

Accountants risk not being licensed until 2019 | Money Management

Accountants who miss the deadline to obtain a limited Australian Financial Services Licence (AFSL), may have to wait until 2019 to provide advice on self-managed superannuation funds (SMSFs), a legal expert warns.

With less than a third of the 276 limit licence applications received by the Australian Securities and Investments Commission (ASIC) being approved, The Fold solicitor director, Jaime Lumsden Kelly, said failure to secure a limited AFSL before the accountants' exemption expires on 1 July, could have a detrimental impact on their practices.

"This is because after 30 June, you'll need to accumulate three years of experience as an authorised representative to demonstrate to ASIC that you have the requisite experience to be a responsible manager on a licence," she said.

"While most accountants have this experience for SMSFs, they cannot lawfully demonstrate they have that experience for class of product authorisations.

"Think you don't need class of product authorisations? Think again! Do you recommend shares in pension phase for tax reasons? Do you warn clients when they should have life insurance? Do you suggest an SMSF to open a bank account? Then you need class of product authorisations!

"Be mindful also of ASIC's pre-lodgement check. If you lodge your application on 30 June, and ASIC assesses it as woefully inadequate, they will not accept your application for processing. You'll need to start all over again—and you just missed the licensing boat. Now you have to wait until 2019.

"There is no reason to delay until the last minute. SMSF advice will continue to be exempt until 1 July. No additional obligations will apply to you if you obtain an AFS licence early, and you'll have the comfort of knowing your licence is already settled."