

From: Brad Peters
Sent: Thursday, September 16, 2010 8:54 AM
To: sub@apesb.org.au
Cc: Docherty Peter
Subject: FW: APES 230 Submission 09-10.doc

Attn

The Chairperson
Accounting Professional & Ethical Standards Board Limited
Level 7, 600 Bourke Street
MELBOURNE VIC 3000
AUSTRALIA
E-mail: sub@apesb.org.au

Dear Sir/Madam

Proposed Standard: APES 230 Financial Advisory Services

As Chair of the Queensland Public Practice Committee and holder of a CPA (FPS) designation, I wish to endorse the comments outlined in the attached submission from Managed Financial Strategy.

In my opinion, APES 230ED displays a concerning lack of knowledge of how responsible financial planners service the needs of clients. The remuneration model which includes commission (insurance) and percentage of assets service fee (wrap accounts) provides the much needed cashflow to perform reviews and a multitude of administration tasks which are required by financial planning clients. To mandate that this be replaced by a 100% fee for service environment will simply not work.

If the overall aim of APES 230 is to improve the level of financial planning services provided to the public, then it will manifestly fail in this mission. The fees in these areas will be rejected by clients and CPA designate financial planners will have no option but to disengage with clients where they cannot even cover costs of simple administration tasks. Or, CPA practitioners who operate in the financial services space will have no option but to resign their memberships. This is not an idle threat, it is an economic reality.

Every responsible financial planner should support moves to introduce more education and professionalism into the financial planning space – however APES 230 in its present form is not the way. I urge you to carefully consider the points made in the abovementioned letter and amend the conditions accordingly.

Regards

Brad Peters MBA, CPA (FPS)
Chair – Qld Public Practice Committee

Brad

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Registered Tax Agent
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