



FOR IMMEDIATE RELEASE
April 25, 2012

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Financial Planning Coalition Announces United Opposition to Legislation Creating an SRO for Investment Advisers

Coalition Argues that Enhancing Existing Oversight is Better, More Cost-Effective Option than Creation an Added Layer of Regulation

WASHINGTON, DC (April 25, 2012) – The Financial Planning Coalition released the following statement in response to the introduction of the Investment Adviser Act of 2012, sponsored by House Financial Services Committee Chairman Spencer Bachus and Representative Carolyn McCarthy:

“While we agree with Chairman Bachus that better oversight of investment advisers is needed, we oppose the legislation introduced in the House of Representatives. As a recent Boston Consulting Group study found, outsourcing SEC oversight to a new SRO would be twice as expensive as directing adequate resources to the current SEC oversight program. Building on the SEC’s existing infrastructure and experience is a better option than creating an added layer of regulation, and could be accomplished more quickly and effectively, and at far less cost.

“Creating an SRO for investment advisers would unnecessarily burden small business owners with additional costs.

“Investment advisers are overwhelmingly opposed to a FINRA SRO. More than 80% of advisers surveyed said they would prefer continued SEC oversight to being regulated by FINRA, an SRO for broker-dealers.

“We look forward to working with the Chairman and others to find an effective way to address the oversight issue without unduly burdening investment advisers. More frequent examinations will help weed out bad actors who would harm investors and undermine the trust that advisers work so hard to earn.”

About the Financial Planning Coalition

The Financial Planning Coalition, a group representing nearly 75,000 financial planners, is a collaboration of Certified Financial Planner Board of Standards, Inc. (CFP Board), the Financial Planning Association® (FPA®), and the National Association of Personal Financial Advisors (NAPFA) formed to advise legislators and regulators on how to best protect consumers by ensuring financial planning services are delivered with fiduciary accountability and transparency. To learn more, please visit www.FinancialPlanningCoalition.com.

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