

# Authorisations & Adviser Obligations

InterPrac Business Principle



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## Purpose

This document details the Authorisation options available under the InterPrac Financial Planning (AFSL) as well as the requirements and obligations that come along with Authorisation.

## InterPrac holds

- Australian Financial Services License in the name of InterPrac Financial Planning Pty Ltd (AFSL 246638) and
- Australian Credit License in the name of InterPrac Finance Services Pty Ltd (ACL 388051).

### Giving Information

Factual information is objectively ascertainable information, the truth or accuracy of which cannot reasonably be questioned. Good quality factual information can often be useful for clients wishing to better understand the financial products or strategies available to them.

**You do not need to be authorised to give factual information to clients.**

### General Advice

General financial advice does not take into account the specific circumstances of a client. Before any general advice can be provided, a general advice warning must be given to the client.

Practice employees providing general advice do not need to be individually Authorised by an AFSL but do still need to operate under one as employees of an authorised entity.

InterPrac will assess on a case by case basis applications to utilise employee representatives, and provide general advice, and will only consider this option when looking at a Corporate Authorised Representative.

### Personal Advice

Personal advice is given with the specific circumstances of the client taken into account.

**Anyone providing personal advice must be authorised by an AFSL.**

*For more information refer to the Advice Types Business Principle.*

## Authorisations and Practice Structures

### Corporate Authorised Representative (CAR)

A Corporate Authorised Representative (CAR) refers to a corporate structure that has been appointed by an Australian Financial Services Licensee to provide financial services on its behalf.

Corporate Authorised Representatives of InterPrac Financial Planning are able to sub-appoint Authorised and Limited Authorised Representatives to provide advice in the name of the CAR although you must seek and receive written approval from InterPrac before sub-appointment of a representative can take place.

Structures that can be appointed as a CAR include any entity that can be incorporated in accordance with Commonwealth Law, generally restricted to companies and corporate trustees where individual trustees (natural persons) and partnerships made up of natural persons are appointed as Authorised Representatives and not Corporate Authorised Representatives.

## Authorised Representative (AR)

An Authorised Representative (AR or Adviser) refers to a person or individual who has been appointed by an Australian Financial Services Licensee to provide financial services on its behalf.

Authorised Representatives of InterPrac are able to provide advice in the following areas:

- Deposit and Payment Products
  - Deposit and Payment Products – Non-basic Deposit Products
- Government Debentures, Stock, or Bonds
  - Government Debentures, Stocks or Bonds
- Life Products
  - Investment Life Insurance Products
  - Life Risk Insurance Products
- Managed Investment Schemes
  - Managed Investment Schemes, including IDPS
- Retirement Savings Account Products
  - Retirement Savings Account Products
- Securities
  - Securities
- Superannuation
  - Superannuation – All
- Margin Lending Facility
  - Standard Margin Lending Facility

Authorised Representatives that have been solely sub-appointed under a CAR may **only** provide financial advice in their capacity as a representative of that CAR for those services they are authorised to provide by that CAR and as approved by InterPrac.

## Limited Authorised Representative (LAR/ Limited Adviser)

A Limited Authorised Representative (LAR or Limited Adviser) refers to an individual who has been appointed by an Australian Financial Services Licensee to provide financial services on its behalf.

Limited Authorised Representatives of InterPrac are able to provide advice in the following areas:

- Superannuation
  - Superannuation – All

Restrictions:

Limited Authorised Representatives are only authorised to:

- provide financial product advice on self managed superannuation funds;
- arrange to deal in an interest in a self managed superannuation fund;
- provide financial product advice on superannuation products in relation to a person's existing holding in a superannuation product but only to the extent required for:
  - making a recommendation that the person establish a self managed superannuation fund; or
  - providing advice to the person on contributions or pensions under a superannuation product;
- provide class of product advice on the following:
  - superannuation products; and
  - basic deposit products.

A Limited Adviser may **only** be sub-appointed under a CAR, that already has at least one full AR.

## Practice Structure

### CAR with sub appointed AR/s

A practice in which the company is a CAR, with one or more ARs sub-appointed under the CAR is the standard practice structure for InterPrac Advisers.

The features of this practice structure are as follows:

- Advisers can provide advice in their own name, or in the name of the CAR, or registered business name of the CAR;
- All remuneration is paid directly to the CAR;
- Adviser codes with product providers can be held by the CAR, unless the product provider requires the adviser codes are established in the name of a natural person;
- An FSG for the CAR, containing information on all Advisers working there can be used, or individuals can have their own FSGs;
- The CAR can be registered with the TPB as a Company Tax (financial) Adviser.

### Sole Trader AR

In certain cases Advisers without a CAR, who hold personal ABNs, can also be appointed. Applications for this practice structure will be reviewed individually, and applicants may be required to set up a CAR.

The features of this practice structure are as follows:

- The Adviser can only provide advice in their own name, or under a registered business name of their ABN;
- All remuneration is paid directly to the Adviser;
- Adviser codes and clients are held by the Adviser;
- The Adviser will have an individual FSG; and
- The Adviser must be individually registered with the TPB as a Tax agent or Tax (Financial) Adviser.

### LAR

All Limited Advisers must be sub-appointed under a CAR, with at least one full AR already at the practice.

The features of this Authorisation are as follows:

- The LAR can provide advice in their own name, or in the name of the CAR, or registered business name of the CAR (if operating under a CAR)
- All remuneration is paid directly to the CAR
- The LAR cannot hold any adviser codes with product providers
- The LAR can have their own FSG, or be included in an FSG for the CAR

## Initial Requirements & Responsibilities

### Corporate Authorised Representative

#### ABN

Any entity that is a prospective CAR must have its own ABN.

#### GST

The ABN of any prospective CAR must be registered for GST before it can be appointed. Without being registered for GST, a CAR cannot receive payments.

#### Registered Business & Trading Names

The ABN Lookup website displays three separate categories of names:

- The entity name
- Registered business names
- Registered trading names

A CAR must operate using either its entity name, or a registered business name of its ABN – as opposed to an *unregistered* business name. Additionally, any business name that a CAR will operate under must be recorded against the Authorisation in ASIC, however InterPrac will maintain these records.

As trading names are being phased out over a transitional period ending 31 October 2023, they are no longer able to be recorded against an Authorisation in ASIC. As such, any trading name for a prospective CAR will need to become a registered business name in order to be used.

## Authorised Representatives (AR) & Limited Authorised Representatives (LAR)

#### ABN

Any individual applying to become an AR, without a CAR, must have their own ABN.

For individuals applying to become a sub-appointed AR, or a LAR, a personal ABN is not required.

#### GST

The ABN of any prospective Adviser must be registered for GST before the individual can be appointed. Without being registered for GST, an Adviser cannot receive payments.

#### Registered Business & Trading Names

The ABN Lookup website displays three separate categories of names:

- The entity name
- Registered business names
- Registered trading names

A sole trader Adviser must operate using either their entity name, or a registered business name of their ABN – as opposed to an *unregistered* business name. Additionally, any business name that a sole trader Adviser will operate under must be recorded against the Authorisation in ASIC, however InterPrac will maintain these records.

As trading names are being phased out over a transition period ending 31 October 2023, they are no longer able to be recorded against an Authorisation in ASIC. As such, any trading name for a prospective sole trader AR will need to become a registered business name in order to be used.

#### Qualifications & Memberships

Any industry relevant qualifications and memberships should be listed in the Application together with supporting evidence such as certificates of completion, academic records, statements of attainments or current memberships.

We will store those on file and also to the Financial Advisers Register (FAR). FAR publicly displays up to five relevant qualifications, and up to five current memberships to relevant professional bodies.

Any changes to these details are required to be updated on the ASIC register (which stores the information and transfers it to the FAR) within 30 days of the of the change. InterPrac will update this register directly, and so will need to be informed of changes to membership statuses and current qualifications as soon as they are made.

*Please see Business Principle: CPD, CPE Qualifications and Exam for further information on the qualification requirements for Advisers.*

#### Registration with the Tax Practitioners Board (TPB)

All Advisers providing advice in their own name must be registered with the Tax Practitioners Board (TPB) as a Tax Practitioner – either as a Tax Agent, or a Tax (financial) Adviser (T(f)A).

Advisers with an existing registration will be required to maintain it. For Advisers not registered with the TPB, they will need to submit a Registration Application.

#### Induction

All new advisers and Authorised Representatives of InterPrac must undertake an Induction process with their appointed Business Development Manager and Compliance Team member. Your induction will normally take place once you have received confirmation of your appointment under InterPrac's licence and generally occurs in the first two (2) weeks after your appointment. This process provides you the opportunity to meet and ask questions of InterPrac team and to better understand the expectations and general requirements.

#### FSG

The obligation to prepare and provide a Financial Services Guide (FSG) applies to all advisers that give personal advice and/or general advice, as well as providers of other financial services.

All advisers are required to prepare FSG Part 2 (Adviser Profile) during the Onboarding process, but it needs to be finalised and approved by the Compliance Team after Appointment as a representative and before seeing any clients.

*For further information on the FSG requirements and process please see Marketing and Client Documents Business Principle.*

#### Pre Vet

All advisers new to InterPrac are required to go through the Pre Vet process. That means all SoAs or RoAs together with supporting documentation (Fact Find, File notes, Risk Profile and other relevant information) will need to be provided to the assigned Compliance Manager for review prior to presentation to the client.

No advice may be provided to a client or implemented without first going through the Pre Vet process and approval being granted by a member of the compliance team. This includes placement of Execution Only (Transaction Without Advice) requests on behalf of clients.

The length of the Pre Vet process is at least 5 SoAs, but the process will depend upon the standard reached and may involve a partial release for certain types of advice where competence is confirmed and expectations are satisfied. Once graduation from pre-vet requirements is confirmed by the Compliance Team your advice for the approved areas of advice may be prepared, presented and implemented without seeking further approval.

The Pre Vet process could also apply following an on-site audit to confirm that the issues or improvements identified in the audit have been successfully remediated and should not be seen as anything other than a routine verification of the audit outcomes.

#### Branded Material

All Advisers, LARs, and CARs are required to follow InterPrac disclosure and branding guidelines for client facing business materials. The guidelines contain information on website requirements, email signatures, when to supply branded materials, phrases that must and must not be used, information that must be disclosed, etc.

All client facing materials must be approved prior to presentation to clients.

For further information on branded materials, please see *InterPrac Business Principle: Marketing and Client Documents*

### Adviser Codes & Client Transfers

Upon appointment with InterPrac, Advisers will need to set up adviser codes (a unique identification number) with the providers of the products they wish to work with.

If the Adviser (or CAR) already holds an adviser code with a particular product provider, that code, as well as all clients and commission trails associated with it, will need to be transferred from the previous Licensee to InterPrac.

To set up new adviser codes:

- Advisers will need to obtain a set up form directly from the product provider (usually available for download through their website);
- Provide InterPrac with completed form by sending it to [planning@interprac.com.au](mailto:planning@interprac.com.au);
- InterPrac will complete the licensee section and will send the form to the product provider directly.

Please note that each product provider has different process. Sometimes they don't need approval from the licensee and they inform us and yourself about new adviser codes. In that example advisers won't need to send the forms to InterPrac.

To transfer existing adviser codes:

- Provide InterPrac with a letter of release from the previous licensee;
- Send a list of existing Adviser Codes, the product they are for, and the provider they are from to [planning@interprac.com.au](mailto:planning@interprac.com.au);
- InterPrac will contact product providers directly to have adviser codes, clients, and commission trails transferred;
- If further information is needed, Advisers will be contacted.

## Ongoing Requirements & Responsibilities

### Gearing Advice

Although FSGs may generically disclose a Margin Lending advice authorisation, an Adviser may only proactively recommend the adoption of a Margin Lending strategy if the Adviser's FAR Register evidences a Margin Lending qualification.

This same qualification formally permits an Adviser to proactively recommend that a client commence an LRBA or non-super gearing strategy.

Without a formal Margin Lending qualification, the FSG authorisation specifically limits an Adviser to only discuss the implications of, or do projections/calculations for, a pre-existing gearing strategy or a strategy that the client has proactively disclosed they will undertake of their own choice.

## Continuous Professional Development (CPD)

Advisers need to meet a minimum of 40 CPD hours over the duration of the training year or up to 10% exemption for part-timers with InterPrac's written permission.

### New CPD requirements – Under FASEA

1 January 2019- 30 June 2019	1 July 2019- 30-June 2020	1 July 2020 – 30 June 2021
Pro-rated 20 CPD	40 CPD	40 CPD
<b>Total: 60 CPD</b>		<b>Total: 40 CPD</b>

Each Adviser and LARs must prepare a CPD plan for each CPD year applicable. These training plans will outline overall CPD targets, as well as a breakdown of the topics and areas of training the Adviser will focus on. Adviser may amend the plan at any time.

InterPrac is required to monitor the CPD of all Advisers. The online database Kaplan OnTrack is used for this purpose.

*For further information on CPD training plans, please see Business Principle: CPD, CPE Qualifications and Exam, CPD Policy and CPD Plan Tool on Adviser Resource Centre.*

## Professional Indemnity (PI) Insurance

InterPrac's PI insurance covers all Advisers, and is renewed annually by calendar year. Premium payments can be deducted in January, or over a six month period, with an additional levy.

If you would like more details on PI cover and fees please contact the Commissions Team or your appointed Business Development Manager.

## Audits & Practice Visits

### Desk Audits

Remote or otherwise selected advisers will be subject to Desk Audits from time to time at the discretion of the Compliance Team, with request for the same information being submitted as per the Practice Visit.

### Practice Visits

It is a requirement of our licence to undertake regular monitoring and supervision activities to assist our advisers and ensure compliance with the relevant financial services laws. To satisfy these requirements, the Compliance Team will visit all InterPrac practices within a 6 – 18 month timeframe, with the frequency being determined on a risk basis.

Whilst the Compliance Team will endeavour to work with practices to set a mutually convenient time, it is not always possible to accommodate all schedules. As much notice as possible will be provided, however Adviser's assistance is required with making the programme work.

### Process:

- Advisers will receive a Pre Visit Checklist, as well as a list of documents required for review.
- As part of the practice visit, meetings at commencement, and end of the visit will be held, with sufficient time to discuss any queries or issues. After the files have been selected and reviewed feedback will be provided.
- Any remediation follow-up will be undertaken in conjunction with the reviewer.

Reference: Site Audit policy and procedure.

As required, 'Practice Visits' may be organised via a remote process. That process will typically entail:

- Request for advice documents
- Initial Analysis by FourthLine
- Subsequent Analysis by Compliance Staff
- Discussion with Adviser (web meeting)
- Any required follow up remedial activities.

## Reporting

All Advisers must notify InterPrac immediately and supply the appropriate Register:

- In the event of an incident or breach
- In the event of a complaint
- Any changes to business details, such as:
  - Internal practice structure
  - Business entity structure
  - GST registration
  - Registered business names
  - Payment details
  - Referral arrangements
- Any changes to contact details, such as
  - Street address
  - Mailing address
  - Phone numbers
  - Email addresses
- Any changes to membership statuses and current qualifications

Any changes to contact details are required to be updated on the ASIC register within 30 days of the change. InterPrac will update this register directly.

Please note:

- Advisers will need to update their business details on the Australian Business Register themselves
- Some of above details will be updated with TPB automatically when the ASIC register is changed but some might have to be changed directly on the relevant TPB Profile or directly with TPB

## Tax Practitioners Board (TPB)

### [Tax Financial Adviser Renewal](#)

Advisers who are registered as Tax (financial) advisers will need to maintain this registration whilst ARs of InterPrac and renew their registration every three years from the date of registration.

### [Annual Declaration](#)

An Annual Declaration will need to be completed by all T(f)as on the date of their registration, in the two intervening years between renewing their registration. The T(f)a will need to affirm that they continue to meet their registration requirements, that their contact details have not changed, and that they continue to be covered by an appropriate Professional Indemnity Insurance policy.

### [Tax Agents](#)

InterPrac does not monitor the ongoing Tax Agent registrations of its Advisers, and this includes TPB CPE (TASA Points).



Additionally, when completing Annual Declarations, Tax Agents should note that InterPrac's Professional Indemnity (PI) Insurance **does not** cover Tax Agent activities. Tax Agents will need to have another PI policy in place to maintain their registration with the TPB.

Should an Adviser cease to hold a Tax Agent registration, InterPrac will need to be informed immediately, to ensure that regulatory requirements are still being met.

#### Continuing Professional Education (CPE)

Advisers that are registered with TPB are required by the TPB to undertake Continuing Professional Education. The TPB sets minimum requirements and measures them in TASA Points.

These requirements, as well as the TASA Point system, are independent of the CPD required by FASEA. However, some training that is accredited for CPD Hours is also accredited for TASA Points, and so can count towards both sets of targets.

### Resignation as an Authorised Representative

InterPrac requires Advisers to provide at least 30 days' notice, in writing, of their resignation as a representative. Any outstanding fees must be paid before InterPrac can release a representative.

For Advisers moving to another licensee, InterPrac will provide a Transfer Deed for the Adviser's clients. Once this Transfer Deed has been signed by both the Adviser and the new dealer group, InterPrac will provide a letter of release for the clients.

### Support

Contact InterPrac Administration or Compliance team if you would like assistance.

<b>Anja Cergolj</b>	<b>planning@interprac.com.au</b>	<b>03 9209 9782</b>
<b>Cozette Crimp</b>	<b>compliance@interprac.com.au</b>	<b>03 9209 9777</b>

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### Associated documentation

- Compliance manual
- TPB Website
- Kaplan Ontrack
- FSG Adviser Profile guidance
- PI information
- CPD policy and CPD Plan tool
- Approved Product List (APL) guidance
- CPD, CPE Qualifications and Exam Business Principle
- Marketing and Client Documents Business Principle
- Business Principle \_ Advice Types