



Dear Secretary

I wish to make a submission to the Federal Parliamentary Joint Committee on Corporations and Financial Services in particular regarding Regulation 7.1.29 in Corporations Amendment Regulations 2003 (No 3), Statutory Rules 2003 No 85. My submission concerns accountants being able to continue to do what they have always done, that is to be able to advise clients on the broad range of issues affecting their business and investment decisions insofar as taxation relates to these. This is at present referred to as "incidental advice" and is part and parcel of our day to day activities with our clients.

I want to make it absolutely clear that I fully support financial services regulation and I have no desire to offer definitive investment advice. At present I have an association with a licensed financial planner to whom I refer clients for specific investment advice and it is, and has always been, my intention to continue in this way. My concern comes from the fact that the way Regulation 7.1.29 is interpreted means that I can not, from March next year, advise my clients to set up their own self managed superannuation fund as this is being interpreted as giving financial advice. I ask the committee to review this interpretation and clarify the regulation so that I will be able to continue with what is in reality incidental advice. It is my contention that the mere advice to set up a fund can not be interpreted as giving financial advice because setting up a fund does not involve any financial product. It is simply the settling of a trust fund. The investment of superannuation trust funds comes after the fund has been set up and at this stage my practice, as stated above, is to arrange a meeting with my client and the licensed financial planner and he will make the specific recommendations which he is licensed to do. I urge the committee to restore the status quo and allow accountants to do what they have always done. After all who knows the client's affairs better than us and is in the best position to offer advice (incidental advice) about such matters?

Thank you for the opportunity to make this submission and I ask that if you require any further information please do not hesitate to contact me.

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