

Advice Fee Consent Form Frequently Asked Questions

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Changes to Adviser Fee Arrangements

The Royal Commission made recommendations to introduce annual renewal of ongoing fee arrangements and a requirement that advisers cannot receive **ongoing advice fees** without first obtaining consent from their client.

This affects the following KeyInvest Investment Bonds:

- Life Events Bond
- Funeral Bond

For FAQs relating to the KeyInvest Investment Bonds above, please refer below.

Ongoing fee arrangements in relation to KeyInvest Investment Bonds — What do the changes mean for advisers?

1. How do the changes affect me when submitting Investment Bond business with KeyInvest?

If you do not charge an ongoing adviser service fee on a KeyInvest Investment Bond, there are no changes to the existing process.

From 1 July 2021, if you charge an ongoing adviser service fee on a KeyInvest Investment Bond, a new fee consent form will be required with all new applications and for existing clients, where an ongoing adviser service fee applies.

IMPORTANT

KeyInvest will not deduct advice fees on new applications for either the LEB or FB without the 'Advice fee consent form' from 1/7/21.

We have prepared a KeyInvest consent form to facilitate client consent in line with the legislation and this can be downloaded from www.keyinvest.com.au if an ongoing adviser service fee applies.

The consent form must be signed by your client each year in order for the ongoing fee to continue to be paid.

2. When is a consent form required and how long is it valid for?

You will need to provide a consent form signed by your client when an ongoing fee arrangement commences on or after 1 July 2021. This is when:

- a. A new KeyInvest Investment Bond application is submitted
- b. An ongoing adviser service fee starts to be paid from an existing policy, or
- c. An ongoing adviser service fee is currently being paid from an existing policy and the amount is being varied.

The fee arrangement starts on the date the consent form is signed by your client and will expire **150 calendar days** after the anniversary of this date.

For example, if a consent form is signed on 1 July 2021, the anniversary date is 1 July 2022 and the expiry date will be 28 November 2022 (150 days after 1 July 2022).

This means you would continue to receive the ongoing service fee until 28 November 2022. A **new consent** form will need to be provided anytime between 1 July 2022 and 28 November 2022 to renew the fee arrangement (refer to question 3).

If a new consent form is not provided by the expiry date, ongoing adviser service fees will **cease to be deducted** from your client's payments and you will no longer receive a fee.

3. What do I need to do to renew the ongoing fee arrangement?

To renew the ongoing fee arrangement, your client will need to sign a new consent form, and the signed consent form will need to be provided to KeyInvest before the current consent period ends. If a signed consent form is not received by this time, ongoing adviser service fees will cease to be deducted from your client's payments and you will no longer receive a fee.

4. What happens with policies that have an ongoing fee arrangement that commenced before 1 July 2021?

Transitional rules apply if an ongoing arrangement began before 1 July 2021, which means that you are not required to provide consent until **30 June 2022**. To continue to receive ongoing adviser service fees after this date, we will require a signed KeyInvest consent form to be returned to us by 30 June 2022.

If we do not receive a signed consent form by 30 June 2022, ongoing adviser service fees will cease to be deducted from your client's payments and you will no longer receive a fee.

Once a consent form is signed, the consent period will start on the date it is signed and will expire 150 calendar days after the anniversary of this date.

For example, if a form is signed on 1 June 2022, the anniversary date is 1 June 2023 and the expiry date will be 29 October 2023 (150 days after 1 June 2023).

This means you would continue to receive the ongoing adviser service fee until 29 October 2023. A new consent form will need to be provided anytime between 1 June 2023 and 29 October 2023 to renew the fee arrangement (refer to question 3).

5. My client signed a consent form before the consent period ended but by the time KeyInvest received the consent form, the consent period had ended. How will this be handled?

If KeyInvest receives a form after the consent period has expired, we will not back pay any ongoing adviser service fees that would have been paid to you had we received the consent form before the consent period ended.

6. How do I get a copy of the consent form?

From 1 July 2021, the consent form will be available to download from our website: www.keyinvest.com.au. You can also contact our Adviser Services team on 1300 658 904

7. Will KeyInvest be accepting digital signatures on the form e.g. DocuSign?

At this stage, we cannot accept digital signatures via DocuSign. Your client will need to sign a printed copy of the consent form. However, we will be able to accept a scanned copy of the signed form via email to info@keyinvest.com.au

If you have further questions on these changes, please contact your KeyInvest Business Development Manager or our Adviser Services Team on 1300 658 904.

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