

Question No: 012-04
Committee Member: Mr Falinski
Topic: Use of the term 'financial adviser'

Question:

I refer to the answer on notice regarding Frontier Advisors and their use of the word independent.

Given ASIC's own confusion in numerous media releases over what a financial advisor is, is it not open to an entrepreneurial lawyer (possibly a class action lawyer) to simply advise people, in order to avoid large swathes of regulation and expensive compliance, to rename themselves asset allocators rather than financial advisers?

Answer:

ASIC is not confused about the definition of 'financial adviser'.

It is not open to a lawyer to advise persons who provide financial product advice to avoid financial services regulation by renaming themselves asset allocators rather than financial advisers.