

#51

COMPLETE

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Page 3

**Q1** Overall, do you agree or disagree with [standard 1] and proposed commentary? **Agree**

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**Q2** Please provide any comments on [standard 1] and the proposed commentary. **Respondent skipped this question**

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Page 4

**Q3** Overall, do you agree or disagree with [standard 2] and proposed commentary? **Agree**

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**Q4** Please provide any comments on [standard 2] and the proposed commentary. **Respondent skipped this question**

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Page 5

**Q5** Overall, do you agree or disagree with [standard 3] and proposed commentary? **Agree**

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**Q6** Please provide any comments on [standard 3] and the proposed commentary.

Needs to be supported by an effective regulatory oversight and enforcement regime.

The findings of the Australian Royal Commission highlighted that in the absence of any effective consequences, advisers naturally reverted to self-interest, despite their being a legal obligation to prioritise client interests. We risk the same outcome here without further consideration of the Australian findings and measures taken to mitigate this risk there.

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Page 6

**Q7** Overall, do you agree or disagree with [standard 4] and proposed commentary? **Agree**

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**Q8** Please provide any comments on [standard 4] and the proposed commentary. **Respondent skipped this question**

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Page 7

**Q9** Overall, do you agree or disagree with [standard 5] and proposed commentary? **Agree**

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**Q10** Please provide any comments on [standard 5] and the proposed commentary.

Supportive that the draft code recognizes the broad range of advice that can be provided and provides for flexibility in approaches to determining what is an appropriate level of enquiry to reach a suitable advice outcome.

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Page 8

**Q11** Overall, do you agree or disagree with [standard 6] and proposed commentary? **Neither agree nor disagree**

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**Q12** Please provide any comments on [standard 6] and the proposed commentary.

We do have some concerns that this standard implies a higher burden of privacy than exists already under legislation. The implication may be the imposing of significant cost to upgrade electronic document storage facilities to meet the expectations set out in the commentary.

There is also a significant question around just how long information should be held for the purposes of a financial advice engagement? At the very least, we would view this as being for as long as there is a business relationship. This is on the basis that factors from previous advice interactions may impact on the suitability of future ones. For this same reason, it could also be reasonable to retain advice histories beyond the termination of a business relationship where it is possible that a client may seek advice again at some point in the future.

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Page 9

**Q13** Overall, do you agree or disagree with [standard 7] and proposed commentary? **Agree**

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**Q14** Please provide any comments on [standard 7] and the proposed commentary. **Respondent skipped this question**

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Page 10

**Q15** Overall, do you agree or disagree with [standard 8] and proposed commentary? **Agree**

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**Q16** Please provide any comments on [standard 8] and the proposed commentary. **Respondent skipped this question**

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Page 12

**Q17** Overall, do you agree or disagree with [standard 9] and proposed commentary? **Neither agree nor disagree**

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**Q18** Please provide any comments on [standard 9] and the proposed commentary.

Clarity should be provided as whether the standard for individuals is a Level 5 qualification "and" is an AFA, or is a Level 5 qualification "or" is an AFA.

At the moment there appears to be confusion as to whether a person who has achieved a Level 5 qualification, but not sought to be authorized as an AFA would meet the expected standard.

We do support the ability of FAPs to deliver training to their nominated representatives. But at this early stage it is difficult to ascertain the complexity and cost that will be involved to provide the training or development needs for nominated representatives to achieve and maintain equivalency when there are no minimum criteria set.

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Page 13

**Q19** Overall, do you agree or disagree with [standard 10] and proposed commentary? **Agree**

**Q20** Please provide any comments on [standard 10] and the proposed comentary.

Support that the draft code does not propose specific hours for CPD. It is important that the regime allow for the broad scopes and types of advice that can be provided. It is our view that an appropriate level of continuing professional education may vary between advisers or nominated representatives and that FAPs and/or professional bodies, should be able to determine what is appropriate.

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Page 14

**Q21** Overall, do you agree or disagree with [standard 11] and proposed commentary? **Neither agree nor disagree**

**Q22** Please provide any comments on [standard 11] and the proposed commentary. **Respondent skipped this question**

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Page 15

**Q23** Overall, do you agree or disagree with [standard 12] and proposed commentary? **Agree**

**Q24** Please provide any comments on [standard 12] and the proposed commentary. **Respondent skipped this question**

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Page 16

**Q25** Is there anything missing from the draft Code? **No**

**Q26** If you answered yes, what is missing? **Respondent skipped this question**

**Q27** Do you have any feedback on the examples, or suggestions on other examples that should be included in the draft Code?

No

**Q28** Is there anything else you want to say?

No.

Page 17

**Q29** Name

Adrian Rumney

**Q30** Your role or professional title

Compliance Manager

**Q31** Individual or organisational submission

This is a submission on behalf of an organisation (eg employer)

**Q32** If you give financial advice...

Respondent skipped this question

**Q33** My organisation or I give the following types of advice...

Fire and general insurance

Investments,

Life and/or health insurance

**Q34** Organisation Name

Medical Assurance Society New Zealand Limited

**Q35** Type of organisation

Insurer,

Investment firm

**Q36** Size of organisation

Large firm (50+ staff)

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Code Working Group - Online Submission Form

**Q37** If there are other things we should know about you or your business that would provide context to your answers, please provide details below.

MAS is a licensed QFE entity that provides a suite of financial products (general insurances, life and disability insurances and superannuation (including KiwiSaver) funds) to MAS Members through its own network of QFE advisers and AFAs supported by a national Member Support Centre.

All advisers are employees of MAS, each receive a fixed salary to service Members, and have their performance assessed on the quality of the service that they provide to Members.

The scope of financial advice services provided by MAS advisers is limited to the provision of financial advice on MAS products and services.

MAS advisers do not give financial advice on products provided by other product providers.

**Q38** Please indicate whether your submission contains any information that is confidential or whether you do not wish your name or any other personal information to be included in a summary of submissions. **Respondent skipped this question**

**Q39** Please provide your contact details (email and/or phone number) This is the only question that requires an answer. This information would not be released publicly. We may get in touch with you in order to help us understand particular points from your submission.

s 9(2)(a)

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