



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

24 April 2019

The Treasury  
Financial Services Reform Implementation Taskforce  
Langton Crescent  
PARKES ACT 2600

Email: [FOFAGrandfathering@treasury.gov.au](mailto:FOFAGrandfathering@treasury.gov.au)

Dear Treasury

### Ending Grandfathered Conflicted Remuneration for Financial Advisers

The Financial Planning Association of Australia ('FPA') thanks the Treasury for the opportunity to comment on the exposure draft of a regulations to provide for rebating grandfathered commissions to clients.

The FPA has consistently supported the rebating of commissions to clients as a precondition of phasing out grandfathered commissions on non-risk products. The task of managing the rebating process should rest with product providers and clients should receive the full dollar amount of a commission as a rebate.

Rebating should ideally be a temporary arrangement that reduces over time as clients move from legacy products that are subject to grandfathering arrangements. To promote this process the Government should continue to examine opportunities to remove barriers that prevent clients from moving from legacy products to more modern fit-for-purpose products.

In particular, the FPA reiterates its suggestion for the Government to consider issues related to clients losing insurance coverage, losing beneficial Centrelink treatments and potential adverse tax consequences that might prevent them from moving from a legacy product, even where there are more appropriate products available.

The FPA would welcome the opportunity to discuss with the Taskforce any issues raised in our submission. If you have any questions, please contact me at [ben.marshan@fpa.com.au](mailto:ben.marshan@fpa.com.au) or on 02 9220 4500.

Yours sincerely

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