

#98

COMPLETE

Collector: Web Link 3 (Web Link)
Started: Wednesday, October 31, 2018 3:40:51 PM
Last Modified: Friday, November 09, 2018 3:13:57 PM
Time Spent: Over a week

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

Q2 Please provide any comments on [standard 1] and the proposed commentary.

No further comments

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

Q4 Please provide any comments on [standard 2] and the proposed commentary.

No further comments.

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

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

No further comments

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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.

Use of terms such as 'reasonable' and 'ensure' brings in a subjective interpretation of the obligation, which can lead to inconsistent behaviour. We recommend that similar to the requirements in the Product Disclosure Statement for Managed Investment Scheme products, there should be a prescriptive requirement to have basic concepts in financial education covered in the Statement of Advice provided to the clients.

For example some of the concepts that can be defined and explained are

- a. Types of Asset Classes
- b. Risk associated with asset classes
- c. Different types of risks (similar to what's in product disclosure statement)
- d. Concept of volatility
- e. Diversification

The client and adviser can acknowledge that the basic concepts have been discussed and any client concern addressed before proceeding with the implementation.

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

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

No further comments

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Q11 Overall, do you agree or disagree with [standard 6] and proposed commentary? **Disagree**

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

This principle largely reflects the New Zealand privacy legislation and therefore it is unnecessary to include it separately within the Code. We do not consider it expands beyond legal obligations and consider that it may be better to refer to 'confidentiality' which is a contractual obligation.

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

Q14 Please provide any comments on [standard 7] and the proposed commentary.

No further comments

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

Q16 Please provide any comments on [standard 8] and the proposed commentary.

No further comments

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Q17 Overall, do you agree or disagree with [standard 9] **Agree** and proposed commentary?

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

No further comments

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

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

No further comments

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Q21 Overall, do you agree or disagree with [standard 11] **Agree** and proposed commentary?

Q22 Please provide any comments on [standard 11] and the proposed commentary.

Agree in principle. However, in order to ensure the advisers operate at the right competency levels, the minimum standards should be prescribed under regulation rather than addressing it under the code of conduct.

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

Q24 Please provide any comments on [standard 12] and the proposed commentary.

21. Agree in principle. However, in order to ensure the advisers operate at the right competency levels, the minimum standards should be prescribed under regulation rather than addressing it under the code of conduct.

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Code Working Group - Online Submission Form

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? **Respondent skipped this question**

Q28 Is there anything else you want to say?

It would be helpful to include more guidance on what will happen if the Code is breached. In addition, to better understand the reasoning behind this draft Code, we consider it would be useful for a full summary of the initial round of submissions to be released.

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Q29 Name

Sumita Paul

Q30 Your role or professional title

Head of Distribution

Q31 Individual or organisational submission

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

Q32 If you give financial advice...

**I am an
AFA**

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

Investments

Q34 Organisation Name

Openly Investing Ltd

Q35 Type of organisation

Investment firm

Q36 Size of organisation

**Small firm (1-10
staff)**

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. **Respondent skipped this question**

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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