



6 December 2023

**Submission relating to the Draft legislation Treasury Laws Amendment (2024 Measures No. 1) Bill 2024: Quality of Advice Tranche 1**

To whom it may concern

I, Evelyne Albrecht Nobs, am making this submission as a Compliance Professional who has been providing compliance advice and guidance to the financial planning industry for over 22 years. This includes substantial experience in assisting small to medium financial planning AFSLs meeting regulatory requirements and in particular meeting the requirements impacted by the proposed changes to the Corporations Act.

I welcome the initial proposals made in this first tranche of draft legislation to put into effect the recommendations from the Quality of Advice Review.

The purpose of my submission is to request some minor amendments to the proposed legislation that will result, in my opinion and experience, in a more flexible application of the requirements that are beneficial for both clients and financial planners, while in no way reducing the client protection provision that is at the core of the legislation.

Please see the following pages for the submission details.

In the event that you require additional information, please feel free to contact by email on [REDACTED] or via phone on [REDACTED].

Yours sincerely

[REDACTED]

Evelyne Albrecht

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### Renewal Period

The proposal draft notes the following in relation to the renewal period:

*962E When consent covers ongoing fee arrangement*

*(2) A renewal period for an arrangement is each period of 150 days beginning on an anniversary of the day on which the arrangement was entered into.*

The definition of the renewal period is taken to mean that the consent must be sought after the anniversary of when the arrangement was entered into. From a practical point of view there are situations where due to the client's circumstances it is more practicable to seek the consent prior to the anniversary date – for example, if the client is meeting with the financial planner prior to the anniversary date, or if the client is going overseas and wishes to finalise documentation earlier.

Therefore I ask for the draft legislation to be amended to either:

- Amend the wording to state that the consent can be sought anytime up to the 150 days, calculated from the renewal date (rather than just during the renewal period); or alternatively
- that the renewal period commences for a period prior to the anniversary date (for example 30 days) and finished 150 from the anniversary date.

This amendment would give both clients and financial planners some flexibility within their arrangement to ensure firstly that it is a practical and client friendly solution, and at the same time maintaining the requirement that clients must give consent for fees to be paid.

### Determining the anniversary

The proposal draft notes the following in relation to the anniversary:

*962E When consent covers ongoing fee arrangement*

*(2) A renewal period for an arrangement is each period of 150 days beginning on an **anniversary** of the day on which the arrangement was entered into.*

I read the proposed legislation to mean that the anniversary is set at the time the ongoing arrangement is entered into, which generally is taken to be the date the ongoing fee agreement is signed by the client. Depending on the agreement between the client and the financial planner, the date the agreement is signed may not be a practical date for the renewal process.

Therefore I ask for the draft legislation to be amended to allow for an additional option in terms of the determining the anniversary to allow the parties to the arrangement, i.e. the client and the financial planner, to nominate a anniversary date, provided this date is within the next 12 months. A sample of amended wording of the proposed legislation could be:

*962E When consent covers ongoing fee arrangement*

*(2) A renewal period for an arrangement is each period of 150 days beginning on an anniversary of the day on which the arrangement was entered into; **or alternatively, a date agreed to in the arrangement provided this date is less than 12 months from the date the arrangement is entered into.***

This amendment would provide some flexibility to clients and financial planners to determine the anniversary date provided this is a shorter period than 12 months. It is my view that this is a practical and client friendly solution, and at the same time maintains the principle that consent must be provided for the payment of ongoing adviser fees.