

Figures

0%

investors believe
advice is too

Research
2013 National Savings and
Investment Trust (NSIT)

0%

investors consider their
requirements after
prompted by a financial

Research

8%

trustees use an
independent financial adviser

Research
Investments and CoreData
Self-Managed Superannuation

0%

trustees have a written
plan

Research
Rice Warner February 2014
Financial Needs and Concerns



ASIC's FOFA approach under fire

ASIC'S DECISION not to enforce the FOFA provisions the government plans to repeal has given providers the "green light" to "completely ignore the FOFA changes", a Labor Senator has claimed.

Labor Senator Sam Dastyari used his position on the Senate Economics Legislation Committee to pose a series of questions to senior ASIC representatives in Canberra.

He tabled a note published by the regulator on 20 December 2013 titled ASIC Update on FOFA, drawing attention to the section that states: "ASIC will not take enforcement action in relation to the specific FOFA provisions that the government is planning to repeal".

ASIC deputy chair Peter Kell said the approach taken in the note was consistent with the regulator's previous indications that it will be taking a 'facilitative

approach' to FOFA compliance for the first 12 months of the regime

But Mr Dastyari said the commitments by ASIC on 20 December 2013 differed markedly from the regulator's proposed 'facilitative approach' to FOFA first mentioned in a note on 25 January 2013. There is a difference between a facilitative approach to existing legislation, on the one hand, and a commitment not to enforce sections of the same legislation before amendments are introduced to parliament on the other, he said.

"FOFA is the law as it currently stands. What shocks me is that you are making decisions about what you do and don't enforce," the senator said.

In response, Mr Kell said that was the very reason ASIC is "taking a very careful approach".

Non-aligned dealer group goes off platform

A DEALER group established by former Professional Investment Services (PIS) advisers in 2012 has "turned its back" on platform and wrap structures, seeing benefits in managed discretionary accounts.

GPS Wealth has "slashed investment fees in half" since striking a deal with MDA provider managedaccounts.com.au to implement an MDA structure for its clients.

"The MDA is only for new money at this stage but

we'll be seriously considering the service for existing clients as part of the review process," said GPS Wealth managing director Grahame Evans, formerly general manager of PIS.

"Platforms and managed funds are still very expensive and inflexible, and our philosophy is to add value through asset allocation and by keeping fees down and preventing clients from making silly, emotional investment decisions."

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