

# **ASIC requires compliance with restrictions on use of 'independent'**

Under the Corporations Act, a person who carries on a financial services business or provides a financial service is prohibited from using the terms 'independent', 'impartial' or 'unbiased', or any other term 'of like import' in relation to the business or service except where the person meets certain conditions, such as not receiving any commissions, volume-based payments or other gifts or benefits.

ASIC clarified their position that terms such as 'independently owned', 'non-aligned' and 'non-institutionally owned' are sufficiently like the restricted terms specified in s923A of the Corporations Act, and are therefore also restricted

Following surveillance of industry websites, **ASIC has required four financial advice companies to cease and amend false claims of independence that could mislead consumers.**

The claims were made on websites, and in some instances, in the marketing material of:

- Financial Spectrum Pty Ltd (authorised representative of Spectrum Wealth Advisers Pty Ltd);
- Mr James Gerrard (authorised representative of Australian Financial Advisory Group Pty Ltd);
- PWK Private Wealth Advisers Pty Ltd (authorised representative of Paragem Pty Ltd); and
- Debbie Hudson Financial Services Pty Ltd (trading as Wealth Fusion) (authorised representative of Paragem Pty Ltd).

**ASIC will continue to publicly name advisers who do not comply with their obligations under s923A and, where appropriate, take action to enforce the obligations in s923A and to ensure consumers are not misled about the nature of the service they are receiving.**

Enforcing transparency and accuracy in disclosure are important components in

ASIC's ongoing work to improve standards in the financial advice industry.