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**Trustee
Corporations
Association
of Australia**

27 January 2012

Dr Richard Grant
Secretary
Senate Economics Committee
Dept of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Dr Grant

Corporations Amendment (Further Future of Financial Advice) Bill 2011

Thank you for your invitation to the TCA to make a submission to the Committee's inquiry into the above Bill.

We are pleased to provide the following comments.

While the *Corporations Act* currently requires licensees and authorised representatives to ensure that the advice they provide is appropriate for the client, we agree that these arrangements need to be strengthened to better protect retail investors.

We fully support the view put forward by the Ripoll Committee in its 'Storm' report that there is no reason why advisers should not be required to meet the professional standard of acting in the best interests of their clients and placing the interests of their clients ahead of their own when providing personal advice.

A fiduciary duty is the core element of a trustee's role and is enshrined in the law.

A similar standard surely is implicit in an advisory role and it seems incongruous that advisers can provide advice not in their clients' best interests, yet comply with section 945A of the *Corporations Act*.

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Further, we agree that the obligations under the new arrangements should apply directly to the individual who is to provide the advice.

Yours faithfully

Ross Ellis

Executive Director