

LIGHT AT THE END OF THE TUNNEL

The pathway for experienced advisers

The pathway proposed in the [Exposure Draft](#) released last week is different from the Consultation Paper of 2022, but has retained the core promise – no tertiary education for advisers with at least 10 years' experience as a relevant provider... not even the Ethics bridging course.

The government released the exposure draft bill and explanatory memorandum to deliver on the government's election commitment to better recognise experienced financial advisers.

The draft legislation enables an existing adviser to have met the education requirements if they:

- have 10 years cumulative, full-time equivalent experience between 1 January 2007 and 31 December 2021; and
- have no recorded disciplinary action on the Financial Advisers Register (FAR) before 31 December 2021.

There is also currently no proposed sunset for this pathway, unlike the other transitional arrangements which require the education standard to be met by 1 January 2026.

How will the proposal work?

Under the proposal, an existing adviser that wishes to rely on this new pathway must self-declare to their licensee that they have met the criteria to be recognised as an experienced adviser.

The Licensee then needs to lodge a notice to ASIC within 30 business days:

- of the date the adviser is authorised by the licensee (i.e., if they change licensee or CAR); or
- from 1 January 2026 (i.e., where there has been no change to their authorisation status on the FAR but the education standard has not been met through further tertiary study by the deadline date).

There may be further adjustment to the wording. Experience is currently defined as the timeframe authorised to provide personal advice to retail clients on the FAR, not whether the person has actually been giving personal advice during that timeframe. However, the written declaration must state the person "has 10 years of experience providing financial advice with a clean disciplinary record."

As always, criminal and/or civil penalties may be applied if either or both the financial adviser and licensee give false or misleading information.

The consultation period closes on 3 May 2023.

Should I continue studying?

If you are an existing adviser who meets the experienced adviser pathway and you have commenced study, we recommend you complete your studies to gain the new qualification. This qualification will be updated onto your public profile on the FAR.

If you haven't commenced study, we still recommend you enrol in the Ethics bridging course as a stand-alone subject, as it provides more than sufficient CPD to cover the 9-hour target in a CPD year for the Professionalism & Ethics topic area.

An existing adviser that does not meet the experienced provider pathway must still meet the existing education standard by 1 January 2026 to continue practising.

Questions

If you have any questions, please contact the Professional Development & Education team on 1300 557 598 (Option 5) or via email to education@cpal.com.au.