1 December 2023

e: financialadvice@treasury.gov.au

Dear Sir/Madam

Please find FYG Planners Pty Ltd (AFSL 224543) feedback in response to Exposure Draft Legislation in relation to the proposed changes to the ongoing fee arrangements.

- Clarity on a single consent form, what is the privacy risk? The proposed changes allow for the generation of one consent form where the client is required to be given more than one notice for example, they pay ongoing fees from different accounts with different product issuers. Whilst administratively this is a great idea, we do have some concerns on the privacy of our client's information where a single consent form is used and provided to multiple product issuers.
- The clause to allow product issuers insisting advisers use their consent form, creates a risk that the adviser and the AFSL won't capture in their systems the services offered and fee charged, as such, to satisfy their obligations are compromised, as both the adviser and the AFSL would have no control over changes the product issuer may make to the list of available services etc. Ideally, the legislation should ensure that advisers can generate the consent form and control the information that is delivered in this, as it is the adviser that is responsible for the delivery of the service, and the ASFL to ensure that evidence exist of those services and the fee charged reflects the fee listed on the consent.
- Further to this point, if a product issuer requires us to use their consent forms it is likely they will require multiple forms signed where clients pay fees from multiple accounts, this will create confusion for a client as they will have no consent form showing the total of fees to be paid in the next year.
- The requirements of the consent for the form to be signed and dated by the client, many forms signed today by our clients are either digitally signed, or a "click to renew" process is followed, whereby the client clicks a link in an email or Portal to consent or renew the arrangement. Both these solutions capture in our internal systems, who agreed and when it was signed. Our assumption is that this would remain suitable, and should the product issuer need to the evidence, we would be able to provide the digital record.
- The transition provisions seem to be more complex than is necessary, we would propose that it is simplified into the following: Assume 6-month transition period and royal assent received on 01/07/2024.

- Any current OFA with an anniversary day prior to 01/01/2025 is required to be completed under current law, i.e., FDS and relevant consent forms, with the 60 days to send the FDS etc.
- A new or existing OFA entered after 01/01/25 is subject to the new law.

We don't believe that these changes will have any impact on the cost of providing financial advice, as the administration of sending, following up and processes consent forms is not materially different to the change requirements that include an FDS. If the desire is to reduce cost the changes should not require the client to actively re engage each year. Rather allow the adviser to send the client a notice of proposed services and fees for the coming year and remind the client that they can terminate the arrangement at any stage.

Yours sincerely

[redacted]

Peter Mancell
Managing Director
FYG Planners Pty Ltd