

Submission on discussion document: *Exposure draft: Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2019*

Your name and organisation

Name	Rory O'Neill
Organisation	Finzo NZ Limited

Responses to discussion document questions

1	<p>Will the proposed record-keeping requirement be workable in practice?</p> <p>Yes, the use of a CRM throughout the advice process will ensure that disclosure is recorded and time stamped</p>
2	<p>Do you have any comments on the drafting of the Regulations that will require information to be made publicly available?</p> <p>We are supportive of the requirement to make information more publicly available. The information is contained currently within primary and secondary disclosure statements which are generally available on a financial adviser's website</p>
3	<p>Do you have any comments on the draft Regulations that will require the disclosure of information when the nature and scope of the advice is known?</p> <p>We are supportive of the requirement to disclose information once the nature and scope of advice is known. The vast majority of this information is already disclosed in a scope of service</p>
4	<p>Do you have any comments on the draft Regulations that will require the disclosure of information when the financial advice is given?</p> <p>We are supportive of the requirement to disclose information when advice is given. The vast majority of this information is already disclosed in a statement of advice</p>

5

Do you have any comments on the draft Regulations that will require the disclosure of a provider's complaints handling and dispute resolution processes when a complaint is received?

We are supportive of this requirement. Disclosure statements contain details of whom to contact within an organisation to make a complaint (or expression of dissatisfaction) and details of an advisers dispute resolution provider

6

Do you have any comments on the draft Regulations that set the manner in which information must be disclosed?

We are in agreement with the regulations which sets out the manner in which information must be disclosed

7

Are there instances in your business when regulation 229D might apply to someone who is not the one to give advice to the client? Please give examples and provide any comments on how the draft Regulations apply in such scenarios.

In our business this will not be the case

8

Do you have any further comments on new regulation 229A to 229H of the draft Regulations?

We are supportive of the disclosure requirements including placing a monetary value on the cost of the advice that is being given. This would include initial and ongoing remuneration. The disclosure should be transparent and take account any remuneration received by way of brokerage, internal and external referral fee arrangements, FX and TT fees, margins derived from cash account, custody and margin loan balances.

Furthermore, the remuneration disclosure should include any remuneration earned by a parent or subsidiary company that could be paid to the adviser. (vertically integrated advice entities)

9

Do you have any further comments on new Schedule 21A in the draft Regulations?

No further comments

10

What (if any) transitional provisions should be included in the regulations?

We believe that the period of transitional licencing November 2019 to June 2020 provides plenty of time to consider requirements and make the requisite changes. The Financial Services Legislation Amendment Act and the associated code of conduct have been well publicised. Providers should have been preparing well in advance of even applying for a transitional licence.