

Client ongoing fee consent

10 January 2025

The Financial Sector Reform (Hayne Royal Commission Response No. 2) Act 2021 introduced new requirements for how ongoing adviser fee consents and renewals are to be managed. These requirements came into effect from 1 July 2021 for new ongoing fee arrangements, with a 12-month transition period for existing arrangements.

The new rules require a financial adviser to receive written consent from their client to arrange the deduction of ongoing advice fees from the client's Generation Life account in certain circumstances. This consent must be renewed each year to continue the deduction. A copy of the consent must be provided to Generation Life prior to the deduction of fees from a client's account.

To assist advisers in meeting their obligations, Generation Life has updated its processes and forms to facilitate the receipt of client ongoing fee consents.

What fee arrangements require consent?

Generation Life requires fee consent for certain fee arrangements with annual renewals. The following summarises when fee consents are required.

Type		Consent required	Annual consent renewal
Non-ongoing fees	Initial advice fee	No	N/A
	One-off advice fee	No	N/A
	Future additional contribution fee (excludes fees relating to Regular Savings Plan contributions)	No	N/A
	Adviser service fee – fixed term arrangement (up to 12 months)	No	N/A
Ongoing fees	Adviser service fee – greater than 12 months	Yes	Yes
	Regular Savings Plan contribution fee	Yes	Yes

What forms can be used to change fees?

Fee type	Generation Life Advice fees form	Adviser's/Dealer Group's own fee consent form
Non-ongoing fees <ul style="list-style-type: none"> – Initial advice fee – One-off advice fee – Future additional contribution fee (excludes fees relating to Regular Savings Plan contributions) – Adviser service fee (fixed term arrangement up to 12 months) 	Yes	No
Ongoing fees (where specific consent required) <ul style="list-style-type: none"> – Adviser service fee – greater than 12 months – Regular Savings Plan contribution fee 	Yes	Yes

Generation Life fee forms

The Generation Life Advice fees form includes a fee consent section for ongoing fees where consent is required. The form can also be used to establish or change non-ongoing fee arrangements covering the Initial advice fee, One-off advice fee, and Adviser service fee (for fixed term arrangement up to 12 months). The form is available through our Adviser Online portal.

Our Product Disclosure Statement ('PDS') Application Form includes a consent section for ongoing fees for new accounts as well as an option to select non-ongoing fee arrangements.

Adviser's/Dealer Group's own fee consent form

Where a client consent form has been created by a third party (i.e. not Generation Life) we will accept it for ongoing fee arrangements where the fee consent form meets the following requirements:

- It clearly identifies the name and contact details of the account holder(s) account to which the consent applies
- It clearly states the start and consent anniversary dates
- The fees consented to be deducted from the account clearly match the existing fee arrangement on the client's account and fees on the instruction provided to us by the client
- The adviser details clearly match the adviser on the account
- It has been signed and dated by the account holder(s)

Please note, it is your obligation to make sure your consent follows the requirements set out by the legislation and ASIC. Generation Life will not assess whether the consent complies with regulatory requirements and acceptance of a consent by Generation Life should not be taken as endorsement of the legal validity of the consent and any matter to be disclosed to the client before their consent.

Third party consent forms cannot be used for non-ongoing fee arrangements.

Frequently asked questions

What is an ongoing fee arrangement?

An ongoing fee arrangement allows you to arrange the deduction of a fee from a retail client's account for the provision of personal advice, where the fee arrangement is intended to be paid for more than 12 months.

Ongoing fee arrangements also include advice fees charged for Regular Savings Plan contributions.

Ongoing fee arrangements do not include advice fees intended to be in place before less than 12 months or where the fee is a one-off fee (i.e. initial investment advice fee, one-off advice fee, fixed term arrangement advice fee).

Is consent required for ongoing fee arrangements?

All ongoing fee arrangements must be consented to by the client before the deduction of fees from the client's account. The consent is for a period of 12 months and needs to be renewed each year by the consent anniversary date and a new consent to be provided.

How long does the client have to renew their consent?

Where a consent has been provided, there is a 150-day period from the annual consent anniversary date to obtain a renewed consent.

What happens if the consent renewal isn't received within the 150-day period?

If the renewed consent is not received within the 150-day renewal period, the deduction of ongoing fees will cease 150 days after the anniversary date.

What happens if the client withdraws or does not renew their ongoing fee consent?

If a client provides you with a notice that they withdraw their consent or they do not provide renewal of their consent within the renewal period, then the fee arrangement is terminated. You must notify us of the termination within 10 business days.

Is consent required for non-ongoing fee arrangements?

Where a fee arrangement is not an ongoing fee arrangement, then consent is not required. However, authorisation for the deduction of the fees must be provided either as part of the initial application or using the Advice fees form.

What is a fixed term arrangement advice fee?

The fixed term arrangement fee is designed for arrangements that provide for advice fees to be paid for 12 months or less. A start and end date must be specified. Advice fees will cease to be calculated for deduction once the fixed term ends. Ongoing annual consent is not required, unlike on-going fee arrangements.

The Generation Life Advice fees form must be used for fixed term arrangements on existing accounts. The PDS Application Form can be used when setting up a fixed term arrangement for new accounts.

The fixed term arrangement cannot be used for advice fees associated with Regular Savings Plan contributions.



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