



Membership Information

You have received this because you expressed interest in learning more about joining the Independent Financial Advisers Association of Australia. This brochure is to address any questions you have about becoming a member.

Membership of the IFAAA is only available to individuals:

- **"Practising member"**. This is restricted exclusively to practising financial advisers who pass the **IFAAA Gold Standard of Independence™** test.

In order to apply for membership you need to:

1. Complete the application form on pages 5-7 of this brochure and submit it to admin@ifaaa.com.au along with a copy of your current Financial Services Guide (FSG).
2. Once we have received your application we will be in touch to hold a membership interview with you.
3. If your application is approved you will be notified in writing. A tax invoice will be attached for membership.
4. Once paid your membership commences.
5. Your membership expires on 30 June, unless your membership renewal application is approved. To do this you will need to complete and submit a renewal application when requested by the IFAAA. We will be in touch with you at that time to advise the renewal application process.

There is more information below about the IFAAA's background, purpose and operations. Once you have read this, if you are interested in applying for either category of membership, follow the instructions in the Applying for Membership section.

How the IFAAA came to be

Conflicts of interest increase the likelihood of poor advice.

'Shadow shopping' surveys conducted by the ASIC into the quality of financial advice for nearly 15 years have consistently come to the same conclusion. According to the ASIC the typical financial planner acts as a "sales force for financial product manufacturers" and that advisers are "a product pipeline".

In 2009 the ASIC submitted to government that conflicts of interest "distort the quality of advice" and should be banned. Consumer lobby groups like CHOICE endorsed the view.

Industry associations representing financial planners, however, opposed any moves at the time to ban commissions even though it was demonstrably in the interests of the public. There was an urgent need for a professional Association whose members' interests were aligned with those of the public. This would be an Association for those professionals who wanted to fill the role of fiduciary for their clients.

Later that year the Independent Financial Advisers Association of Australia was formed to fill that need. For its members it serves as a platform for genuinely independent financial advisers to stand out from the rest of the financial planning community. For the public it serves as an advocate for independent financial advice.

The purpose of the IFAAA

The Independent Financial Advisers Association of Australia exists to provide **leadership** to the financial advisory community and to the public at large on the provision of genuinely independent financial advice in this country.

As a leader, the IFAAA's role is to set a standard for the financial advisory community in the interests of the public. Its vision is for a new era in which high quality; genuinely independent financial advice is accessible to all who seek it.

The IFAAA aims to solve the definition of independence and promote the value of independent advice to consumers, to train and develop independent financial advisers, and to represent the aligned interests of its members and consumers to government.

The IFAAA strongly believes that the Financial Services industry requires a measure of independence to ensure that the integrity of each and every practising adviser is not compromised. Since 2009, the IFAAA has been promoting a measure of independence referred to as the 'Gold Standard'. In 2014, the IFAAA Gold Standard of Independence™ was officially trademarked as a symbol of that measure.

What is the IFAAA Gold Standard of Independence™?

Similar to the Heart Foundation's "Tick" which guides Australians on healthier eating choices, the **IFAAA Gold Standard of Independence™** guides Australians on how to find financial advisers who practice without incentive and without conflicts.



For the public this symbol is a beacon for genuinely independent financial advice. For Practising Members this symbol is evidence they have satisfied the most stringent standard of independence in the profession.

To qualify as an IFAAA Practising Member, advisers and their AFSL's must satisfy these three criteria:

- 1. No ownership links or affiliations with product manufacturers.** Impartiality is impossible where an adviser has links to a product manufacturer. Ownership links create an environment where the adviser resembles, at best, a well-intentioned salesperson.
- 2. No commissions or incentive payments from product manufacturers.** Commissions are payments made by product manufacturers to their distribution network. They create a conflict of interest between advisers and their clients.
- 3. No asset-based fees.** Asset fees, although authorised by the client, are calculated precisely the same way a commission is calculated. Asset fees are incentives that prevent an adviser from being impartial and therefore create a conflict of interest between adviser and client.

The three stars in the symbol represent the three criteria of the IFAAA Gold Standard Independence™ – no links to products manufacturers, no commissions, and no asset based fees. This is a Gold Standard for financial advice and the symbol represents trust and professionalism.

Fees for 2018/19

Fees for the memberships commencing in the 2019 financial year are:

- Practising Member: \$1,500

Prorated membership fees apply for members joining during the financial year.

Upon completion of the qualifying process, the Practising Member will receive the **IFAAA Gold Standard of Independence™** logo, a copy of the Logo Guidelines, your name will be added to the IFAAA online directory which will enable consumer referrals to connect with **IFAAA Gold Standard of Independence™** Practising Members and you will be added to the IFAAA register to receive news, information and events as disseminated by the IFAAA.



2018/19 IFAAA

Application Form Practising Member

Personal Details: Advisers

Full Name:	
Address:	
Work Number:	Mobile:
Email:	
Authorised Representative of:	
AFSL number:	

Practising Membership Declaration:

- I declare that I and my AFSL is genuinely independent and acknowledge the restrictions of the use of the term 'independent' under s 923A Corporations Act (2001).
- I declare that I and my AFSL have no ownership links or affiliations with product manufacturers.
- I and my AFSL avoid all real and perceived conflicts between my interests and my client's interests.
- I and my AFSL do not receive commissions for my client purchasing a financial product.
- I and my AFSL do not receive and keep "trail" commissions for my client continuing to hold/own a financial product.
- I and my AFSL do not receive payments or inducements to recommend financial products to clients.



I and my AFSL do not have in place any fee structure that means I will not be paid unless my client purchases a financial product.

In the following summary, I provide a brief description of how I charge my fees:

I consider my experience in the provision of personal financial advice renders me with an appropriate level of expertise and familiarity with financial issues. My experience briefly includes the following:

I declare that the following of my formal and demonstrable qualifications render me adequately able to provide financial advice:

I declare that I have an interest in promoting and encouraging the professional development, independence and concerns of financial advisers.

I acknowledge that in the event that I have been suspected of engaging in conduct that contravenes the declaration I make above, the Board of the IFAAA may refer the matter for investigation and my membership may be revoked.

I declare that I have never been:

1. Convicted of a crime or offence; and/or
2. Found by a court or a regulatory body to have acted unlawfully under the Corporations Act (2001) or the Australian Securities and Investments Commission Act (2001);

where that conduct could reasonably have any bearing on my being a fit and proper person for the provision of financial advice (including financial product advice as defined in of the Corporations Act (2001) pt 7.1 div 4).

I enclose a copy of my Financial Services Guide (FSG) which is unequivocally consistent with the undertakings that I have made in this declaration. I declare that, in the event any changes are made to my FSG, I will provide a copy of that new FSG to the Board of the IFAAA who will determine my continued eligibility to remain a Practising Member.

I declare that if any of my circumstances relevant to the other declarations I have made in this document change, I must provide written notice to the Board of the IFAAA within five (5) business days of that change in circumstances. I acknowledge that IFAAA reserves the right to unilaterally revoke my membership if, in the view of the Board, that change or any other circumstances render(s) me unsuitable as a Practising Member.

I acknowledge that in the event that the Board of the IFAAA form the reasonable view that I have conducted myself in a manner that is in any way inconsistent with the undertakings made in this declaration, the Board may revoke my membership pending resolution of the matter by the Australian Securities and Investments Commission.

I acknowledge that membership is contingent upon payment of a non-refundable, annual membership fee as determined by the Board of the IFAAA from time to time.

Declaration

I agree to accept the decision of the Board of the IFAAA regarding my eligibility as a member. In the event of my admission as a member, I agree to be bound by the Company Constitution and by-laws recognising that they may be amended by the Board.

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Signature of applicant

Date

Return this completed form & your current FSG to admin@ifaaa.com.au.