



Welcome to Asset

Your Merit Wealth update for
Limited Authorised Representatives

It's Real Now

1 July has come and gone. The SMSF advice you provide to your clients is now regulated.

You are subject to the Corporations Act and it is important for all of us that you are compliant with the Act when providing advice.

Congratulations on taking the step to be authorised to provide advice. Around 30 years ago the accounting profession gave up their space to the Financial Planning community and allowed an alternate advice profession to emerge. Many accountants, in hindsight, were disappointed by the lack of activity, representation, and leadership taken

by the accounting bodies and by default, we as members, in ceding this space and allowing the emergence of another profession.

Whilst the majority of accountants see the removal of the Accountants' Exemption as an imposition and further regulatory intrusion into what is already a busy practice life, it also allows accountants to put a stake in the ground and say, 'the SMSF space is ours'.



Greg Hayes

Being authorised is an achievement in itself, however, it is only a starting point to working in this area.

You need to get used to operating in this new regulated environment. And, from your firm's perspective, the rest of your team also need to understand the do and don'ts.

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Continued from page 1

It is important to realise that your authorisation is to you, not to your firm. It does not extend to other people who work with you.

So, there needs to be rules and processes for how your firm manages and delivers services in the SMSF area. With this, there is not a one size fits all. It all depends on how you engage with your clients, how many people in your office are client facing, and who is authorised in your office to provide SMSF advice.

The key is to understand there are some changes that you and your firm will need to make. And, we are here to help you. We will continue to make available and push information to you on issues that you need to consider. At the same time we encourage you to ask questions. Don't leave something unasked.

The Merit Wealth team has an abundance of experience and they are enthusiastic and keen to assist you with your role as an Authorised Representative.

Not sure who to talk to?

In the first instance, speak with Helen Costi or David Moss, both on 1300 785611. They will connect you with the right person.



Housekeeping!

Here are a few things every firm should do, if you haven't looked at this already!

1. Check your website

Look at what you say about SMSFs. Do you say or offer any thoughts about SMSFs that could be construed as advice? This could be as simple as commenting on the merits of establishing an SMSF or why good tax planning includes maximising your

contributions to superannuation. Some of these things may now be caught under the regulations. Giving advice does not have to be formal written advice. It can include more general statements that you are making on your website or in marketing materials.

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Talk to Scot Andrews on
1300 785611 or email
scot@meritwealth.com.au

If your website does include comments on SMSFs, and they are statements that would be caught under the regulations, then you need to ensure that you have met your disclosure requirements. This may include a statement that identifies who are the authorised advisers in your firm and the name

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and licence number of the Dealer Group they are authorised by. It may also include a statement that the comments are made represent general advice only and no person should act on these without obtaining personal advice that takes into account their own circumstances and background.

These disclosure requirements are often found in the small print on publications, but it is important for it to be there.

2. What about your other marketing collateral?

Don't stop with your website. You should complete the same review of all of your marketing material. The main things you are looking for is whether or not you are making any statements that could be subject to the Corporations Act as it applies to SMSFs. If you are then you need to ensure that they are appropriate and accompanied by appropriate disclosure statements.

3. Staff training

It is important that you establish the SMSF procedures that will apply for your office. Things like; who will manage SMSF advice (needs to be someone who is authorised), how you will manage your client SMSF enquiries, and who will look after calls or enquiries from potential clients. This may affect everyone in your office – not just the people who are authorised.

Once you have worked out how you will manage this going forward, it may be a good idea to cover this in one of your staff training sessions. It is important for all of your team to know what they should and should not be doing. Having a clear process in place for your firm is essential.

If you need any assistance reviewing your website or marketing material, talk to Scot Andrews on 1300 785 611 or email scot@meritwealth.com.au

For the diary

We have PD days and webinars coming up over August and the following months. Look out for advice on those dates.

Mark Thursday October 20 in your diary

We are hosting an all day conference for our Limited Authorised Representatives, followed by a dinner in the evening. Held at the Westin Hotel in Sydney, this promises to be a great information day and a fun evening.

ASIC on the prowl!

ASIC have made a number of public statements in relation to their compliance expectations for accountants operating in this new environment. The bottom line is that there is no education or grace period.



ASIC expects accountants to be fully compliant with the Corporations Act. And, they will be running an active monitoring program to ensure compliance and catch people who are acting outside of the law.

We don't have the detail on how their compliance program will operate but reality is that there are now thousands of accountants who are subject to this new regulatory environment. Some of the ways that ASIC could monitor your activity may include:

- Shadow shopping – that next phone call to your firm may not be from a prospective client
- Review of your website and any public documents
- Direct contact with SMSF trustees
- Random reviews

And, of course, following up any complaints that are made.

Good for business

You may feel that having a Limited Authorisation is mainly a compliance issue. And, no doubt, there is that element to it. However, it also creates a commercial advantage for you. Previously, any accountant could talk to clients about SMSFs – no more. You are part of a much smaller group of the accounting profession who are able to advise clients on SMSF matters.

Why not take advantage of it?

Increase your focus on the SMSF space and make your clients aware that you are among the very first accountants who have been authorised in the new environment. Having your Authorisation is an opportunity to elevate SMSF discussions with your clients and to grow a very sustainable and profitable business stream in your practice. There is no shortage of talk about changes in the profession and the

need for accountants to broaden their service offer. SMSF advice is a great way to go.

When your client needs more than your Authorisation can provide

There will be times when your client may need advice about their SMSF which goes beyond your Limited Authorisation. We have Merit Wealth advisers around the country who are happy to connect with you and to assist in areas where you are not able to advise. These advisers have been specially selected by Merit Wealth to work with accountants and their clients. They are not competitors for your clients. They fully respect the primacy of your relationship with your clients and will work with you to maximise the client experience.

To connect with an adviser local to you, speak with Justin Viney on 1300 785611 or email justin.viney@meritwealth.com.au.