

#1



INCOMPLETE

PAGE 2: Role and regulation of financial advice

Q1: Do you agree that financial adviser regulation should seek to achieve the identified goals? If not, why not?

Agree

Q2: What goals do you consider should be more or less important in deciding how to regulate financial advisers?

The first goal should be to ensure that the general public can access quality advice for FREE from advisers, if they wish.

Q3: Does this definition adequately capture what financial advice is? If not, what changes should be considered?

Agree

Q4: Is the distinction in the Financial Advisers Act (FA Act) between wholesale and retail clients appropriate and effective? If not, what changes should be considered?

Irrelevant to most advisers

Q5: Is the distinction in the Act between a personalised financial service and a class service appropriate and effective? If not, what changes should be considered?

The distinction and having this option is crucial to enable clients to get SOME advice, rather than NONE.

Q6: Is it appropriate to have different requirements on advisers depending on the risk and complexity of the products they advise upon?

Yes - Financial Planners and Investment Advisers are a completely different beast from an insurance or mortgage adviser. If we are honest - most 'average' people will not seek out professional advice if they have to pay for it.

Q7: Does the current categorisation system accurately reflect the level of complexity and risk associated with financial products? If not, how could it be improved?

KiwiSaver should be a Category 2 product. It is an investment product, but you would find it difficult to find an individual for whom it is NOT a good idea to belong. It is probably the most regulated and policed product. Very difficult to mis-sell or mis-advise.

Q8: Do you think that the term Registered Financial Adviser (RFA) gives consumers an accurate understanding of what these advisers are permitted to provide advice on and the requirements that apply to them? If not, should an alternative term be considered?

All these designations are MEANINGLESS to the general public. They are not even that interested in having the differences explained to them! They are also completely disinterested in reading the reams of paperwork they have to read and sign (disclosures etc). Having three designations is ridiculous and confusing.

Q9: Are the general conduct requirements applying to all financial advisers, including RFAs, appropriate and adequate? If not, what changes should be considered?

General Code of Conduct is sensible for all.

Q10: Do you think that disclosing this information is adequate for consumers? Should RFAs be required to disclose any additional information?

Most RFA's already disclose. Clients really don't care about commissions - and I don't believe advisers change their advice to chase commissions.

Q11: Are there any particular issues with the regulation of RFA entities that we should consider?

Don't make it any harder to become an adviser. We need MORE advisers, not less. A university degree should not be compulsory for simple advice on products such as mortgages and insurance.

Q12: Are the costs of maintaining an adviser business statement justified by its benefits? If not, what changes should be considered?

No. Paperwork for the sake of it. Completely pointless. Do away with them.

Q13: Is the distinction between an investment planning service and financial advice well understood by advisers and their clients? Are any changes needed to the way that an investment planning service is regulated?

This distinction is NOT understood, and it should even go further. You should not lump DIMS advisers in with KiwiSaver advisers - no similarity at all.

Q14: To what extent do advisers need to exercise some degree of discretion in relation to their clients' investments as part of their normal role?

None

Q15: Should any changes be considered to reduce the costs on advisers who exercise some discretion, but are not offering a funds management-type service?

Yes - any cost reduction would be welcomed. Funds Management and DIMS should remain highly regulated, but don't tarnish the rest of the advisers with this category.

Q16: Are the current disclosure requirements for Authorised Financial Advisers (AFAs) adequate and useful for consumers?

Too much to read, no-one really understands or cares. Yet to find one client that finds it useful.

Q17: Should any changes be considered to improve the relevance of these documents to consumers and to reduce the costs of producing them?

Shorten them, and keep them templated.

Q18: Do you think that the process for the development and approval of the Code of Professional Conduct works well?

Somewhat. Seems like it has become a mission to try and segment out truly 'risky' advice - such as DIMS.

Q19: Should any changes to the role or composition of the Code Committee be considered?

There should be an representative of RFA's on the committee.

Q20: Is the Financial Advisers Disciplinary Committee an effective mechanism to discipline misconduct against AFAs?

Yet to see...

Q21: Should the jurisdiction of this Committee be expanded?

Scary - to broad a question.

Q22: Does the limited public transparency around the obligations of Qualifying Financial Entities (QFEs) undermine public confidence and understanding of this part of the regulatory regime?

Totally. There really seems to be two sets of rules - one for QFE advisers, and one for others. QFE advisers/bank staff can get away with dreadful advice without any comeback.

Q23: Should any changes be considered to promote transparency of QFE obligations?

Yes - the public should be aware that they can only advise on their own products. The public are not aware of this.

Q24: Are the current disclosure requirements for QFE advisers adequate and useful for consumers?

Useless. Generic pretty brochure from the bank.

Q25: Should any changes be considered to improve the relevance of these documents to consumers or to reduce the costs of producing them?

I don't overly care about QFE compliance costs. They should shoulder most of the regulatory burden.

Q26: How well understood are the broker requirements in the FA Act? How could understanding be improved?

This Act has destroyed the word 'Broker'. As much as advisers are happy to be called advisers, the general public still consider a mortgage adviser a mortgage 'broker' and really could care less about the subtle differences.

Q27: Are these requirements necessary and/or adequate to protect client assets? If not, why not?

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Q28: Should consideration be given to introducing disclosure requirements for brokers? If so, what would need to be disclosed and why?

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Q29: What would be the costs and benefits of applying the broker requirements in the FA Act to insurance intermediaries?

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Q30: Are the requirements on custodians effective in reducing the risk of client losses due to misappropriation or mismanagement?

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Q31: Should any changes to these requirements be considered?

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Q32: Is the scope of the FA Act exemptions appropriate? What changes should be considered and why?

Accountants and Solicitors should be captured if they are giving financial advice.

Q33: Does the FA Act provide the Financial Markets Authority (FMA) with appropriate enforcement powers? If not, what changes should be considered?

Yes

Q34: How accessible and useful is the guidance issued by the FMA? Are there any improvements you would like to see?

Good efforts in communication.

PAGE 3: Key FA Act questions for the review

Q35: What changes should be considered to make the current regulatory regime simpler and easier for consumers to understand? For example, removing or clarifying the distinction between AFAs and RFAs.

Respondent skipped this question

Q36: To what extent do consumers understand that some financial advisers' primary roles may be selling financial products, rather than solely acting as an unbiased adviser to their clients?

Respondent skipped this question

Q37: Should there be a clearer distinction between sales, information provision, and advice? How should such a distinction be drawn? What should or should not be included in the definition of financial advice?

Respondent skipped this question

Q38: Do you think that current AFA disclosure requirements are effective in overcoming problems associated with commissions and other conflicts of interest?

Respondent skipped this question

Q39: How do you think that AFA information disclosure requirements could be improved to better assist consumer decision making?

Respondent skipped this question

Q40: Do you support commission and conflict of interest disclosure requirements being applied to all financial advisers? If so, what requirements are appropriate for different adviser types?

Respondent skipped this question

Q41: Do you think that commissions should be restricted or banned in relation to financial advice, and if so, in what way? What would be the costs and benefits of such an approach?

Respondent skipped this question

Q42: Has the right balance been struck between ensuring advisers meet minimum quality standards and ensuring there is competition from a wide range of providers (and potential providers)?

Respondent skipped this question

Q43: What changes could be made to increase the levels of competition between advisers?

Respondent skipped this question

Q44: Do you think that the Code of Professional Conduct for AFAs strikes the right balance between requiring them to understand their clients and ensuring that consumers can get advice on discrete issues?

Respondent skipped this question

Q45: To what extent do you think that the categorisation of types of advice and advisers is distorting the types of advice and information that is provided?

Respondent skipped this question

Q46: Are there specific compliance requirements from the FA Act regulation that have affected the cost and availability of independent financial advice?

Respondent skipped this question

Q47: How can regulatory requirements be made less onerous without reducing the quality and availability of financial advice?

Respondent skipped this question

Q48: What impact has the Anti-Money Laundering and Countering Finance of Terrorism Act had on compliance costs for advisers? How could these costs be minimised?

Respondent skipped this question

Q49: What impact do you expect that KiwiSaver decumulation will have on the market for financial advice in New Zealand? Are any specific changes to regulation needed to specifically promote the availability of KiwiSaver advice?

Respondent skipped this question

Q50: What impact do you expect that the introduction of the Financial Markets Conduct Act (FMC Act) will have on the market for financial advice in New Zealand? Should any changes to the regulation of advice be considered in response to these changes?

Respondent skipped this question

Q51: Do you think that international financial advice is likely to increase? Is the FA Act set up appropriately to facilitate and regulate this?

Respondent skipped this question

Q52: How beneficial are the current arrangements for trans-Tasman mutual recognition of qualifications? Should further arrangements be considered?

Respondent skipped this question

Q53: In what ways do you expect new technologies will change the market for financial advice?

Respondent skipped this question

Q54: How can government keep pace with technological developments to ensure that quality standards for advice are maintained, without inhibiting innovation?

Respondent skipped this question

Q55: Are the minimum ethical standards for AFAs appropriate and have they succeeded in fostering the ethical behaviour of AFAs?

Respondent skipped this question

Q56: Should the same or similar ethical standards apply to all types of financial advisers?

Respondent skipped this question

Q57: What is an appropriate minimum qualification level for AFAs?

Respondent skipped this question

Q58: Do you think that RFAs (for example insurance or mortgage brokers) should be required to meet a minimum qualification relevant to the area of advice they specialise in? If so, what would be an appropriate minimum qualification?

Respondent skipped this question

Q59: How much consideration should be given to aligning adviser qualifications with those applying in other countries, particularly Australia?

Respondent skipped this question

Q60: How effective have professional bodies been at fostering professionalism among advisers?

Respondent skipped this question

Q61: Do you think that professional bodies should play a formal role in the regulation of financial advisers and if so, how?

Respondent skipped this question

Q62: Should any changes be considered to the relative obligations of individual advisers and the businesses they represent? If so, what changes should be considered?

Respondent skipped this question

Q63: Is the QFE system achieving its goals in terms of consumer protection and reducing compliance costs for large entities? If not, what changes should be considered?

Respondent skipped this question

PAGE 4: Role of financial service provider registration and dispute resolution

Q64: Do you agree that the Register should seek to achieve the identified goals? If not, why not?

Respondent skipped this question

Q65: What goals do you consider should be more or less important in reviewing the operation of the Register?

Respondent skipped this question

Q66: Do you agree that the dispute resolution regime should seek to achieve the identified goals? If not, why not?

Respondent skipped this question

Q67: What goals do you consider should be more or less important in reviewing the dispute resolution regime?

Respondent skipped this question

PAGE 5: How the FSP Act works

Q68: Does the FMA need any other tools to encourage compliance with financial service provider (FSP) registration? If so, what tools would be appropriate?

Respondent skipped this question

Q69: What changes, if any, to the minimum registration requirements should be considered?

Respondent skipped this question

Q70: Does the requirement to belong to a dispute resolution scheme apply to the right types of financial service providers?

Respondent skipped this question

Q71: Is the current framework for the approval of dispute resolution schemes appropriate? What changes, if any, should be considered?

Respondent skipped this question

Q72: Is the current framework for monitoring dispute resolution schemes adequate? What changes, if any, should be considered?

Respondent skipped this question

Q73: Is the existence of multiple schemes and the incentive to retain and attract members sufficient to ensure that the schemes remain efficient and membership fees are controlled?

Respondent skipped this question

Q74: Should the \$200,000 jurisdictional limit on the size of claims that dispute resolution schemes can hear be raised in respect of other types of financial services, and if so, what would be an appropriate limit?

Respondent skipped this question

Q75: Should additional requirements to ensure that financial service providers are able to pay compensation to consumers be considered in New Zealand?

Respondent skipped this question

PAGE 6: Key FSP Act questions for the review

Q76: What features or information would make the Register more useful for consumers?

Respondent skipped this question

Q77: Would it be appropriate for the Register to include information on a financial adviser's qualifications or their disciplinary record?

Respondent skipped this question

Q78: Do you consider misuse of the Register by offshore financial service providers is a significant risk to New Zealand's reputation as a well-regulated jurisdiction and/or to New Zealand businesses?

Respondent skipped this question

Q79: Are there any changes to the scope of the registration requirements or the powers of regulators that should be considered in response to this issue?

Respondent skipped this question

Q80: What are the effects of (positive and negative) competition between dispute resolution schemes on effective dispute resolution?

Respondent skipped this question

Q81: Are there ways to mitigate the issues identified without losing the benefits of a multiple scheme structure?

Respondent skipped this question

Q82: Are the current regulatory settings adequate in raising awareness of available dispute resolution options? How could awareness be improved?

Respondent skipped this question

PAGE 7: Demographics

Q83: Please provide your name and/or the name of the group of people, business, or organisation you are providing this submission on behalf of:

Respondent skipped this question

Q84: Please provide your contact details:

Respondent skipped this question

Q85: Are you providing this submission:

Respondent skipped this question

Q86: If submitting on behalf of an organisation: How many people are in the organisation, or work in the organisation, that you are providing this submission on behalf of?

Respondent skipped this question

Q87: I would like my submission (or specified parts of my submission) to be kept confidential, and explain my reasons for this, for consideration by MBIE:

Respondent skipped this question