

# ASIC's registration work pays off



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The Financial Advice and Investment Management (FAIM) team has achieved a significant milestone. Thanks to the team's work and dedication, at the time of writing there are only 24 of over 15,000 financial advisers yet to register under new registration obligations (and this could be even lower by now, according to Natasha Bronkhorst, one of the team members leading the charge).

Registration of advisers is an important part of the professionalisation of the financial advice sector and provides consumers with the confidence their advisers are appropriately authorised and registered to provide financial advice.

From 16 February 2024, all relevant providers, including time-share advisers, needed to be registered with ASIC by their AFS licensee. ASIC proactively engaged with licensees and advisers to ensure they understood their new registration obligations and were able to comply with them.

Two weeks before the deadline, there were 1,379 advisers still yet to register, so team members embarked on remarkable and coordinated action – emailing advisers on February 1 and following up again a week later. This was then followed by a phone blitz a few days later to ensure maximum registration.

The positive impact of this achievement is clear: consumers are now protected from receiving advice from unregistered advisers. This is a huge achievement and a cause for celebration.

In addition to facilitating registration, the Better Advice Act saw ASIC take over administration of the financial adviser exam and the operationalisation of the Financial Services and Credit Panel (FSCP) to become the Single Disciplinary Body for financial advisers.

The success of these initiatives is a testament to the incredible work of the team.

## Background

The requirement for financial advisers to be registered was introduced in response to Recommendation 2.10 of the Royal Commission into Misconduct in the Banking,

## Superannuation and Financial Services Industry.

ASIC will follow up with the small number of advisers who are yet to register and will consider appropriate enforcement action against both the adviser and licensee if there is evidence of them providing personal financial advice without being registered.

**For advisers:** Advisers who give advice without being registered are in breach of civil penalty provisions. ASIC may also convene the Financial Services and Credit Panel to apply restrictions to an adviser, including preventing them from working as an adviser.

**For licensees:** AFS licensees who have advisers practising under their licence may also commit an offence of strict liability and risk penalties of up to \$6,260 per non-compliant adviser. Some of these licensees have significant numbers of advisers operating under their licences so the penalties could be substantial.