

# RG146 COMPLIANCE SOLUTION

## TRANSCRIPT OF ONLINE CHAT

### INTRODUCTION

CPA Australia's RG146 Compliance Solution is your education pathway to apply for the limited AFS licence or to be licensed under another AFS licence holder.

The program allows you maximum flexibility to gain the skills and knowledge you need, with access to quality learning resources and real time learning support.

It is delivered via self-paced learning or interactive workshops, allowing you to choose the option that best suits you to complete each module.

If you know you will need to be licensed in some capacity from 1 July 2016, be it under your own limited licence or another licensee, you need to start your training now or it will be too late.

Less than 17 months remain of the transition period for the accountants' exemption reform.

The experts responding to member questions were:

- Jessica Burdett, Manager – Accountants' Licensing Programs, CPA Australia
- Keddie Waller, Policy Adviser – Financial Planning, CPA Australia

### RESOURCES

#### Primary web pages

- [cpaaustralia.com.au/rg146](http://cpaaustralia.com.au/rg146)
- [cpaaustralia.com.au/smsfadvise](http://cpaaustralia.com.au/smsfadvise)
- [cpaaustralia.com.au/smsfsuperannuation](http://cpaaustralia.com.au/smsfsuperannuation)

#### Primary documents

- [Information guide: Accountants' exemption reform](#) (PDF)
- [Financial advice and regulations: Guidance for the accounting profession](#) (PDF)
- [Considerations when selecting an Australian Financial Services \(AFS\) licensee](#) (PDF)
- [DIY licensing kit](#) (available on request to CPA Australia Public Practice Certificate holders)

BE HEARD.  
BE RECOGNISED.



## QUESTIONS AND ANSWERS

Our Practice has an AFSL currently in place which we believe should cover the business. The staff who would and do discuss any Financial matters are covered under our AFSL Licence, although not all the Accountants are. This is due to the fact that some of the Accountants are still in training and do not give such advice to clients. Therefore meaning not all staff are currently covered under the AFSL however, if the Accountants positions were to change and they were in fact giving financial advice we would add them to the AFSL for the Practice. We have contacted the RG146 CPD at CPA previously regarding the limited AFSL and from that conversation we believe our Practice is covered by having the existing AFSL in place. Is that correct?

If you already have an AFS licence which permits the provision of financial product advice in a broad range of areas, you do not need to also apply for a limited AFS licence as well to authorise any accountants within the practice whose roles may change. Rather, you can authorise these accountants under your existing AFS licence. You can do this by issuing a restricted scope of authorisation that may mirror the limited AFS licence authorisations or any other scope that you believe is appropriate. As you have noted they would be required to meet the training requirements set out in RG 146, however it will be up to you as the licensee to determine what training they require for the authorisations you intend to issue.

[Will a statement of advice be necessary in relation to opening and closing self-managed superannuation funds?](#)

Whenever you provide financial product advice under the licensing regime, you must provide a statement of advice. This will include a recommendation to establish or wind up an SMSF under the limited AFS licence.

[If a client disagrees with the financial advisor to not set up an SMSF, can I set the fund up myself without a limited financial licence?](#)

A recognised accountant can set up an SMSF on client instructions, that is execution only, without being licensed. However, we recommend that you document this on the client file to show you did not provide any advice. Refer to [Financial advice and Regulations: Guidance for the accounting profession](#) for more guidance.

[I have a diploma of financial services \(financial planning\) - what more do I need to do to become compliant?](#)

You need to ensure that the training you have completed covers all RG 146 specialist knowledge areas that will be covered by your licence / required by your licensee. Firstly check what you've covered in your existing training (what is stated on your transcripts from your training provider).

[If a client approaches an unlicensed accountant and instructs the accountant to set up an SMSF without providing any advice is this permissible under the rules?](#)

Read the [Financial advice and Regulations: Guidance for the accounting profession](#) for more information.

[Are there any prerequisites to enroll for RG146?](#)

No, there are no pre-requisites to apply for the RG 146 Compliance Solution program.

[What will accountants be able to advise in relation to SMSF's without having RG146? If necessary, can accountants become licensed under existing AFSL associated with the practice?](#)

Please refer to [Financial advice and Regulations: Guidance for the accounting profession](#) which provides clear advice on what SMSF and super advice you can provide without being licensed.

Is the RG146 program offered by CPA Australia?

Yes CPA Australia offers the RG 146 Compliance Solution program. You can find more information on our website at [cpaaustralia.com.au/rg146](http://cpaaustralia.com.au/rg146)

I heard that a holder of RG146 cannot work independently but is still required to work with a licensed financial planner.

You cannot provide any financial product advice without being licensed under the AFS licensing regime. This is even if you have completed your RG 146 training. Therefore if you wish to provide financial product advice, such as recommend the establishment of an SMSF after 1 July 2016, then you must be licensed yourself.

I have not started the RG146 program yet. In WA, the next module 1 is in July 2015. When will you release the dates of the other modules so that we can determine the best time to start the first module and then be able to complete them by July 2016?

We are finalising the workshop dates this week and they will be posted on the website at [cpaaustralia.com.au/rg146](http://cpaaustralia.com.au/rg146) by the beginning of March.

You can register your interest to be alerted to new workshop dates at [rg146cpd@cpaaustralia.com.au](mailto:rg146cpd@cpaaustralia.com.au)

I am still unclear whether I need the compliance certificate if a client comes to me wanting to set up an SMSF.

You can provide execution only services to set up an SMSF. Refer to [Financial advice and Regulations: Guidance for the accounting profession](#) for guidance on how to do this. You must be mindful that ASIC will look closely at practices with a large number of execution only SMSFs as clients.

Is it better to start the module 1 now online and then join in the workshops for module 2 in March?

You are welcome to start the first module of the program via distance learning and then enrol in the workshop for module 2 and/or subsequent modules in the program.

I hold a limited public practice certificate and a university degree, does this mean I satisfy RG 105?

You may, it will depend on what areas of advice your university degree is recognised as meeting for the purposes of RG 146 as well. If you would like to email [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) with your academic transcript we can review this for you and advise if you require any further study.

I completed PS146 a few years ago, will this satisfy the accountants' exemption or do I need to enrol in RG146?

This will depend on the areas of training you completed and when. If you email [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) with your academic transcripts we can review this for you.

If one cannot complete RG 146 program before 30th June 2016, can it still be completed after this date and therefore become compliant after 30/06/2016?

If you miss the 30 June 2016 deadline you cannot apply for a limited licence under the streamlining provisions and normal requirements will apply.

Do employees need to be RG 146 compliant if they are dealing with clients?

Anyone who provides financial product advice must be licensed to provide the advice and complete RG 146 training. This includes employees of a licence.

### Can you complete RG105 and RG146 all through distance learning instead of workshop attendance?

You can select either the distance learning OR workshop option to complete a module from the RG 146 Compliance Solution program. Completion of all modules plus the SMSF assessment will give you compliance in RG 105.

### If I was to complete the RG146, what qualifications do I come out with at completion?

The RG 146 Compliance Solution program will award you the FNS50611 Diploma of Financial Planning as well as RG 146 compliance in the specialist knowledge areas of financial planning, general and life insurance, securities, derivatives, margin lending, managed investments, superannuation and SMSFs.

### Has ASIC yet made it clear about whether representatives under the limited licensing will be required to complete the "register of financial advisers" presently foreshadowed?

The register of advisers will capture any individual who is licensed to provide Tier 1 personal advice to retail clients. This will include the limited AFS licence. Regulations are yet to be finalised, but we will provide guidance on this as details come to hand.

### If my firm was to get a limited licence what are the likely costs in time and dollars to maintain that licence?

Refer to [Information Guide: Accountants' exemption reform](#) for details on indicative initial and ongoing costs for a limited AFS licence.

### Are all the workshops during working hours?

Yes the workshops are scheduled during week days/working hours.

### Where is a good resource to unpack what is required? There appear to be many roads to the one objective and I find it rather confusing. I guess what would be helpful to know is for public practice that does not do financial planning, what is needed to cover SMSF compliance, advice, setup, etc.

Please refer to [cpaaustralia.com.au/smsfadvise](http://cpaaustralia.com.au/smsfadvise) for all resources and guidance on this topic. If you would like to discuss your circumstances please email [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au). There will also be sessions at the public practice conferences in Melbourne, Sydney and Perth this year.

### What is the difference between self-paced learning and face to face workshops in terms of material and assessments?

The material and assessment (written and oral) are the same whether you chose the distance learning or workshop study option. The difference is in the contact you get with the trainer (workshops) and the length of time available for you to complete the assessment requirements.

### I already have a CPA, RG146 (Superannuation), and a diploma of financial services (Superannuation). Is this sufficient or would further training be required?

It may, if you email your transcripts to [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) we can review this for you and provide any guidance on what, if any, training is required.

### CPA Australia has also been promoting the SMSF specialist designation. Is this the same as obtaining a limited licence under RG146 or something else?

There are specific training requirements a member must meet to be awarded the SMSF Specialisation. The required workshop will give you RG 146 compliance in SMSFs (and superannuation) but will not cover any other RG 146 specialist knowledge areas.

### Is having a public practice certificate a pre-requisite for obtaining a limited AFS license?

You must hold a public practice certificate if you wish to access the streamlining provisions to apply for a limited AFS licence. This means that you will be recognised as meeting the experience requirements, which is normally three years' experience as a licensed adviser within the past 5 years.

### If I started my RG146 via Kaplan and completed the bulk of the course (except the final assignment - Super SOA), can I get credit for this if I transfer to CPA course?

Credit transfer is available for those who have completed training with other providers and wish to finalise their training through CPA Australia. Refer to the Credit Transfer policy and Candidate Handbook on [cpaaustralia.com.au/rg146](http://cpaaustralia.com.au/rg146) for further information.

### Does it matter which institution you choose to do your RG 146 with?

No, the important thing is to ensure it covers the knowledge and skills you need. There are some short courses which will not cover all areas of the limited AFS licence. If you are unsure, you can always email [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) for guidance.

### Is there a Module 2 workshop in March?

The next Module 2 workshops are proposed for May.

### Would Module 1 be enough or all 4 required to be RG146 compliance?

Each module in the program addresses the compliance requirements of one RG 146 specialist knowledge area. To achieve RG 146 compliance in all of the specialist knowledge areas you would need to complete all modules plus the SMSF assessment from the RG 146 Compliance Solution program.

### Obtaining and maintaining a licence for a Small Practice with one accountant and a few support staff appears to be expensive are there any suggestions/guidance as to the best option for small practices?

The best option for a small practice will depend on what advice and services you wish to offer and where you wish your practice be in three or five years time. You could consider referring licensed advice and focusing on compliance, tax, admin and audit or becoming licensed under another licensee. If you wish to discuss you can email [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au)

### Can u please elaborate on the differences between RG105 and RG146?

RG 105 refers to the organisational competency requirements of the responsible manager named on the limited licence. RG 146 relates to the specialist knowledge areas i.e. financial planning, insurance, superannuation. The responsible manager is required to have training in all areas covered by the licence - hence they have met the requirements for organisational competence.

### If I do not have the RG146 can I talk to a client about how self-managed super funds work generally, and the general types of investments they can make, and what tax issues are generally?

You can still provide a range of advice and services in regards to SMSFs, including factual advice. Refer to [Financial advice and Regulations: Guidance for the accounting profession](#) for clear advice on this and sample disclaimers to use.

Remember, being RG 146 compliant alone is not enough to provide advice. You must also be appropriately licensed.

I am doing RG 146 distance with CPA (6 months course), is this different to the workshop you are talking about?

The modules in the RG 146 Compliance Solution program can be completed by undertaking distance learning or by attending a workshop. You have the option to complete the module using the method that best suits you.

I completed PS146, does this satisfy the accountants' exemption or do I need to complete RG146?

This will depend on the training you have completed to be RG 146 compliant. You can email your transcripts to [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) for guidance

After compliance with RG146, is any ongoing training required other than the standard CPD?

Once you obtain your limited licence your ongoing CPD requirement is that 50% of your ongoing CPD requirements are in areas covered by your licence.

Is [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) the dedicated email where we can email further questions about RG146, or discuss our situation with someone from CPA?

Yes, you can email all questions about licensing, the accountants' exemption and your queries on RG 146 compliance to [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au)

So if RG146 compliant you still need to be licensed? So what benefit does RG146 alone provide?

RG 146 refers to Regulatory Guide 146 which sets out the training requirements to become a licensed financial adviser. You cannot become licensed until you have completed recognised RG 146 training.

So if I understand this correctly, as a CPA completing a post-grad in Financial Planning, I still need to obtain a public practice certificate to obtain a limited licence?

If you wish to access the streamlining provisions you need to hold a public practice certificate. Otherwise you must have at least three years experience as a licensed financial adviser to apply.

Is the CPA Australia certification for RG146 any different from other providers?

The outcomes of any training you undertake (whether with CPA Australia or another provider) should be the same i.e. FNS50611 Diploma of Financial Planning - plus RG 146 compliance in the relevant specialist knowledge area(s). The difference will be in the method of delivery, duration of training and rigour of the assessment requirements you need to complete.

Will there be additional annual costs other than the normal annual CPA fees to keep the new qualifications?

There are no additional CPA Australia costs to hold a limited AFS licence. There are ongoing costs, including costs to ASIC.

Also, if we were to send a graduate to the RG146 course, does this course teach them everything from scratch regarding SMSF's?

CPA Australia offers the *Advising in SMSFs*, which is assessment only. There are a range of other PD products that we offer that cover everything on SMSFs. Refer to the [training section](#) on the CPA Australia website

Would you explain the RG146 training requirements? Most accountants would already have completed some of the required training. Where can you best find how to fill the gaps?

I would recommend downloading and reading through the "[Information Guide - Accountants' Exemption Reform](#)" which explains the education and training requirements of the limited licence - and then contacting us at [rg146cpd@cpaaustralia.com.au](mailto:rg146cpd@cpaaustralia.com.au) to further discuss your individual training needs.

After 1/7/2016 are tax agents still able to discuss the tax consequences of super contributions as well as other SMSF tax issues?

Regulation 7.1.29(4) permits the provision of tax advice in respect of a financial product by qualified tax advisers. You must also provide a disclaimer to rely on this exemption. Refer to [Financial advice and Regulations: Guidance for the accounting profession](#) for more information.

Would a CPA financial planning diploma completed in Feb 2010 be sufficient to meet RG146 requirements?

It may, email [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) and we can review this for you.

Can you clarify the CPD requirement after acquiring the limited AFS licence? Do you mean I will then have to complete 50% of CPD over Financial Planning?

50% of your ongoing CPD needs to be in the areas covered by your licence i.e. if your licence covers financial planning, insurance, investments, superannuation and SMSFs - your ongoing CPD activities would need to address these areas.

If I complete an undergraduate or postgraduate qualification in financial planning, where do I check that it complies with the RG146 and where do I apply to be registered for RG146?

If you completed your training before 24 September 2012, you can refer to the ASIC Training Register to check this or you can email your transcripts to [finplan@cpaaustralia.com.au](mailto:finplan@cpaaustralia.com.au) and we can review for you. If you completed your training after this date, you must refer to the training provider for certification on whether the course meets RG 146

More information on the CPA Australia SMSF Specialisation and how this meets the RG 146 specialist knowledge area of SMSF can be found on our website at [cpaaustralia.com.au/smsfspecialisation](http://cpaaustralia.com.au/smsfspecialisation). Please note completion of the education requirements for the SMSF designation DO NOT give you full RG 146 compliance and you will still need to do additional training to meet these requirements.

Are we compelled to register for the RG146 or are we still able to provide accounting and taxation services only and refer Clients as required?

There are a range of compliance, admin, tax and audit services you can continue to provide. [Financial advice and Regulations; Guidance for the accounting profession](#) provides clear guidance for members on this, including sample disclaimers and other templates.

I have a public practice certificate and completed the CPA 110 after 2003, does this exempt me from any modules?

Completion of CPA110 (and the additional skills workshop if completed after semester 2, 2003) was deemed to meet the initial training requirements for RG 146 compliance in the specialist knowledge areas of financial planning and superannuation. If a member completed CPA110 more than five years ago - CPA Australia strongly advise the member completed Module 4 Superannuation rather than seeking an exemption from this module based on their CPA110 studies - so as to ensure they currency of knowledge in this area.

Holding a Public Practice Certificate is recognised as meeting the experience requirements of the limited AFS licence - but will not award an exemption from any module of the RG 146 Compliance Solution program.

### Can you please explain the streamline provisions?

The streamlining provisions mean if you hold a public practice certificate, you are deemed to meet the experience requirements. The experience requirements are equivalent of three years experience as a licensed financial adviser over the past five years.

Essentially this means that if you have not been licensed before, you could not apply for the limited AFS licence without these provisions. The streamlining provisions end 30 June 2016. After this time, the standard experience requirements apply.

### Regarding the SOA, for accounting firms just wishing to give advice that they previously could under the exemption, is there a simple option? I cannot imagine that issuing a SOA re a SMSF could be cost effective?

An SMSF is a regulated financial product. From 1 July 2016 the exemption will be removed. This means that after this date you can only recommend the establishment of an SMSF if you are licensed and you must issue the client an SOA.

### Could you indicate roughly how much time it would take for a Sole Practitioner like me to obtain said certification?

This will depend on the mode of study you choose. If you wish to apply for the limited AFS licence, you ideally need to complete all required training by the end of April next year to allow enough time to apply for the limited AFS licence.

The study options provide flexible study plans. Contact [rg146cpd@cpaaustralia.com.au](mailto:rg146cpd@cpaaustralia.com.au) for more guidance

### Do you have a CPA partner that is an Authorised Representative under Count and are they required to complete RG146 to be compliant in providing advice?

If you plan to refer all licensed advice to your partner, you do not also need to be licensed. However, you cannot provide any advice that would be deemed financial product advice yourself.

### When enrolling in the CPA RG146 modules via distance learning is there a set timeframe in which to complete each module. Can you enrol in multiple modules at once and complete over time? For instance work will be pretty hectic between now and the May lodgement deadline so I would probably only be able to manage 1 module, but after May I would be able to study more than 1 module at a time.

When you enrol in distance learning you have up to six months to complete the module (complete the study and submit your written assignment for marking). You can complete any time within this six month period. You can only enrol in one module at a time.

### I am in a firm with a financial planning division. Do the other Directors need to complete the RG146? Do the accountants working under them need to complete it?

You can only provide financial product advice if you are individually licensed. If you refer all licensed advice to the financial planning division, the other directors and accountants do not need to be licensed. However, if any of the directors or accountants wish to recommend the establishment or wind up of an SMSF post 30 June 2016 - then they must be licensed.

### Do we need a licence to give property buying and selling advice?

This will depend - if it is within the SMSF then yes. Refer to [Guidance Note: Advising on SMSFs and property](#) on the CPA Australia Financial Planning Portal under the toolkit for further guidance.

Should I apply directly to ASIC when I finished the exams? I looked online at ASIC. The application is very complicated. Should we answer every question or is there any guidance about the application?

The DIY Licencing Tool Kit is available to all CPA Australia Public Practice Certificate holders and contains detailed guidance on how to complete the ASIC application. If you hold a PPC you can apply for a copy of the toolkit by emailing [finplan@cpaustralia.com.au](mailto:finplan@cpaustralia.com.au)

For a sole practitioner who does not work with anyone who is licenced, if he only has RG146, can he advise clients to set up or wind up SMSFd?

You can only provide advice if you are licensed. Being RG 146 compliant is not enough - refer to [Information Guide: Accountants' exemption reform](#) for more information.

And how can I apply for a full license? Is CPA public practitioner plus RG 146 sufficient to apply?

The full requirements for the limited AFS licence are detailed in the pdf "[Information Guide - Accountants' Exemption Reform](#)".

So if my client has made up their mind to set up a SMSF based on advice from another RG146 compliant person, can I still proceed to help with setting up the SMSF entity for him, if I am not RG146 compliant after 1/7/2016?

You can provide execution only services. Refer to [Financial advice and Regulations: Guidance for the accounting profession](#) for more details. We recommend that in such cases your client seeks licensed advice first and if the financial adviser recommends they should set up the SMSF then you document this and retain on file.

If I was to go down the licensing path of working as an authorised representative, at a later date what are the implications if I decide to get my own limited AFS licence?

You can work under another licensee as an authorised representative and still have the option of applying for your own limited AFS licence at a later date.

Essentially once you had at least three years experience as a licensed adviser, you would meet the experience requirements to apply for your own limited AFS licence. You would just need to ensure that the areas you are authorised as, as an authorised representative, are the same as the limited AFS licence.

Which module covers centrelink related issues?

Module 1 and partly Module 4

Is there a simple cost effective licensing regime for small public practice accountants?

There are different options as an authorised representative which will have different cost structures and resources. I would recommend establishing what types of advice and services you wish to provide now and in the future first, as this may influence your options. You can email [finplan@cpaustralia.com.au](mailto:finplan@cpaustralia.com.au) if you wish to discuss.

I am a forex trader. In order to manage client's accounts, what are the RG146 papers that I would need to take in order to become an Authorised Representative with an AFSL licensed broker?

I recommend you refer to the Australian Financial Markets Association for guidance on FOREX at [www.afma.com.au](http://www.afma.com.au).

CPA Australia has not offered any training that provides exemptions for FOREX training.

If I am only RG 146 Compliant and not licensed, is there anything specific that I can do compared with someone without RG 146 and also not licensed?

You cannot provide any advice if you are not licensed, even if you are RG 146 compliant.

May I ask again, if I completed CPA 110 and the additional skills workshop after semester 2 2003, I only need to complete Module 4 of the new educational requirements?

CPA 110 and the workshop meet the initial training requirements for the RG 146 specialist knowledge areas of super, financial planning, generic knowledge and skills. You would therefore still need to complete Module 1, 2, 3 and the Advising in SMSFs assessment if you are considering apply for a limited AFS licence. If you completed CPA 110 longer than five years ago, we also recommend an update in this area if you have not kept up your CPD. Refer to [cpaustralia.com.au/rg146](http://cpaustralia.com.au/rg146) for more guidance.

What are the steps required to enable someone to become an authorised rep? Do they have to obtain any certificates or further training?

You need to complete RG 146 training. The training will depend on the areas of advice you will be authorised to provide advice in and the licensees' training requirements. It is best to check these requirements with potential AFS licensees before commencing any training.

Please clarify if RG105 and RG146 are both required to obtain a FP licence.

RG 105 and RG 146 both apply if you are applying for your own limited AFS licence. RG 146 only applies if you are licensed under another entity's AFS licence.

Will it be correct to say RG146 is an essential step 1 to provide any financial advice and people must strive hard to be licenced anyway if they want to give any advice?

The first step to offering financial product advice is to complete RG 146 training. Then you can become licensed. The training you require will depend on whether you are applying for your own limited AFS licence or being authorised under another entity's AFS licence.

### For help email

- [rg146cpd@cpaustralia.com.au](mailto:rg146cpd@cpaustralia.com.au)
- [finplan@cpaustralia.com.au](mailto:finplan@cpaustralia.com.au)

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