

**Australian Securities and Investments Commission, answers to questions on notice, 22 April (received 13 May 2013)**

**Question on Notice  
PJC April 2013**

**Schedule 2 of the Corporations Amendment  
(Simple Corporate Bonds and Other Measures) Bill 2013**

**1. Can you provide the committee with information on how many providers of financial service advice in Australia:**

- **operate with an AFSL;**
- **operate as a representative of a company that holds an AFSL;**
- **operate without an AFSL under exemptions in section 911A(2) of the Corporations Act; and**
- **operate without an AFSL without a section 911A(2) exemption?**

As at 10 May 2013, there were **5, 027** entities that hold AFSLs.

As at 10 May 2013 there were **51,147 authorised representatives** of AFSL holders with a total of **59,564 links** to AFSL holders (the higher number for links is due to the fact that some are authorised representatives of more than one licensee).

ASIC holds no data on entities that fall within the provisions of s911A(2) of the Corporations Act, as entities falling within the exemptions are not required to register with ASIC.

**2. Can you provide the committee with an indication of the proportion of those offering financial advice in Australia who specifically call themselves:**

- (a) a 'financial adviser'; and**
- (b) a 'financial planner'.**

As at 2 April 2013 (the most recent data ASIC has interrogated) there were **39,782 authorised reps** with a total of **44,024 links** to AFSL holders authorised to provide **personal financial advice to retail clients**.

The only information that ASIC holds that indicates whether entities offering personal financial advice to retail clients may call themselves 'financial advisers' or 'financial planners' is the 'main business activity' descriptor selections which can be selected by an AFSL applicant during the completion of their application form.

The selections of the main business activity of 'adviser' and 'financial planner' are voluntary selections elected by the applicant from a list of descriptors in the AFSL Application Form. The selections are not contingent upon, linked or connected to any suite or combination of financial product or services authorisations. The selections are not reflected or displayed in any external fashion and do not appear on any public

register or in any term or condition of the AFSL certificate. The selections are made at the time of the lodgement of the initial application for an AFSL.

This information is set out below:

|   |                      |
|---|----------------------|
| AFSLs authorised to provide personal advice to retail clients     | 2736 (as at 2/4/13)  |
| AFSLs authorised to provide general advice to retail clients      | 770 (as at 2/4/13)   |
| AFSLs selecting the main business activity of 'adviser'           | 1839 (as at 10/5/13) |
| AFSLs selecting the main business activity of 'financial planner' | 1228 (as at 10/5/13) |
| AFSLs selecting both 'financial planner' and 'adviser'            | 581 (as at 2/4/13)   |