

Submission on Exposure draft regulations on sales incentives under new conduct regime

Your name and organisation

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Organisation (if applicable)	G3 Financial Freedom Limited

Responses to consultation document questions

Prohibited incentives	
1	<p><i>Do you consider that the draft regulations give effect to Cabinet’s decision to prohibit sales incentives based on volume or value targets? If not, why not?</i></p> <p>Yes</p>
2	<p><i>Do you have any comments on the examples chosen of a prohibited incentive and a non-prohibited incentive?</i></p> <p><i>Yes – within 237B remove the words “or other threshold” from the prohibited incentive definition. This needs to be a prescriptive definition and I have concerns that leaving these words can be open to interpretation. They add nothing to the final sentence and would be wise to delete to remove any ambiguity.</i></p>
3	<p><i>Do you have any other comments on the way the draft regulations define prohibited incentives?</i></p> <p><i>Yes – see note 2 above</i></p>
Recipient of incentive	
4	<p><i>Do you have any comments on the definition of ‘relevant person’ in relation to a financial institution or an intermediary?</i></p> <p>No</p>
Exclusion of senior managers and executives from the incentive prohibition	
5	<p><i>Do you have any comments on the application of the draft regulations to senior managers and executives?</i></p> <p>No</p>

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Do you have any other additional general comments on the exposure draft regulations?

For example, do you see any unintended consequences arising from the draft regulations in relation to any other matters? Are there any areas where the application of the draft regulations is unclear and could benefit from additional examples or guidance?

No

Other Comments

None