

Submission on discussion document: *Exposure draft: Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2019*

Your name and organisation

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Organisation	G3 Financial Freedom Limited

Responses to discussion document questions

1	Will the proposed record-keeping requirement be workable in practice?
	Yes. AFAs keep records now of old and new versions of Disclosure Documents, so all advisers in the future should be able to do this. Advisers can retain copies of emails or signed acknowledgements, confirming receipt of the Disclosure info from the adviser. Happy too for the information to be provided publicly, however, please note no. 2 below about disclosure via a website.
2	Do you have any comments on the drafting of the Regulations that will require information to be made publicly available?
	Question – how would advisers not having a website be able to prominently display their Disclosure Statement or a link to one?
3	Do you have any comments on the draft Regulations that will require the disclosure of information when the nature and scope of the advice is known?
	None
4	Do you have any comments on the draft Regulations that will require the disclosure of information when the financial advice is given?
	None
5	Do you have any comments on the draft Regulations that will require the disclosure of a provider's complaints handling and dispute resolution processes when a complaint is received?
	Maybe some clarification on the definition of a complaint could be useful. AFAs have had experience with logging all forms of complaints, disgruntlements etc. which may not

necessary be classed as a formal written complaint, so some guidance may support advisers under the new regime to ensure they have a process that captures what is required.

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Do you have any comments on the draft Regulations that set the manner in which information must be disclosed?

Please clarify interpretation of 229G (2). This states “a person who is required to give information.....must give it as hard copy or an electronic copy if requested.” Does this mean hard copy has to be given plus an electronic if requested? Or does it mean either hard copy or electronic must be given if requested? Trying to determine if providing the information via electronic or hard copy is sufficient? E.g. where businesses email the disclosure information prior to a meeting, is this sufficient?

7

Are there instances in your business when regulation 229D might apply to someone who is not the one to give advice to the client? Please give examples and provide any comments on how the draft Regulations apply in such scenarios.

None

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Do you have any further comments on new regulation 229A to 229H of the draft Regulations?

Some confusion has arisen in the interpretation for us around whether ALL information needs to be publicly provided compared to when seeing a client and providing what is now both Primary & Secondary Disclosure.

Is it proposed to have one document with everything that is currently in the Primary and Secondary disclosed? Or,

Are there two stages - Regulation 229C (Part 2, 4) for information to be made Publicly Available (perhaps with a bit more wording around fees and conflicts) as opposed to Regulation 229 D (Part 2, 5) when general nature and scope is known? And so not all of it is public upfront necessarily.

Followed by further disclosure when advice is given

We have been providing disclosure for many years now and we directors have interpreted this differently, so clarification is required further please.

Also, 229A (5) clarification is required if there has been no material change or additional information that affects the client since the previous disclosure OVER 12 months prior. This section mentions the “preceding 12 months” only.

9

Do you have any further comments on new Schedule 21A in the draft Regulations?

None

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What (if any) transitional provisions should be included in the regulations?

AFAs will be familiar with the process already and will not need transitional arrangements, effectively having all data to hand in their current disclosure documentation. Other advisers however, may need time to email out an electronic copy to all existing clients that will have not been made aware of this information previously and time to arrange wording around such process. Advisers not familiar with the disclosure regime such as the AFAs currently experience, will need some time to put together with Disclosure document and may need guidance/templates around what this should look like and include. This should not be an onerous task and one that can be dealt with fairly easily we would suggest, but may just be a timing issue to fit in with other business practices and client dealings.