



Financial Adviser Standards and Ethics Authority Ltd

*Corporations (Relevant Providers Exams Standard) (Amendment No. 1)
Determination 2021*

Explanatory Statement

Key information

1. This instrument amends the Corporations (Relevant Providers Exams Standard) Determination 2019 to ensure that an adviser can sit the November 2021 exam even if the adviser has sat the exam within 3 months before the date of the November 2021 exam.
2. **Date of effect:** the day after this instrument is registered in the Federal Register of Legislation (see section 2).

Glossary

3. 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>Authority</i>	Financial Adviser Standards and Ethics Authority Ltd, which is the standards body under section 921X of the Act.
<i>exam</i>	an exam approved under the <i>Corporations (Relevant Providers Exams Standard) Determination 2019</i> .

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

Context

5. The Act was amended in 2017 to raise the education, training, and ethical standards of financial advisers
6. Section 921B of the Act sets 4 standards that relevant providers must meet (**education and training standards**). Section 921C of the Act prohibits ASIC from granting a financial services licence to a person who has not met the education and training standards. It 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.
7. The second of the standards requires a person to pass an exam approved by the Authority. Under subparagraph 921U(2)(a)(ii) of the Act, the Authority must, by legislative instrument, approve an exam. The *Corporations (Relevant Providers Exams Standard) Determination 2019* sets out the requirements for, and approves, the exam for the purposes of subparagraph 921U(2)(a)(ii) of the Act.
8. One requirement is that a candidate is not allowed to sit an exam again if the candidate has sat the exam within the previous 3 months. This determination removes that restriction for the exam to be held in about November 2021.

Details

Name

9. Section 1 provides that the name of the instrument is the *Corporations (Relevant Providers Exams Standard) (Amendment No. 1) Determination 2021*.

Commencement

10. Section 2 provides that the determination will commence on the day after it is registered in the Federal Register of Legislation.

Authority

11. Section 3 sets out the legislative authority for making the instrument: subparagraph 921U(2)(a)(ii) of the Act.

Schedules

12. Section 4 give effect to Schedule 1.

Schedule 1

13. Schedule 1 (Amendments) has 1 item, which amends paragraph 4(2)(c) of the 2019 determination to remove the “3 months” requirement but only in respect of the exam to be held between 1 November 2021 and 31 December 2021.

Consultation

14. Given the limited and beneficial effects of the amendment, the Authority undertook limited consultation in July 2021, with 8 formal submissions received. All feedback was given due consideration. The Authority concluded that the provisions of the instrument are appropriate.

Regulatory impact

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

Statement of compatibility with human rights

16. 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*.