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CPA Australia Advice secures licences from ASIC

CPA Australia has announced that the Australian Securities and Investments Commission (ASIC) has granted an Australian Financial Services (AFS) licence and an Australian Credit Licence (ACL) to its wholly owned subsidiary, CPA Australia Advice Pty Ltd.

CPA Australia and CPA Australia Advice chief executive Alex Malley said that the granting of the two licences is an important milestone in the establishment of the new financial services company.

“We are very pleased that ASIC has confirmed CPA Australia Advice has been granted its AFS licence and ACL. It is the critical next step for us as we work towards being operational by 1 July this year,” Malley said.

“When we announced our plans to enter the market, we were clear that we wanted to set a new benchmark for professional and ethical conduct in making independent financial advice available to all Australian consumers.

“The granting of these licences means we can now get on with the job of delivering on those objectives.

“Independence is at the heart of CPA Australia Advice. Our operations will be consistent with Section 923A of the Corporations Act 2001 which allows us to use terms like ‘independent’, ‘impartial’ and ‘unbiased’ when referencing our services.

“We’ll also be consistent with APES 230, the accounting profession’s standard for members engaged in the provision of quality and ethical financial planning services.

“We are about putting an end to conflicts of interest in financial advice.

“This is our model because our focus is on what is right for the person seeking the advice, not what is financially beneficial for the advisor.”

Malley says CPA Australia Advice will provide a unique alternative to the big banks and financial institutions which dominate the sector.

“There’s no doubt that the issues that have arisen around some of these institutions have eroded public trust and confidence,” he said.

“Like everyone else, we’ve seen too many of these instances where Australians have suffered as a result of poor financial advice, driven by conflicts of interest.

“Rather than sit idly by, our Board took the unanimous decision last year to get involved and, consistent with our commitment to the public interest, do something about it. And so CPA Australia Advice was born.

“Our offering – no commissions, no hidden incentives, no asset based fees – is something these big banks just can’t compete with.

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“Having this level of choice in the market is healthy for Australians who are looking for financial advice and has got to improve overall performance.

“We are aware of the magnitude of what we are seeking to do, but we’re confident that the uniqueness of our offering will resonate in the marketplace.

“Our commitment to independence, transparency and integrity means we’re comfortable running our own race. It means we’re not sensitive to competition and are in this for the long haul.

“Over the past few months we have been holding information sessions with our members around the country explaining how CPA Australia Advice will operate.

“The response has been overwhelmingly positive and now that the licences have been granted, we will be able to continue working with our members who are interested in becoming Authorised Representatives of CPA Australia Advice,” Malley said.

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