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1st December 2021

Stephen Glenfield
Chief Executive Officer
Financial Adviser Standards and Ethics Authority

By email: consultation@fasea.gov.au

Dear Stephen

FASEA Consultation –Financial Planners & Advisers Code of Ethics 2019 – Standard 3

CPA Australia represents the diverse interests of more than 168,000 members, working in over 100 countries and regions supported by 19 offices around the world. We make this submission on behalf of our members and in the broader public interest.

CPA Australia welcomes the FASEA's consultation on Standard 3 of the *Financial Planners and Advisers Code of Ethics 2019*.

Currently Standard 3 states: *"You must not advise, refer or act in any other manner where you have a conflict of interest or duty."*

As noted in previous submissions, if interpreted and applied verbatim, Standard 3 does not permit the financial adviser to make a professional assessment as to whether or not they could advise, refer or act in any other manner where any conflict of interest may exist. We continue to receive feedback from our members who are AFS licensees, from sole practitioners to mid-tier businesses, that they believe Standard 3 requires them to not act if there is a conflict of interest or duty, irrespective of any guidance, because their obligation is to the Code.

Given this, we believe Option 1 which will Incorporate FASEA's Intent into the Standard Is the most appropriate solution, with the following marked up additional amendments:

"You must only advise, refer or act where you do not have a conflict of interest or duty, ~~being that~~ which could reasonably be expected to induce you to act other than in the client's best interest."

We believe this amendment would provide certainty around the Intent and application of Standard 3 in practice.

If you have any queries about this submission, please contact Keddie Waller, Head of Public Practice & SME on 0401 716 083 or keddie.waller@cpaaustralia.com.au.

Yours sincerely

Dr Gary Pflugrath
Executive General Manager, Policy and Advocacy
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