

The pros & cons of financial advice options for accountants

	Firm does not provide financial advice	Firm obtains its own licence and provides advice in-house	Firm becomes an Authorised Representative of a licensee and provides advice in-house	Firm joins a consolidator or merges and provides advice in-house	Firm outsources financial advice to Australian Unity
Set-up costs	Nil	High	Medium	Medium to High	Nil
Ongoing costs	Nil	High	Medium to High	Medium to High	Nil
Levies/quotas for affiliation with external group	Nil	Nil	Medium to High	Low to High	Nil
Additional PI cover	Nil	High	Medium to High	High	Nil
Training of staff	Nil	High	High	High	Nil to Low
Time taken to comply with FSR	Nil	High	Medium	High	Nil
Risk of operating losses	Nil	Medium to High	Low to Medium	Medium to High	Nil

Risk of clients suing firm for poor financial advice	Nil	Low to High	Low to Medium	Low to High	Nil
Risk of ASIC audit and fines for non-compliance	Nil (as long as no advice is given)	Low to High	Low to Medium	Low to Medium	Nil (as long as no advice is given)
Risk of clients leaving to obtain financial advice	Low to medium	Nil	Nil	Nil	Nil
Risk of adviser leaving and taking your clients	Nil	Low to medium	Low to medium	Low to medium	Nil

Ongoing revenue stream	Nil	Low to High	Low to High	Low to High	Low to Medium
Increase in value of practice	Nil	Negative to High	Negative to High	Nil to High (linked to value of consolidator)	Low to Medium
Unlocking of capital	Nil	Nil	Nil	Possibly	Nil
Retain control over practice	High	High	Medium to High	Low to Medium	High

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