

#97

COMPLETE

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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.

In general, the wording and phrases used through-out the Code needs to be strengthened so a clear interpretation of their meaning can be obtained. e.g "act in their interests" is stated baldly with no explanation.

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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.

In general, the wording and phrases used through-out the Code needs to be strengthened so a clear interpretation of their meaning can be obtained. e.g "consistently does the right thing" is stated baldly with no explanation.

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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.

Agree with partial change

(1) Remove bullet point 1- where practicable, avoid conflicts of interest.

This standard is about managing conflicts of interest not avoiding conflicts of interest.

(2) Remove the reference to the legislation

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

Q8 Please provide any comments on [standard 4] and the proposed commentary.

The example should be changed to a more appropriate example.

The provided example begs the question "if the benefits are similar why would you be changing the policy?". Then, if the scope had excluded a comparison of the policies why would you go into explanation?

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

Respondent skipped this question

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

Respondent skipped this question

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

Respondent skipped this question

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

Respondent skipped this question

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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.

Include in Standard:

A person who gives financial advice must provide clear procedures for resolving complaints by clients through both internal and external complaints processes.

The internal complaints procedures:

The commentary on the internal complaints process should be expanded to include more steps and to make clear that it is only after the inability to achieve resolution in the internal process that the complaint needs to be referred to the EDRS.

The EDRS controls its own process.

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

Respondent skipped this question

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

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

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

1. There is a lack of accord in practice between the standard you intend and the qualification you are prepared to accept as meeting that standard. The former is Level 5 Core and Financial Advice Strand; the latter is Core and any one of the other strands.

Our understanding is very few NZ Certificates are obtained with the Financial Advice Strand. We believe well over 80% of the awarded certificate to date have one of the technical strands as opposed to the financial advice strand.

2. Your intention is there to be an unlimited number of ways to meet the standard. However, the way the draft code is constructed suggests there are only 2 ways for individuals to obtain this (the 2 bullet points). This is out of line with the intention of the Code Working Group.

3. The standard as written suggests a nominated representative is equivalent to a financial adviser. This is considered absurd as the requirements for a nominated representative are

- a) The FAP has determined the learning outcomes required for the role the nominated representative will perform; and
- b) The FAP has processes and procedures that means the Nominated Representative is a Financial Adviser.

The requirements for a financial adviser must meet the NZQA qualification outcomes as set out in the standard.

These two are clearly not the same.

4. The examples hardly represent typical or tricky situations that need explanation.

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

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

The Standard needs to require a personal CPD plan and to determine the quantity and quality of continuing professional development.

There should be a requirement for financial advisers and nominated representatives to create an annual CPD plan, complete a minimum number of 15 CPD hours p.a. and maintain a CPD log.

CPD must be relevant to the individual's CPD plan, be provided by a qualified educator or relevant subject matter expert, and there must be external verification that the CPD actually occurred.

We believe the current Code for AFAs should be the template for this standard.

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

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

(1) We do not think a nominated representative should be able to provide an investment plan as defined in the statute.

(2) We note this does not limit nominated representatives from providing advice for KiwiSaver so long as it is restricted to product advice.

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Q23 Overall, do you agree or disagree with [standard 12] and proposed commentary? **Respondent skipped this question**

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

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Q25 Is there anything missing from the draft Code? **Respondent skipped this question**

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? **Respondent skipped this question**

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Q29 Name

Stakeholder Engagement Group

Q30 Your role or professional title **Respondent skipped this question**

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...

Respondent skipped this question

Q34 Organisation Name

Stakeholder Engagement Group -The Association, Financial Advice New Zealand, IBANZ, SiFA, Triple A

Q35 Type of organisation

Industry body

Q36 Size of organisation

Respondent skipped this question

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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