

Ms Kate Spargo  
Chairperson  
Accounting Professional & Ethical Standards Board Limited  
Level 7, 600 Bourke Street  
Melbourne VIC 3000

Via e-mail: sub@apesb.org.au

21 July 2010

Dear Ms Spargo,

**PROPOSED STANDARD: APES 230 FINANCIAL ADVISORY SERVICES**

I am writing in response to the exposure draft of the above proposed standard.

As a solicitor working in connection with the financial services industry, I entirely support the intent and substance of the proposed standard. In particular, the proposed provisions of Clause 9 'Fee for Service' (and the definition of 'Fee for Service') demonstrate an important statement of principle for the wider financial services industry, and a commendable position of leadership taken by the APESB and the accounting professional bodies in financial services reform.

I have no doubt that once implemented, the standard will further affirm the status of qualified accountants as professionals in the public's mind. This is due to the explicit removal of the conflicts of interest that arise under the forms of financial services related remuneration which your standard proposes to exclude. Once this ethical standard has been established, it will be of assistance also to non-accountant financial advisers who wish to conduct their business in a truly independent and conflict-free manner.

The importance of your proposed standard is underscored by the abundance of commentary by other individuals and groups, which in many cases is misinformed or based on vested commercial interests. There is no doubt that there will be initial (and perhaps persuasive) resistance to the proposed standard by some of those commentators. However, under the guidance of the APESB, the accounting profession will be ideally placed to lead the financial services industry towards being more accountable and trusted by the public. Such an outcome will ultimately also be in the interests of the industry.

Yours sincerely,

**Daniel Mendoza-Jones** BCom LLB  
Solicitor

Randwick, NSW