

TOOLBOX

Guide to financial planning acronyms

SUE VISKOVIC has developed a quick-reference guide to the most commonly used financial planning acronyms.

The use of acronyms in the financial planning industry is so widespread that keeping track can be a challenge for even the most seasoned professional.

Inability to decipher correspondence, both written and verbal, is a common complaint from new recruits to the industry, regardless of whether they work in

funds management or advice firms.

It becomes even more of an issue for newcomers who work on the periphery, such as recruitment consultants, software providers, and so on.

With this in mind, Elixir Consulting has developed this reference guide that covers 90 of the acronyms

most frequently used in financial planning.

The list is by no means exhaustive, and will need to be updated regularly.

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Standard and Poor's (S&P) has released its 2008 International Property Securities Sector Report, which reports on the sector and product ratings covering 22 managers.

The review's most significant finding was the degree of impact that the credit crisis had on performance.

"The international property securities sector performance has been terrible over the past year," S&P fund analyst Peter Ward said. "While property securities in most global markets are now trading at a discount to net asset value and appear to be of better value than they were a year ago, the performance of the sector remains susceptible to the impacts of the global credit crisis and the ensuing softening property fundamentals and economic conditions. As a consequence, we expect market volatility to continue," Ward said. The sector report is available on Standard and Poor's subscription web site at www.assirt.com.au.

Aviva Australia has announced new online technology that will enable advisers to set up pension accounts within 10 minutes and payments for their clients in as little as three days.

This new functionality will revolutionise the set up process for typical transition to retirement strategies, making it simpler and easier than ever before.

In the past, customers of some platforms have waited up to 60 days to start receiving their payments due to difficult set-up procedures and manual processing delays.

Advisers using the new transfer technology will pass on the benefits to their clients, especially those who need fast access to their pension payments and are not prepared to wait for months.

Simon Dowd, general manager of Financial Planning from R Financial Educators, has already embraced the technology.

"Aviva's online superannuation to pension transfer facility will save countless hours of administration within our organisation. The online transfer of assets from superannuation to pension is a complement to Aviva's existing suite of straight-through processing."

Aviva was the first platform to offer transition to retirement in 2005 and has now taken the process to a new level by adding fast online transfers.

Advisers can utilise straight-through processing to set up pension accounts and submit a full or partial transfer from the superannuation to a pension account in 10 minutes.

Aviva's n-link technology is online advice software that links an adviser's office to Aviva's products and administrative system.

FINANCIAL PLANNING ACRONYMS

ABP	Account Based Pension	IFA	Independent Financial Adviser
AFA	Association of Financial Advisers	IFSA	Investment and Financial Service Association
AFSL	Australian Financial Services Licence	IMA	Individually Managed Accounts
AIMA	Alternative Investment Management Association	IMF	International Monetary Fund
AIST	Australian Institute of Superannuation Trustees	IPO	Initial Public Offering
AML	Anti-Money Laundering	LITO	Low Income Tax Offset
APRA	Australian Prudential Regulation Authority	LPT	Listed Property Trusts
AR	Authorised Representative(s)	M & A	Merger and Acquisition
ASFA	Association of Superannuation Funds of Australia	MATO	Mature Age Tax Offset
ASIC	Australian Securities and Investments Commission	MDA	Managed Discretionary Account
ASX	Australian Stock Exchange	MDC	Maximum Deductible Contribution, now known as Concessional Contributions
ATO	Australian Taxation Office	MER	Management Expense Ratio
ATP	Authority to Proceed	MIS	Managed Investment Scheme
AWOTE	Average Weekly Ordinary Times Earnings	MTR	Marginal Tax Rate
BAS	Business Activity Statement	NCAP	Non-Commutable Allocated Pension
BRW	Business Review Weekly	NCC	Non-Concessional Contributions
CA	Chartered Accountant	NTA	Net Tangible Assets
CAR	Corporate Authorised Representative	PAYG	Pay as you go (tax)
CC	Concessional Contributions	PBS	Pension Bonus Scheme
CCC	Concessional Contribution Cap	PDS	Product Disclosure Statement
CDF	Client Data Form (also known as Fact Find)	PI	Professional Indemnity (Insurance)
CFP	Certified Financial Planner	PST	Pooled Superannuation Trust
CGT	Capital Gains Tax	PVF	Pension Valuation Factor
CHESS	Clearing House Electronic Sub-register System	RBA	Reserve Bank of Australia
CPA	Certified Practising Accountant	RBL	Reasonable Benefit Limits
CPD/PD	Continuing Professional Development/Professional Development	RCV	Residual Capital Value
CPI	Consumer Price Index	RE	Responsible Entity
CTF	Counter Terrorism Funding	RO	Responsible Officer
DVA	Dept of Veterans Affairs	ROA	Record of Advice
EPS	Earnings per share	ROI	Return on Investment
ETP	Eligible Termination Payment	S & P	Standard and Poor's
EU	Enforceable Undertaking	SAR	Sub-Authorised Representative
FBT	Fringe Benefits Tax	SATO	Senior Australian's Tax Offset
FICS	Financial Industry Complaints Scheme	SEQUAL	Senior Australian Equity Release Association of Lenders
FIS Officer	Financial Information Service Officer (Centrelink)	SG	Super Guarantee
FNA	Financial Needs Analysis (also known as Fact Find)	SMA	Separately Managed Accounts
FPA	Financial Planning Association	SMSF	Self Managed Super Fund
FSG	Financial Services Guide	SOA	Statement of Advice
FSR	Financial Services Reform	SOAA	Statement of Additional Advice
FUM/FUA	Funds Under Management/Funds Under Advice	TAP	Term Allocated Pension
GST	Goods and Services Tax	TFN	Tax File Number
		TTR	Transition to Retirement
		TTRP	Transition to Retirement Pension
		UDC	Undeducted Contribution, now known as Non-Concessional Contributions

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