, valuation techniques, property management — equity trusts, fixed interest trusts — serviced strata schemes — primary production schemes — film schemes — time-sharing schemes) • identification of types of risks
Taxation	<ul style="list-style-type: none"> • awareness of relevant taxation issues
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> • the role of the representative/adviser • relevant legal principles (eg Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) • the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation) • relevant industry standards and codes of conduct • regulators' guidelines including our requirements in this policy • complaints resolution procedures (external and, if relevant, internal)

A2.5 Superannuation

[PS 146.124] An adviser providing advice on superannuation products should be able to apply the following knowledge (where applicable).

Table A2.5: Superannuation (specialist knowledge)

Operation and management of the superannuation industry	<ul style="list-style-type: none"> • characteristics and structure of a superannuation product • roles played by intermediaries and issuers • types of superannuation products • fee structures/administration and management costs • types of contribution • annuities/pensions, allocated pensions and income stream products • associated risks • structure of superannuation plans management and administration of superannuation products • preservation rules • investment strategies within superannuation funds (ie investment concepts and strategies) • restrictions on investment strategies
Taxation	<ul style="list-style-type: none"> • impact on investment earnings • employer and employee contributions • benefit payments and expenses • tax deductions • capital gains tax treatment • roll-overs • reasonable benefit limits • superannuation surcharge • social security pension eligibility • retirement planning • death benefits • franking credits
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> • the role of the representative/adviser • relevant legal principles (eg Corporations Act, ASIC Act, Superannuation Industry (Supervision) Act, Privacy Amendment (Private Sector) Act) • the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation) • relevant industry standards and codes of conduct • regulators' guidelines including our requirements in this policy • complaints resolution procedures (external and, if relevant, internal) • trustee rules

A2.6 Insurance

[PS 146.125] Given the nature of the insurance sector, the following specialist knowledge category for advisers on insurance products has been divided into core insurance knowledge and type of insurance product. This has been done to recognise industry feedback that there is a body of core insurance specific knowledge (separate to generic knowledge) that should also be understood by those operating within this sector.

A2.6a Core insurance knowledge, all categories (ie general, life and broking)

An adviser providing advice on insurance products should be able to apply the following knowledge (where applicable).

Table A2.6a: Insurance (core knowledge)

Operation of insurance markets	<ul style="list-style-type: none"> definition of insurance product characteristics and participants of the Australian insurance market roles played by intermediaries
Insurance products	<ul style="list-style-type: none"> types of insurance products (eg risk insurance products, investment life insurance products and general insurance products) conditions, exclusions, levels of coverage of risk transfer products pricing
Taxation	<ul style="list-style-type: none"> awareness of taxation issues relating to insurance products
Advisory functions	<ul style="list-style-type: none"> the role of insurance adviser/broker/agent participants in the insurance advisory services market range of services provided profile and financial information of the client appropriateness of a risk assessment
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> the role of the representative/adviser relevant legal principles (eg Corporations Act, ASIC Act, Insurance Contracts Act 1984, Life Insurance Act 1995, Privacy Amendment (Private Sector) Act) the relationship between ethics and regulatory requirements (eg good faith, faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation) relevant industry standards and codes of conduct regulators' guidelines including our requirements in this policy complaints resolution procedures (external and, if relevant, internal)

A2.6b Specialist insurance knowledge

Table A2.6b: Insurance (specialist knowledge)

General insurance	<ul style="list-style-type: none"> • types of general insurance products/policies • standard cover (and deviations) • policy wordings • taxes and charges • insurance claims • premium rating/risk selection • reporting • product development • underwriting
Life insurance	<ul style="list-style-type: none"> • types/classes of life insurance products/policies • standard cover (and deviations) • product development • policy wordings • underwriting • insurance claims • premium rating/risk assessment • investment strategy (investment component of life insurance products)
Insurance broking	<ul style="list-style-type: none"> • types/classes of insurance products • standard cover and deviations • product development • policy wordings • underwriting • insurance claims • premium rating/risk assessment • types of broking services

A2.7 *Deposit products and non-cash payment products*

[PS 146.126] An adviser providing advice on deposit products and non-cash payment products (s763D) should be able to apply the following knowledge (where applicable).

Table A2.7: Deposit products and non-cash payment products (specialist knowledge)

Types of products	<ul style="list-style-type: none"> • types of products • product characteristics
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> • the role of the representative/adviser • relevant legal principles (eg Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) • the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees, and any other conflicts of interest which may influence the adviser's recommendation) • relevant industry standards and codes of conduct • regulators' guidelines including our requirements in this policy • complaints resolution procedures (external and, if relevant, internal)

A2.8 Foreign exchange

[PS 146.126A] An adviser providing advice on foreign exchange products should be able to apply the following knowledge (where applicable).

Table A2.8: Foreign exchange (specialist knowledge)

Operation of foreign exchange markets	<ul style="list-style-type: none"> market participants roles played by intermediaries
Types of products	<ul style="list-style-type: none"> range of foreign exchange products associated risks alternative products (eg derivatives) (where relevant)
Theories of investment, portfolio management and management of investment and risk	<ul style="list-style-type: none"> identification of types of risk client risk profile
Taxation	<ul style="list-style-type: none"> awareness of taxation issues relating to foreign exchange products
Legal environment — disclosure and compliance	<ul style="list-style-type: none"> the role of the representative/adviser relevant legal principles (eg Corporations Act, ASIC Act, Privacy Amendment (Private Sector) Act) the relationship between ethics and regulatory requirements (eg good faith, utmost good faith, full disclosure of remuneration/fees and any other conflicts of interest which may influence the adviser's recommendation) relevant industry standards and codes of conduct regulators' guidelines including our requirements in this policy complaints resolution procedures (external and, if relevant, internal)

Appendix B: Skill requirements

[PS 146.127] Advisers providing personal financial advice to retail clients should be able to apply appropriate skills in relation to their activities and the products and markets in which they operate. These skills will vary according to the activities undertaken.

As the level and type of skill varies so much in relation to the provision of general advice, we have not mandated the skill requirements for advisers that only provide this type of advice.

Note: There may be other elements that a licensee or training provider may wish to cover. All elements need not be met if demonstrably irrelevant to the adviser's activities.

Table B: Skill requirements

1 Establish relationship with client	<p>This may include:</p> <ul style="list-style-type: none"> • explaining the adviser's role • establishing knowledge level of the client • explaining the services offered • identifying the licensee responsible for the representative's conduct • explaining fee and charging methodology • explaining the procedures for complaints handling
2 Identify client objectives, needs, and financial situation	<p>This may include collection of the following types of information from the client:</p> <ul style="list-style-type: none"> • relevant personal, financial and business details • client objectives and goals • risk profile of the client • cash flows (required and projected) • relevant taxation obligations
3 Analyse client objectives, needs, financial situation and risk profile	<p>This may include:</p> <ul style="list-style-type: none"> • analysing all relevant information • assessing if specialist advice is required • assessing the client's risk profile
4 Develop appropriate strategies and solutions	<p>This may include:</p> <ul style="list-style-type: none"> • identifying and assessing available options via the above analysis • conducting relevant research/analysis/modelling • drafting plan/policy/transaction for presentation to the client • ability to underwrite and accept the transfer of risk

Table B: Skill requirements (cont.)

5 Present appropriate strategies and solutions to the client	<p>This may include:</p> <ul style="list-style-type: none"> • explaining in plain language the proposed transaction/s • explaining the nature of the underlying financial products • explaining the possible risks • providing written supporting documentation
6 Negotiate financial plan/policy/transaction with the client	<p>This may include:</p> <ul style="list-style-type: none"> • discussing any concerns/issues of the client regarding the proposed plan/policy/transaction • confirming with the client the preferred plan/policy/transaction
7 Co-ordinate implementation of agreed plan/policy/transaction	<p>This may include:</p> <ul style="list-style-type: none"> • gaining agreement regarding the proposed plan/policy/transaction • explaining associated fee and cost structures • explaining time frame for execution
8 Complete and maintain necessary documentation	<p>This may include:</p> <ul style="list-style-type: none"> • signing a formal agreement • exchanging a signed agreement
9 Provide ongoing service (optional at discretion of client)	<p>This may include:</p> <ul style="list-style-type: none"> • explaining ongoing fees and costs for ongoing and specifically defined services • providing ongoing service to client as required and agreed • providing client with reports regarding performance of the plan/policy/transaction • conducting a review of the plan/policy/transaction with client if parameters change

Appendix C: What criteria must a professional or industry association meet to become an authorised assessor?

[PS 146.128] A professional or industry association must fulfil the following criteria to be accredited as an authorised assessor. It must:

- (a) comprise members who possess specialised knowledge and skills relevant to the financial services industry;
- (b) operate nationally;
- (c) represent a significant number of participants in the financial services industry (either through individual or corporate membership);
- (d) use personnel who are professionally qualified in the knowledge areas they intend to assess and have expertise in the education and training sector, including assessment procedures. It is not necessary for these attributes to be held by the same person;
- (e) have assessment methodologies and materials appropriate for the needs of licensees or training providers;
- (f) have procedures for dealing with appeals from licensees or training providers if course approval is withheld; and
- (g) have procedures in place for carrying out individual assessment of current competence. This process may be outsourced to another authorised assessor.

Appendix D: What conditions are placed on a professional or industry association that is an authorised assessor?

[PS 146.129] ASIC will require a professional or industry association accredited to be an authorised assessor to comply with the following conditions.

The association must:

- (a) notify ASIC in writing within 30 days of courses it has assessed;
- (b) resubmit to ASIC evidence of its ability to act as an authorised assessor every five years or as requested;
- (c) not assess courses which it or its directors, agents or employees have developed and/or will conduct;
- (d) not assess courses of a party in which it has a financial or other interest, other than a party where the interest arises solely because employees or representatives of the party are members of the association or use training or other services provided to members by the association;

Note: Examples of parties in which the association has a financial or other interest are:

- (a) a related party (ie subsidiary, parent or sibling company); and
- (b) a party who has significant influence over it (eg through common senior management, or through arrangements to assess each other's courses).
- (e) notify ASIC in writing if there are significant changes to the information on the basis of which ASIC has granted its approval;
- (f) notify ASIC if key personnel named in the application cease to play the roles described in the application, or if there are any other major changes in staffing arrangements within the education and training team;
- (g) continue to satisfy the criteria outlined in Appendix C of this policy statement;
- (h) recognise training courses that have been accredited by other authorised assessors for the purposes of meeting ASIC's knowledge and skill requirements;
- (i) allow ASIC to require an external audit of its procedures and processes from time to time.

Key terms

Note: In this policy statement, references to particular financial products have the same meaning as in the Corporations Act (eg “superannuation fund” and “non-cash payment products”).

[PS 146.130] In this policy statement:

“adviser” means a natural person who provides financial product advice to a retail client and is:

- (a) an Australian financial services licensee; or
- (b) a representative of an Australian financial services licensee.

Transitional note: During the 2-year transitional period, the terms “adviser” and “financial product adviser” in this policy statement are taken to include a natural person who provides financial product advice to a retail client and who is a securities licensee or a futures licensee under the old Corporations Act, or a representative of such a licensee.

“AFS licence” means an Australian financial services licence under s913B that authorises a person who carries out a financial services business to provide financial services

Note: This is a definition contained in s761A.

“Australian National Training Authority (ANTA)” is a Commonwealth statutory authority established to provide a national focus for vocational education and training. ANTA is responsible for administering national programs and the Commonwealth funding of the national vocational education and training system

“approved course” and “approved training course” means a training course that has been assessed by an authorised assessor and has been listed on the ASIC Training Register

“ASIC” means the Australian Securities and Investments Commission

“authorised assessor” means an organisation that is recognised by ASIC to assess a training course against ASIC’s knowledge and skill requirements for the purposes of meeting the training standards, or to carry out an assessment of an individual’s competence

“Corporations Act” means the *Corporations Act 2001* as amended by the FSR Act and includes regulations made for the purposes of the Act

“financial product” means generally a facility through which, or through the acquisition of which, a person does one or more of the following:

- (a) makes a financial investment (see s763B);
- (b) manages financial risk (see s763C);
- (c) makes non-cash payments (see s763D)

Note: See Div 3 of Part 7.1 for the exact definition.

“financial product advice” means a recommendation or a statement of opinion, or a report of either of those things, that:

- (a) is intended to influence a person or persons in making a decision in relation to a particular financial product or class of financial products, or an interest in a particular financial product or class of financial products; or
- (b) could reasonably be regarded as being intended to have such an influence.

However, the provision or giving of an exempt document or statement is not to be taken to be a provision of financial product advice

Note: This is a definition contained in s766B(1).

“financial product adviser” means a natural person who provides financial product advice to a retail client and is:

- (a) an Australian financial services licensee; or
- (b) a representative of an Australian financial services licensee.

Transitional note: During the 2-year transitional period, the terms “adviser” and “financial product adviser” in this policy statement are taken to include a natural person who provides financial product advice to a retail client and who is a securities licensee or a futures licensee under the old Corporations Act, or a representative of such a licensee.

“FSR Act” means the *Financial Services Reform Act 2001*

Note: The provisions contained in Schedule 1 form part of the Corporations Act from 11 March 2002. Schedule 1 contains the financial services licensing provisions under Parts 7.6 to 7.8 and the financial product disclosure provisions under Part 7.9.

“FSR commencement” means 11 March 2002, the date fixed by proclamation under s2(2) of the FSR Act on which Schedule 1 of the FSR Act commenced

Note: Schedule 1 contains the financial services licensing provisions under Parts 7.6 to 7.8 and the financial product disclosure provisions under Part 7.9.

“general advice” means financial product advice that is not personal advice

Note: This is a definition contained in s766B(4).

“licensee” means a person who holds an AFS licence.

“Life Code” means the *Code of Practice for Advising, Selling and Complaints Handling in the Life Insurance Industry* (ISC Circular G.II.1, August 1995)

“life office sourced superannuation schemes” means superannuation schemes as described for the purposes of reg 7.3.10A as it applied under the old Corporations Act

Note: A superannuation scheme for the purposes of reg 7.3.10A under the old Corporations Act means a superannuation scheme that is wholly underwritten by one, or more than one, life policy within the meaning of the *Life Insurance Act 1995*.

“non-cash payment product” means a facility through which, or through the acquisition of which, a person makes non-cash payments as defined in s763D

“old Corporations Act” means the *Corporations Act 2001* as in force immediately before FSR commencement

“Part 7.9” (for example) means a Part of the Corporations Act after FSR commencement (in this example numbered 7.9), unless a contrary intention appears

“personal advice” means financial product advice that is given or directed to a person (including by electronic means) in circumstances where:

- (a) the provider of the advice has considered one or more of the person’s objectives, financial situation and needs; or
- (b) a reasonable person might expect the provider to have considered one or more of those matters

Note: This is a definition contained in s766B(3).

“[PS 136]” (for example) means an ASIC policy statement (in this example numbered 136)

“reg 7.6.04” (for example) means a regulation of the *Corporations Regulations 2001* (in this example numbered 7.6.04)

“registered training organisation (RTO)” is an organisation that has undergone a registration process conducted by a State/Territory recognition authority and is an accredited training and assessment organisation

“regulations” means the *Corporations Regulations 2001*

“related non-cash payment product” means a financial product for making non-cash payments (as defined in s763D) that is related to a basic deposit product (as defined in s761A)

“representative” of a licensee means:

- (a) an authorised representative of the licensee; or
- (b) an employee or director of the licensee; or
- (c) an employee or director of a related body corporate of the licensee; or
- (d) any other person acting on behalf of the licensee

Note: This is a definition contained in s910A.

“retail client” means a client defined as such under s761G and Chapter 7 Part 7.1 Div 2 of the regulations

“s912A” (for example) means a provision of the Corporations Act after FSR commencement (in this example numbered 912A), unless a contrary intention appears

“self-accrediting organisation (SAO)” is a university or higher education institution which has undergone a statutory registration process

“statement of Advice” means a document that must be given to a retail client in relation to the provision of personal advice in accordance with Subdivisions C and D of Div 3 of Part 7.7

Note: See s761A for the exact definition.

“Statement of Attainment” means a document that is issued to an adviser for partial completion of a qualification, including, where relevant, the units of competency achieved under nationally endorsed standards. Achievements recognised by statements of attainment can accumulate towards a qualification within the Australian Qualifications Framework: see www.anta.gov.au

“training course” means:

- (a) any education or training course, program, subject, unit or module of varying duration;
- (b) a combination of education or training subjects, units or modules on a similar topic; and
- (c) an education or training course or program delivered by various methods

“training standards” means the minimum standards for the training of advisers (within the meaning of [PS 146.2]) set out in this policy statement

“transitional provisions” means Part 10.2 of the Corporations Act (as amended by the *Financial Services Reform (Consequential Provisions) Act 2001*) and includes regulations made for the purposes of that Part

“2-year transitional period” means a period of 2 years starting from FSR commencement (ie from 11 March 2002 to 10 March 2004).

Related information

[PS 146.131]

Headnotes

training and education standards for advisers, Australian financial services licence, persons providing financial product advice, life insurance companies, general insurance companies, insurance brokers, ASIC's knowledge and skill requirements, continuing training of advisers

Instruments

Pro Forma 209 *Australian financial services licence conditions* [PF 209]

Policy statements

Policy Statement 164 *Licensing: Organisational capacities* [PS 164]

Policy Statement 165 *Licensing: Internal and external dispute resolution* [PS 165]

Policy Statement 166 *Licensing: Financial requirements* [PS 166]

Policy Statement 167 *Licensing: Discretionary powers and transition* [PS 167]

Legislation

Corporations Act Chapter 7 Part 7.1 Div 2, Parts 7.8, 7.9, 10.2, s761A, 761G, 763A(1), 763B–D, 766A(3), 766B(1), 766B(3)–(4), 766B(6)–(7), 1018A, 1434, 1436A(1), regulations 7.3.10(a), 7.6.04(d), FSR Act s2(2), Schedule 1

Related FSR papers

FSRB Policy Proposal Paper No 3 *Licensing: Adapting IPS 146 to the Financial Services Reform regime* (April 2001)

Building the FSRB Administrative Framework — Policy to implement the Financial Services Reform Bill 2001 (April 2001) and *Supplement* (September 2001)

Licensing: The scope of the licensing regime: Financial product advice and dealing — An ASIC guide (November 2001, updated November 2002)

Licensing and disclosure: Making the transition to the FSR regime — An ASIC guide (October 2001, updated July 2002)

AFS Licensing Kit (Version 2 — October 2002)

Making the transition to an AFS licence: pre-FSR licences and insurance broker registrations — An ASIC guide (April 2002)

The hawking prohibitions — An ASIC guide (July 2002)

Discussion papers and reports

ASC Licensing Review Report Investment Advisory Services, *Good advice* (November 1995)

ASC/ISC Exposure Draft 5, *Consistent regulation of investment advice* (June 1996)

ASC consultative paper: *Personal competencies for principals and advisers providing financial advisory services* (February 1998)

ASIC discussion paper: *Draft guidelines for licensees on minimum standards for the education and training of their advisers* (February 1999)

George Pooley, *Formal review of the ICA Ltd's General Insurance Code of Practice* (October 1998)

Media and information releases

[MR 98/262] ASIC extends competency consultation timetable (2 September 1998)

[MR 01/135] Policy proposal and process papers for the FSR Bill (26 April 2001)

[MR 01/319] Revised timetable for FSR publications (11 September 2001)

[MR 01/418] ASIC releases policy statements and guidance paper for FSR legislation (28 November 2001)

[IR 00/27] ASIC extends compliance date for training of advisers (16 August 2000)

[IR 00/35] ASIC guidance on the training of authorised representatives (21 November 2000)

[IR 02/02] Training of financial product advisers: pre-1995 training courses (6 March 2002)

[IR 02/10] Compliance with Policy Statement 146 (20 June 2002)

[IR 03/02] Updated Policy Statement 146: Training of financial product advisers (22 January 2003)