

Should I have my own AFSL?

Does the licensing regime prevent you from being an authorised representative of an existing AFSL holder?

Are you getting tired of receiving bills from your licensee for the privilege of being a representative under their licence every month?

Thinking about the freedom of holding and operating your own AFSL?

Do you know the full extent of the costs, time, and resource requirements for holding your own AFSL?

Here are a couple of things to think about as you make your decision.

There are **advantages** in operating under an existing licensee as a corporate authorised representative or an authorised representative:

- Many legal risks are with the licensee.
- The licensee incurs the costs (it is sometimes a less costly option than obtaining and maintaining your own licence).
- The licensee provides systems, templates, research and training.
- You can use this period to gain relevant, industry experience.

However, there other **advantages** of holding your own licence, such as:

- Being able to provide the exact financial services and financial products that you want (there are certain authorisations that only a licensee can provide, for example, *issuing* financial products.

- You can expand your business by authorising others (for a fee) to provide certain financial services under your licence.
- It can be more profitable because your authorised representatives pay you a fee for providing services under your licence.
- You are your own boss, and have the flexibility to carry on business the way you want.

Does it matter who my clients are?

Identifying, classifying, and keeping up-to-date records of exactly who your clients are, will assist you with the ongoing operations of your business and compliance with your licensing conditions, more than you would initially imagine.

AFS licensees can have authorisations for retail clients, wholesale clients, or both. Do you know the difference between retail and wholesale clients? Do you need retail authorisations on your licence? The answers to these questions are important to meeting your ongoing obligations, but are also a licensing trigger point.

Retail client authorisations [add a number of additional obligations as a licensee](#) – PI insurance, internal dispute resolution, EDRS membership and advisory obligations (FoFA and best interests obligations etc). Your representatives will also need to meet the minimum educational and training requirements to provide financial product advice to retail clients each year (Professional Standards and FASEA requirements). Providing financial product advice to retail clients can be discussed at length here. It is

important to know how this affects your business, licence conditions, and the additional requirements at the application stage.

Still have questions?

See our other Fact Sheets from our AFSL Series below:

1. [Do I need an Australian Financial Services Licence \(AFSL\)?](#)
2. [Key AFSL Requirements](#)
3. [The AFSL Application Process](#)
4. [AFSL Costs](#)
5. [Top 10 Tips for a successful AFSL Application](#)

Or contact us to speak to one of our consultants.

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