



Financial Adviser Standards and Ethics Authority Ltd

*Corporations (Relevant Providers Degrees, Qualifications and Courses Standard)
Determination 2021*

Explanatory Statement

Key information

1. This instrument repeals and remakes the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2020*, to specify educational qualifications for financial advisers. It includes a number of additional approved bachelor and higher degrees, and equivalent qualifications, (including Masters degrees) for the purposes of the education and training standard that relevant providers (financial planners and advisers) must have to meet the requirements in accordance with paragraph 921B(2)(a) of the *Corporations Act 2001*.
2. It also makes a determination under paragraph 1546B(1)(b) of the *Corporations Act 2001* for existing providers, describing courses that give the provider qualifications equivalent to the education and training standard in subsection 921B(2) of the Act.
3. **Date of effect:** the day after this instrument is registered in the Federal Register of Legislation (see section 2).

Glossary

4. Words and expressions used in this statement are defined in the following table.

Expression	Meaning
<i>Act</i>	the <i>Corporations Act 2001</i> .
<i>approved bridging unit</i>	a unit of study identified in Schedule 2 of the determination as: (a) a Financial Advice Regulatory & Legal Obligations bridging unit; or (b) an Ethics for Professional Advisers bridging unit; or (c) a Behavioural Finance: Client and Consumer Behaviour, Engagement and Decision-Making bridging unit.
<i>approved unit of study</i>	a unit of study listed in column 4 of the table in Schedule 2 of the determination in respect of a particular degree or qualification.
<i>Authority</i>	Financial Adviser Standards and Ethics Authority Ltd, which is the standards body under section 921X.
<i>existing provider</i>	defined in section 1546A of the Act, as modified by <i>ASIC Corporations (Professional Standards—Transitional) Instrument 2018/894</i> section 10.
<i>higher education provider</i>	has the meaning given in the <i>Tertiary Education Quality and Standards Agency Act 2011</i> .

5. References to numbered sections or other provisions are to those sections or other provisions of the determination, unless indicated otherwise.

Context

6. The *Corporations Act 2001* was amended in 2017 to provide for improved standards of education, training, ethical behaviour and professionalism for relevant providers (financial planners and financial advisers).
7. Section 921B sets 4 standards that relevant providers must meet (*education and training standards*). Paragraph 921C(1)(b) of the Act prohibits ASIC from granting a financial services licence to a person who has not met the education and training standards. Subsection 921C(2) also prohibits licensees and authorised representatives of licensees from authorising other persons to give personal advice to retail clients in relation to relevant financial products unless the other persons have met the education and training standards. These prohibitions have applied from 1 January 2019 (section 1546C).
8. The first of the standards requires the relevant provider to have completed a bachelor or higher degree, or an equivalent qualification.¹ Under subparagraph 921U(2)(a)(i) of the Act, the Authority must, by legislative instrument, approve bachelor or higher degrees, or equivalent qualifications for this purpose.
9. Under paragraph 1546B(1)(b) of the Act, for existing providers, courses may be determined by the Authority as courses that give the provider qualifications equivalent to the education and training standard in subsection 921B(2) of the Act.
10. The 2018 Determination specified the bachelor and higher degrees, and equivalent qualifications, for the purposes of the first standard. The standard has been amended, and has been repealed and replaced. The present standard is the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2020*.

The standard in detail

Part 1—Preliminary

11. Section 1 provides that the name of the instrument is the *Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2021*.
12. Section 2 provides that the determination commences on the day after it is registered in the Federal Register of Legislation.
13. Section 3 sets out the legislative authority for making the determination: subparagraph 921U(2)(a)(i) and paragraph 1546B(1)(b) of the Act.
14. Section 4 repeals the 2020 Determination.

¹ Section 921V allows for a foreign qualification, specified by the Authority, to be regarded as meeting the first standard. This determination does not deal with foreign qualifications.

15. Section 5 defines *the Act* as the *Corporations Act 2001* and in the Note refers readers to the definitions of *Code of Ethics*, *relevant provider* and *existing provider* in the Act. This section also includes definitions of *approved bridging unit*, *approved unit of study*, *completed approved study to attain a professional designation*, *designated area of study*, *relevant degree* and other terms used in the determination.

Part 2—Approvals of degrees and qualifications

16. Section 6 gives approval, for the purposes of the education and training standard in subsection 921B(2) of the Act, to the degrees and other qualifications listed in Schedule 1. The approval is subject to the conditions specified in Schedule 1, such as conditions as to when the relevant provider must have commenced the program, and the approved units of study the provider must have completed as part of the degree or qualification program. Section 6 and Schedule 1 together re-enact section 6 and Schedule 1 of the 2020 Determination, with amendments. Most of the amendments result input from higher education providers to update information and descriptions of degrees and units of study, and changes to correct some minor errors in the descriptions.
17. Subsection 6(2)(a) imposes a general condition on approvals for degrees and qualifications that do not include appropriate ethics courses. The relevant provider must also complete an approved bridging course (all of which are listed in Schedule 2). The Notes to subsection 6(2) identify degrees and qualifications listed in Schedule 2 that do include appropriate ethics courses. This list has been updated to identify additional degrees and qualifications that include appropriate ethics courses.
18. Subsection 6(3) has been added to provide that Masters degrees awarded by any of the providers listed in Schedule 1 are also approved for the purposes of subsection 921B(2) of the Act where the completed units meet the requirements of a Graduate Diploma award listed in Schedule 1. This is intended to fill gaps in the repealed determination.
19. Schedule 1 is arranged according to bachelor degrees (Part 1) and post-graduate degrees and equivalent qualifications (Part 2) and, within each Part, the higher education provider offering the degrees and qualifications.

Part 3—Existing providers: qualifications equivalent to the education and training standard

20. The Authority has established several “pathways” for existing providers, depending on whether the existing provider:
- has no degree or equivalent qualification;
 - has a degree or equivalent qualification, but not in a relevant field of study;
 - has a degree or qualification in a relevant field of study; or
 - has an approved degree or qualification (under section 6).
21. Section 7 sets out in visual form a summary of the pathways for an existing provider to achieve qualifications equivalent to the education and training standard. Column 2 of the table describes various kinds of existing advisers, ranging from those with full degrees to those with no degrees. Column 3 represents in numerical and graphical form

the number of additional units of study that the provider must complete to achieve qualifications equivalent to the education and training standard.

22. Section 8 is the determination, for the purposes of paragraph 1546B(1)(b) of the Act, of the courses that give existing providers qualifications equivalent to the education and training standard in subsection 921B(2) of the Act. Like section 7, column 2 of the table describes various kinds of existing advisers, ranging from those with full degrees to those with no degrees. Column 3 lists the units of study that a provider must complete to achieve qualifications equivalent to the education and training standard. The units of study include approved bridging units, graduate diplomas and other approved units of study.

Schedule 2—Courses and units of study

23. This Schedule lists the approved bridging units that an existing provider may have to complete to have qualifications equivalent to the education and training standard in subsection 921B(2) of the Act. Most of the amendments are input from higher education providers to correct and update information and descriptions of degrees and units of study.

Consultation

24. Given the limited and beneficial effects of the amendment, the Authority undertook limited consultation in the middle of 2021, with 6 formal submissions received. All feedback was given due consideration. The Authority concluded that the provisions of the instrument are appropriate.

Regulatory impact

25. The Office of Best Practice Regulation has confirmed that no Regulatory Impact Statement is needed for the determination.

Statement of compatibility with human rights

26. The instrument does not engage any of human rights or freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.