



Stockbrokers and Investment  
Advisers Association

Serving the interests of investors

29 April 2025

Via Upload and email

Email: [FinancialAdvice@treasury.gov.au](mailto:FinancialAdvice@treasury.gov.au)

Andre Moore  
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Dear Andre

## Treasury Laws Amendment Bill 2025: Delivering Better Financial Outcomes

The Stockbrokers and Investment Advisers Association (SIAA) is the professional body for the stockbroking and investment advice industry. Our members are Market Participants and wealth management firms that provide securities and investment advice, execution services and equity capital-raising for Australian investors, both retail and wholesale, and for businesses. Practitioner Members are suitably qualified professionals who are employed in the securities and derivatives industry.

SIAA members represent the full range of advice providers from full-service and online brokers to execution-only participants and they provide wealth advice and portfolio management services.

The history of the stockbroking profession in Australia can be found [here](#).

Thank you for the opportunity to provide feedback on the *Treasury Laws Amendment Bill 2025: Delivering Better Financial Outcomes* (the Bill).

### Executive summary

- The Bill falls short of enabling more Australians to receive advice as it merely tinkers around the edges of the existing provisions. It does not deliver on the government's intent of a clear, concise and fit-for-purpose advice record.

- Our members have undertaken a comparison exercise between the Bill and current requirements. They report that there is very little change to their regulatory obligations resulting from the Bill. This is a disappointing outcome from two years of regulatory review.
- Our members have provided feedback that the Bill may reduce the length of the Client Advice Record for comprehensive financial planning advice. However, our members do not consider that the Bill will reduce the length of the Client Advice Record in any meaningful way for stockbroking and investment advice.
- SIAA supports the Client Advice Record being technologically neutral and not needing to have the form of a written statement.
- It is disappointing that the legislation does not include the proposed changes to the Best Interests Duty and the safe harbour steps. It is difficult to fully respond to the Bill without knowing what the Best Interests Duty will look like, particularly its approach to scoped advice.
- We do not support imposing a civil penalty obligation for failure to maintain records. This adds to the compliance burden imposed on our members without improving access to and affordability of advice.
- The targeted superannuation prompt provisions of the Bill should allow advice providers to use these 'nudge' provisions to send targeted superannuation prompts to their SMSF clients.
- A transition period of 12 months will be required to implement the proposed changes. However, this transition period depends on amendments also being made to the Code of Ethics.

## Client Advice Records

### Overview

The Quality of Advice Review was the most comprehensive review of advice recently undertaken. It found that Statements of Advice were universally criticised for being too complex and adding significantly to the cost and regulatory burden of providing personal advice. More importantly, it reported that consumers found Statements of Advice to be too long and they did not provide advice in a form that consumers were readily able to understand. A key reason for this was that advisers and licensees use the Statement of Advice to demonstrate that they have complied with their Best Interests Duty and the safe harbour steps. In other words, the documents are more focussed on meeting legal and compliance standards due to widespread fear among advisers and licensees of the consequences of even minor omissions of information that ASIC and AFCA expect to be included.

This was why SIAA supported the review's recommendation that rather than require advisers to provide a Statement of Advice with reduced content requirements, advisers should instead maintain complete records of the advice and provide written advice on request in a way that suits the needs and preferences of their clients. Our members wanted a re-think to the way that advice is provided. Adoption of this recommendation would have 'moved the dial' by reducing prescription, red tape and the cost of providing advice, thereby making advice more accessible and affordable to Australians.

This approach would have been particularly beneficial to those providing stockbroking and investment advice which is very different to comprehensive financial planning advice. We have previously highlighted how the regulator takes a 'one-size-fits-all' approach based on the comprehensive advice model of financial planning that is ill-suited to stockbroking and investment advice.

The Quality of Advice Review acknowledged the limitations imposed on stockbrokers by the Statement of Advice requirements when it stated:

*Freed of the obligation to provide SOAs and ROAs, stockbrokers may provide simple advice to their clients over the telephone...*

In deciding not to adopt the recommendation to do away with Statements of Advice but to proceed with an advice record, it is important that the government achieves the important outcome of a principles-based record that is clear, concise, effective and assists the client to make an informed decision on whether to act on the advice. In previous Treasury consultations, SIAA has supported a principles-based guiding statement in legislation that clarifies that the advice record:

- is for the benefit of the consumer, not the regulator,
- will be based on the professional judgement of the Financial Adviser, and
- will relate to the advice that has been sought.

We have stressed that it should not be used to parrot the client's objectives, financial situation and needs. We have also emphasised that it is important that the advice relates to the client's stated advice needs, not **every** need they have.

Unfortunately, while there was potential to effect a fundamental change to the advice process, we don't consider that this change is reflected in the Bill. The Bill falls short of enabling more Australians to receive advice as it merely tinkers around the edges of the existing provisions. It does not deliver on the government's intent of a clear, concise and fit-for-purpose advice record. This is unfortunate because it is unclear when another opportunity to change the advice process will occur.

Our members have undertaken a comparison exercise between the Bill and current requirements. They report that there is very little change to their regulatory obligations resulting from the Bill. This is a disappointing outcome from two years of regulatory review.

If the Bill proceeds in its current form our member firms will be required to re-engineer their systems and processes to comply with the change of name from Statement of Advice to Client Advice Record, including changes to their Statement of Advice templates, that is, a regulatory obligation to cut and paste a name change. This will result in costs being incurred for very little, if any, gain in effectiveness or efficiency. If our members are required to make these changes, a dividend should be delivered to both advice providers and their clients.

### **Reducing the length of the Client Advice Record**

Our members have provided feedback that the Bill may reduce the length of the Client Advice Record for comprehensive financial planning advice. For example, information evidencing research undertaken on product replacement that is currently included in the Statement of Advice can now be held in the record. But while this will reduce the length of the Client Advice Record, the Bill essentially 'reshuffles' where the information is kept, rather than reducing the work that needs to be

undertaken. This is in direct conflict with positions put forward by the financial advice ecosystem during consultations to not simply remove obligations from the Statement of Advice and put them into record-keeping obligations, as this would not be reduction in red tape.

Importantly, our members do not consider that the Bill will reduce the length of the Client Advice Record in any meaningful way for stockbroking and investment advice.

### **Technology neutral**

SIAA supports the Client Advice Record being technologically neutral and not needing to have the form of a written statement. Ideally, for scoped investment and stockbroking advice, an audio recording of the advice provided will be compliant. Whether this is practicable will depend on whether scoped advice can be provided in accordance with the new Best Interests Duty. Until such time as the new Best Interests Duty is available to review, it is not known if such a practical outcome will be feasible.

### **Best Interests Duty**

It is disappointing that the legislation does not include the proposed changes to the Best Interests Duty and the safe harbour steps. It is difficult to fully respond to the Bill without knowing what the Best Interests Duty will look like, particularly its approach to scoped advice. Changes to the Statement of Advice provisions are only one part of the process. This is because the scope of the advice that is set out in the Client Advice Record will depend on how the new Best Interests Duty provisions enable the adviser to limit the advice to an agreed scope.

This will impact the Bill's requirements that the Client Advice Record includes *reasons for the advice, including how it meets the client's objectives, financial situation and needs*.

As we have previously recommended, Standard 6 of the Code of Ethics must be removed, and the scope of what is required to satisfy the best interests duty under the Code of Ethics will need to be clarified and refined before these legislated changes come into effect. This may impact the transition period of the Bill.

### **Managed Discretionary Account services**

Licensees who provide Managed Discretionary Account services are required to provide an investment program to their MDA clients that complies with the Statement of Advice provisions. This document must be reviewed annually.<sup>1</sup> They are not required to provide a Statement of Advice as part of this annual review provided that the client's relevant circumstances in relation to the further advice (taking into account the client's objectives, financial situation and needs) are not significantly different from the client's relevant circumstances in relation to the previous advice and the basis on which the further advice is given is not significantly different from the basis on which the previous advice was given. The licensee, in this case, must comply with its obligations to keep a Record of Advice if it does not provide a Statement of Advice for the annual review.<sup>2</sup>

Absent details of the new Best Interests Duty, there is uncertainty about how licensees will be able to meet the requirements of the ASIC Instrument and ASIC Regulatory Guide 179. Our members are

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<sup>1</sup> ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968 .

<sup>2</sup> See ASIC Regulatory Guide 179.145.

keen to understand how their obligations under the Instrument and Regulatory Guide 179 will be impacted by the Bill.

## **Record of Advice**

We note that the exceptions to the requirements to provide a Client Advice Record are consistent with the previous requirements to provide a Statement of Advice and that Records of Advice will be retained.

## **Record-keeping requirements**

We support moving the record-keeping requirements from the ASIC Class Order to the primary law. This ensures that they will no longer be ‘invisible’ to an unwary reader of the Corporations Act. It is also appropriate that an important obligation to maintain records is included in the primary law.

We do not support imposing a civil penalty obligation for failure to maintain records. This imposes another civil penalty provision on our members and is yet another example of how punitive provisions ‘weaponise’ the Corporations Act against advice providers and add to their already considerable compliance burden, resulting in advice being less affordable and available to Australians.

## **Targeted Superannuation Prompts**

We note that self-managed superannuation funds are not captured by these provisions of the Bill and that only trustees of APRA-regulated superannuation funds can send these targeted superannuation prompts.

**We recommend** that the Bill be amended to allow advice providers to use these ‘nudge’ provisions to send targeted superannuation prompts to their SMSF clients. Our members provide advice to many thousands of SMSF accounts and these provisions should be available to them. Advice licensees are in a particularly good position to use the information they hold on their clients to develop targeted communications to cohorts of SMSFs that can then result in those clients receiving personal advice.

## **Collectively charged advice**

The impact of these provisions is that superannuation fund members who pay to receive personal advice from an external advice provider are subsidising the costs of those fund members who receive advice via their superannuation fund that is collectively charged and essentially ‘free’. Due to the fact that the need for advice increases the closer one is to retirement, younger members end up subsidising older ones. If a member has opted out of receiving targeted superannuation prompts because they do not wish to receive advice from their superannuation fund, it is arguable that they should not be forced to contribute to the cost of other members receiving advice that is collectively charged. This is particularly the case if those members who have opted out have done so because they pay for their own personal advice from their adviser.

## **Transition period**

We agree that a transition period of 12 months will be required to implement the proposed changes. However, this transition period depends on amendments also being made to the Code of Ethics.

## Conclusion

If you require additional information or wish to discuss this submission in greater detail please do not hesitate to contact SIAA's policy manager, Michelle Huckel, using the contact details in the covering email.

Kind regards

A handwritten signature in black ink, appearing to be 'JF' followed by a stylized 'x' or 'fox'.

Judith Fox  
Chief Executive Officer