

TO LICENCE OR NOT?

REMOVAL OF THE ACCOUNTANT'S EXEMPTION

CONFUSED?

**Limited AFSL? Full AFSL?
Self-Licensing? Compliance?
Audits? Responsible Managers?
PI Insurance?**



GPS WEALTH
GOALS | PLANNING | STRATEGY

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There is a simple solution!

It's called GPS LAP (Licensing of Accountants in Public Practice). There are three options for the accountant to choose from.

Importantly the options have been developed by real accountants for real practising accountants.

With the removal of the accountant's exemption from the 1 July 2016 (which allowed accountants to establish and provide limited advice in relation to SMSF's) accountants now need to be making decisions on the type of licence they need.

Accountants basically have four choices;

1. Obtain and maintain a limited Australian Financial Services Licence (AFSL)
2. Obtain and maintain a full AFSL
3. Become an authorised representative of another AFSL
4. Do nothing (which means the accounting firm cannot provide advice whether general or specific in relation to SMSF's or any other financial product for that matter) after July 2016

GPS Wealth Ltd provides three options under point 3 above re Limited, Strategic and Full Authority.

Under the transition period which expires on the 30 June 2016 accountants need to decide now what licensing option they plan to take.

Greg Holman, a Director of GPS Wealth and the founder of Holman's Accountants, one of the largest accounting firms on the Sunshine Coast says, "accountants need to really consider the costs, compliance burden both initially and ongoing as well as potential liability if looking to obtain their own limited or full AFSL licence. By becoming an authorised representative of an existing AFSL (option 3 above) all these matters are looked after by the AFSL not the adviser. It takes the burden away from the accountant which means the accountant can get on with the business of growing their accounting firm and building a successful and profitable financial services business".

Greg says "with the cost and time involved in obtaining your own limited or full AFSL it's no wonder it's far more attractive financially and time wise for the accountant to get licensed through an existing AFSL".

The Benefits to the Accounting Firm of Becoming Licensed through an Existing AFSL

By embracing financial services it enables the accounting firm to offer clients an extra value added service which will generate profits and capital value. But it also will add to more strategic advice being given to clients in relation to SMSF's further increasing revenue and profits.

Greg says "it really enables many accounting firms to transform their businesses and differentiate their practice from many of their competitors. Importantly it also means the accounting firm becomes the "one stop shop" which puts the fence around the client base".

"The sooner the accountants get licensed the sooner they can start positioning their firm as an industry leader and start deriving revenue in a licensed environment".

Who is GPS Wealth Ltd?

GPS Wealth was formed in July 2011 by accountants and advisers who wanted to be able to provide financial advice to their clients in an environment free of institutional ownership from bank and insurance company control.

We are a new category of Financial Services Licensee described by many as the way of the future not the past. Our name GPS stands for Goals, Planning and Strategy – our focus is solely on strategy and not product.

We have won and been nominated as finalists in many awards including:

- Winner of the 2015 CoreData "Licensee of the Year Awards"
- Winner of the 2015 ifa Excellence Awards "Dealer Group of the Year"
- Winner of the 2014 ifa Excellence Awards "Best New Licensee in Australia"

Nominated as finalists in the 2015 ifa Excellence Awards in the following categories:

- Dealer Group of the Year
- Innovator of the Year



The GPS LAP (Licensing of Accountants in Public Practice) - Your Licensing Options:

OPTION 1 – Limited Authority

- A simple replacement for the SMSF accountant's exemption
- General advice only on investments and insurance – not specific product advice
- Continue to recommend the establishment of SMSF's
- Advice re contributions
- General advice only on consolidation of existing superannuation accounts
- General and strategic SMSF advice re pensions, TTR, reserves, death benefits, investment strategies and classes (but not allowed to undertake investment recommendations)
- General and strategic advice re limited recourse borrowing, transferring of business real property (limited recourse borrowing is not a financial product thus accountants can discuss without being licensed)

OPTION 2 – Strategic Authority

Is for accountants wishing to discuss more financial planning aspects than allowed under a Limited Authority but wish to refer on to have the advice confirmed and implemented.

Includes all of option 1 plus strategic advice inside and outside superannuation.

OPTION 3 – Full Authority

- All of the above plus personal investment and risk product advice both inside and outside of super
- Full financial planning advice including specific product recommendations

The GPS LAP (Licensing of Accountants in Public Practice) includes the following:

Professional Indemnity Insurance (PI)

Your PI insurance under all options is included under the GPS Wealth Ltd general policy which we are required to have in place under our AFSL requirements.

Training A

All training is included under each option.

- **Success Days** – three times a year we hold full day training sessions in Brisbane, Sydney, Perth, Melbourne and Adelaide. The content varies from Tax Planning, Estate Planning, Buy/Sell Agreements, Asset Protection and Structuring plus a range of other topical subject matters.
- **SMSF** – twice a year we hold half day sessions in all cities listed above on the latest developments in SMSF's.

Various external industry experts present at our training sessions. Note that under the Full Authority option there is further training provided. Details can be provided if required.

RG 146 Courses - Option 1 Limited Authority

We host RG146 courses in Sydney, Brisbane, Melbourne, Perth & Adelaide (**subject to minimum numbers attending**). The courses are delivered by a registered training organisation (AAMC). Over the two days you will complete via class room style the bulk of the course

including a multiple choice test. Upon attendance at the course and satisfactory completion of the multiple choice tests and assignment, this will enable you to satisfy the educational requirements of the limited licensing options (note for a Strategic or Full Authority you will be required to undertake further studies depending on the areas you wish to provide advice in).

Kaplan

We provide through Kaplan the added benefit of being able to undertake online training to maintain your required CPD points as well as to continually keep up to date with your required educational requirements. The level of CPD points for option 1 is 15 hours which will be met by attendance at our internal training whilst for option 2 & 3 full licence the minimum CPD points are 30 hours. GPS Wealth maintains a training register on your behalf.

Templates

We provide SoA and Investment Strategy templates for advice in relation to a Limited & Strategic Authority. For accountants wishing a Full Authority we provide an extensive range of SoA's along with a host of other standard documents and templates.

Compliance

For a Limited & Strategic Authority your first 3 SoA's are required to be pre-vetted by our compliance department to ensure quality of advice. For a Full Authority approximately the first 10 SoA's undergo pre-vett depending on the areas you provide advice on.

We will also undertake on an annual basis face to face compliance audits to ensure you are meeting your licensing requirements. For a Full Authority there may also be random audits throughout the year.

Accountants Financial Planning Forum

We have established the Accountants Financial Planning Forum which meets annually commencing in 2015 to discuss in a workshop forum opportunities for accounting firms to successfully embrace financial services (insurance, lending and planning) into their business model. You will hear firsthand from leading accountants in Australia who have successfully developed financial services businesses as a key service offering to their clients. They will share with you what has worked, the pitfalls to avoid, what they are currently doing in their accounting practice in relation to financial services along with host of other topical matters applicable to accountants embracing financial services.

This is an annual forum hosted by accountants for accountants.



The GPS LAP (Licensing of Accountants in Public Practice) - What's Included and the Costs

	Limited Authority	Strategic Authority	Full Authority
RG146 Course Minimum requirements for type of authority (1)	Yes	Yes	Yes
Training – Success Days	Yes	Yes	Yes
Training - SMSF	Yes	Yes	Yes
Training - Other	No	No	Yes
Kaplan	Yes	Yes	Yes
Templates	Yes	Yes	Yes
Compliance	Yes	Yes	Yes
Accountants Financial Planning Forum	Yes	Yes	Yes
Licensing costs each year (excluding GST)	\$5,000	\$10,000	\$16,000
Cost of RG146 Course if obtaining Authority through GPS Wealth	\$1,097	On Application	On Application
For each additional person to be authorised, up to 4 additional people (excluding GST)	\$1,000 per person	\$2,500 per person	\$5,000 per person
Cost per person above 5 people excluding GST (add \$1,000 per person if RG146 required)	\$600 per person	\$600 per person	\$2,500 per person

* Fee increased by 5% per annum from 1st January, 2017.

- (1) The RG 146 course includes the following areas of competency: Generic, Superannuation, SMSF for a Limited Authority. For those firms who obtain their Authority with GPS Wealth the course cost is only \$1,097.

In addition, if you wish to apply for a Strategic or Full Authority you will also need to complete Financial Planning, Managed Investment Schemes and Insurance, costs can be provided on application.

Working with an Adviser to Refer Clients

Under a Limited or Strategic Authority you are unable to give product specific advice in relation to insurance and investments. You will need to refer those clients to a suitably qualified Financial Adviser who has a Full Authority.

At GPS Wealth we have many years' experience in assisting accountants to develop referral, joint venture arrangements or assisting to establish your own separate wholly owned financial services business. For any assistance please contact our office.

APES 230

APES 230 sets the standards for Chartered Accountants (CA ANZ) and Certified Practising Accountants (CPA) in the provision of quality and ethical financial planning services.

Members of the Institute of Public Accountants (IPA) are not required to follow APES 230 but are required to meet the standards set by IPA Pronouncement 11.

THE GPS Wealth Limited, Strategic and Full Authority meet the requirements of all three professional bodies (CA, CPA, and IPA).



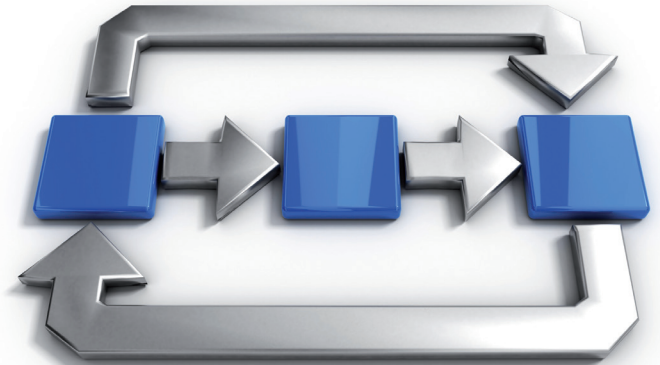
NEXT STEPS

To take advantage of the GPS Licensing options simply contact the GPS Wealth office on 07 5408 4100 or email info@gpswealth.com.au.

We will require copies of the following:

- Current Public Practice Certificate if member of CA, CPA, IPA
- Professional qualifications
- Name of people to be licensed
- RG 146 Certificate if completed

Once received we will then discuss with you your licensing timeframe including RG146 course dates if applicable. Please note payment of the licence fees are required before we start the licence process. Your first annual licence period carries through to 31st December 2016.



FREQUENTLY ASKED QUESTIONS

I have until 30 June 2016 to become licensed – why worry about it now?

You only have until 30th June 2016 to complete all the requirements of licensing. Given the number of accountants expected to obtain some form of licence (the Government expects 10,000 accountants to obtain a limited AFSL) there is expected to be a massive rush before 30th June, 2016.

We advise accountants to get a head start on your competitors and start the licensing process now. You will also gain extra revenue by being able to provide both general and strategic advice (subject to licensing options) to your clients using the GPS templates, referral tools and systems.

We are a two partner firm with one senior manager and a number of junior accountants, bookkeepers and support staff. Who in the firm needs to be licensed?

Partners and staff who give general verbal and/ or written advice to clients in relation to SMSF's will be required to hold a limited AFSL or limited authority. In the above example under the GPS Limited Authority one partner would be required to hold a limited authority with the other

partner and senior manager (assuming they are giving general advice in relation to SMSF's) being additional authorities. The other staff assuming they are not directly advising the client whether verbally or in writing would not require to be licensed.

Alternatively the firm could decide to have a Corporate Limited Authority with both partners and the senior manager as representatives.

In either situation extra representatives can be added providing they have satisfied RG146 educational requirements.

What if I obtain a Limited Authority from GPS Wealth and in 2 years' time I wish to leave and have an authority with another licensee?

Your RG146 qualifications are provided by the registered training organisation (AAMC) who run the RG146 Courses. Whilst we hope you don't ever leave GPS Wealth you are free to leave at any time. You would simply provide your RG146 qualification to the new licensee as evidence you have completed an RG146 course and go through the normal application process with that group.



Greg Holman
FCPA, BBus
Director/ Founder
CEO

Greg was the founder of the Holman's Group of companies incorporating Holman's Accounting, Holman McGregor Financial Services, Holman's Insurance and Holman's Lending. He is a Certified Practising Accountant with over 25 years' experience in the accounting profession. Greg also holds a Bachelor of Business degree majoring in Accounting. Holman's Accounting was listed by Business Review Weekly (BRW) as one of the top 100 accounting firms by revenue in Australia and one of the top 10 fastest growing. Along with Rob McGregor, Greg successfully introduced financial planning, risk insurance and lending into Holman's Accounting.

In May 2012 Greg sold his interests in the Holman's Accounting group to enable him to focus solely on GPS Wealth. Greg works with accounting firms and advisers to assist them in the successful introduction of financial services.



Paul Pavlic
BBus, MFP, MPA,
CFP, CPA

Paul is General Manager, Practice Development and Coaching Advisers and Accountants. In his current role he works closely with financial advisers who want to grow their practice and partner with Accountants to generate high quality client referrals and exceptional outcomes for clients.

Paul has previously worked at QInvest, who provide financial planning services to Qld government employees, and HLB Mann Judd Chartered Accountants & Financial Advisers. Paul worked in both the financial planning and business services divisions and he has a specialisation in SMSF structures.

Pauls holds a CPA Accounting qualification and a CFP Financial Planning qualification. Additionally, he has completed a Bachelor of Business Degree, a Master of Financial Planning Degree and Master of Professional Accounting Degree

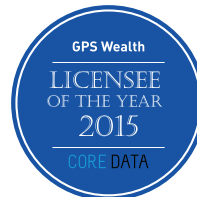


Jeanette Cheung
FCA, BComm,
MBA

Jeanette Cheung joined GPS Wealth in 2014 as Manager of Accountants Licensing. Jeanette has previously worked for BDO Chartered Accountants as part of their business development team and more recently with the Commonwealth Bank recruiting accounting firms as part of their referral partner program.

Jeanette's role is to assist accounting firms to become licensed.

Jeanette holds a FCA accounting qualification and Authorised Credit Representative qualification. Additionally she has completed a Bachelor of Commerce Degree, Masters of Business Administration Degree, Diploma of Mortgage Lending and Financial Planning Proper Authority.



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