

## **FAA Review Submissions**

### **32. Is the scope of the FA Act Exemptions appropriate? What changes should be considered and why?**

The exemptions for chartered accountants are appropriate. It is true that many chartered accountants are not competent to give investment advice. But the Institute's ethics forbid such CAs to give advice; that is to practice in areas where they are not competent. A specialist auditor would not undertake tax advice or insolvency assignments. However I suggest that many AFAs do give tax advice. The FA Act was devised to regulate advisers who were not bound by professional obligations. It would be ironic if this back-up regime was now applied to those who already faced professional ruin under their existing disciplinary arrangements. The Institute's disciplinary committee has not censured any chartered accountant for bad investment or insurance advice over the last two or three years.