

18/02/2014

The General Manager,
Retail Investor Division,
The Treasury,
Langton Crescent,
PARKES ACT 2600.

Dear Sir / Madam,

I wish to make the following submissions for your serious consideration. I am of the view they are very reasonable requests. I will try to be brief as the committee has a lot of submissions to consider. If after going through these more clarification is required, please contact me.

(1) MATERIALITY

Let us assume an Adviser recommending a customer to save regularly \$200 in a savings account with the intention of investing when the balance (or a portion of it) reaches a substantial amount; (say) \$15,000 and the adviser charges a fee of \$82.50 including GST. I would suggest an SOA should be provided only if the service involves over \$15,000. I could elaborate on this if required.

(2) LEVEL PLAYING FIELD

Insurance companies and banks do TV advertising to sell insurance products by telephone. The selling of these products does not involve the provision of an FSG, completion of a Fact Finder and the provision of an SOA. In most instances I am told the underwriting takes place at claims time. My suggestion is that Insurance companies and banks should be asked to follow the same procedure as that of a Financial Adviser.

Thank you.

Basil Ranasinghe
Financial Adviser