

## **Licensing**

If I understand the proposed legislation correctly, the licence must be held by a company not the individual adviser. The argument for this seems to be one of cost savings to large institutions such as banks.

A possible unintended consequence of this is that those advisers in sole practice situations will get their company licensed and ring-fenced so no liability falls to the employee who would be an FAR. In other words, the company would be liable but, with no assets and properly ring-fenced, there would be no redress available to clients.

The solution to this could be that **all** who provide Financial Advice should be held responsible and the way to do this would be to put the licence at that level.

## **Terminology FAs and FARs**

The term 'Agent' has been dropped for very good reasons but has been replaced by 'Financial Advice Representative'.

If it was thought the designations of Registered Financial Adviser and Approved Financial Adviser were confusing to the public, this will make the situation even worse.

Few people will understand the distinction since both imply that Advice will be given when, clearly, this will often **not** be the case with FARs.

In my opinion, the terms should be 'Financial Adviser' and 'Financial Product Representative' or 'Financial Product Salesperson'.

This will denote the distinction between the two roles. Admittedly, some education of the public would be beneficial but it does give a truer picture of the roles