

Parliamentary Joint Committee on Corporations and Financial Services

Australian Securities and Investments Commission

Answers to Questions on Notice

Public hearing: 28 February 2020

Question No: 014

Reference: 52

Question:

Mr GORMAN: Have any licensees tried to register a disqualified adviser?

Ms Bird: Yes. The bans are often time limited. If the adviser's five-year period of disqualification is up then yes, they are able to work in the financial services industry again.

Mr GORMAN: I really appreciate that information. I think I was more getting at whether anyone had tried to register on their list someone who was not eligible to be a financial adviser at that point in time.

Ms Bird: I'd have to take on notice whether we've discovered that happening, as opposed to somebody coming back into the industry following the expiration of a ban.

Answer:

A licensee has attempted to register an adviser who was banned. However, ASIC has processes in place to detect this type of event and prevent appointment of banned or disqualified individuals.

When a Licensee submits a request to appoint an Authorised Representative or Financial Adviser an automated check is performed by ASIC systems that flags any potential matches with persons currently on the Banned and Disqualified register. These flags alert an ASIC staff member who manually checks the relevant appointments against ASIC systems. If the check confirms they are not on the Banned and Disqualified register, the appointment proceeds. If the check confirms the person is currently Banned or Disqualified the appointment is rejected and a notification email sent to the appointing Licensee.