

30 June 2017

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The Chairman
Accounting Professional and Ethical Standards Board
Level 11, 99 William Street,
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Dear Ms Roxon,

Submission on APES230

I am pleased to have the opportunity to make this submission on APES230 (Financial Planning Services) in response to the APESB's Consultation Paper CP 01/17 of April 2017.

By way of background, I am a CPA (FPS) specialising in Personal Financial Advice. As a shareholder of BFG Financial Services, I have fully embraced independent advice provided on a Fee for Service basis for the provision of financial advice to my clients.

Since APES 230 became effective in July 2014 the provisions of APES 230 were easy to implement in our practice as we had already developed the systems, processes and policies to meet the requirements of the Standard with some minor adjustments. As an example of a minor adjustment we began including a note in our Statement of Advice documents stating that we have complied with APES 230.

Further within my Practice I have experienced only positive issues with the APES 230 requirement that Members act in their clients' best interests and apply this requirement to all Financial Planning Advice. I am however concerned that Third Party payments in particular still apply to some areas of advice provided by Accountants such as property investment recommendations. This could lead to actual or perceived conflicted advice and may result in the provision of poor advice that does not put the client's interests first. Not only does this impact the direct client but there is a wider negative impact on the profession and various stakeholders.

As an professional I strongly believe that we all must operate in the public interest and this means removing the conflicts that arise through remuneration methods such as asset based fees and third party payments.

I believe the major issue APESB should consider in its post-implementation review of APES 230 is the removal of conflicted remuneration. This means advice should only be provided on a Fee for Service Basis to ensure advice provided by Accountants is professional, conflict free and in the best interests of the client.

Yours faithfully,



Broderick Knowles CPA (FPS); CFP®