

Question No: 012-03
Committee Member: Mr Falinski
Topic: Asset consultants

Question:

At the public hearing of the committee on Wednesday 18 November 2020, a number of questions were posed with respect to the use of the term independent by a group called Frontier Advisors Pty Ltd. Commissioner Press suggested that the laws with respect to the use of the term “independent” do not apply to asset consultants in the same way that it applies to financial advisers. Can you please confirm if section 923A of the *Corporations Act 2001* does apply to AFSL licensed asset consultants?

Answer:

As we explained in our response to Senator Falinski’s previous question, ‘asset consultation’ is not a legally defined concept in the corporations legislation; it is an industry term (Ref: Page 54 of the Parliamentary Joint Committee on Corporations and Financial Services Public Hearing, 18 November 2020).

If an asset consultant is providing a financial service, such as providing financial product advice, as defined in s766B of the *Corporations Act 2001* (Corporations Act), s923A of the Corporations Act will apply to them.