

#46

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.

There may be an issue in terms of how precise statements such as "act in the client's interests" can be.

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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.

Once again while we agree statements such as "do the right thing" are very imprecise.

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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 but remove the first bullet point "where practicable avoid COIs". The statute needs to accept that COI will occur. There should be a duty to prioritise the interests of the client but it wont be pragmatic to avoid all COI all of the time. So the standard should not be "where practicable to avoid them". The standard should be all about how to manage them when they are present – i.e. they haven't been avoided and they need to be managed

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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.

No reference as to how an adviser needs 'to evidence' their advice. It is fundamentally important the client has a form of evidence to support the advice they have received i.e. report, email, video etc.

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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. **Respondent skipped this question**

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

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.

To ensure there is some substance in the complaints process, we believe the 'arrangements' must be included in either disclosure and/or licencing requirements and will need to be more comprehensive.

The client must be provided with information on how to complain including the internal compliant management process and then an escalation to an external dispute resolution scheme.

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

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? **Respondent skipped this question**

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

The standards needs 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. To complete a minimum of 15 CPD hours p.a. and maintain a CPD log.

This standard allows someone to do very little on the basis that they are unlikely to be audited. And if they were to be audited, how could that audit be conducted with clarity and certainty.

While setting hours can become a tick- box exercise, it at least gives provides an indication of the minimum required to keep up to date.

CPD standards should (a) include an annual PDP (b) be delivered by an expert and (c) include external verification that the adviser actually did it (attended).

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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 comentary.

Comments under standard 9 also apply here

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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.

We believe there should be one minimum qualification for all persons providing a financial services investment plan. The minimum standards of particular competence, knowledge, and skill for designing an investment plan are the qualification under the investment strand of the New Zealand Certificate in Financial Services (Level 5) approved by the New Zealand Qualifications Authority in September 2014 (NZQA reference 2315).

We believe the 'interim standard' for an investment plan needs to be reviewed with urgency and would like to be part of these discussions.

There needs to be clarification of where KiwiSaver advice sits within the Investment Plan spectrum. Currently, a range of financial providers provide simple advice on KiwiSaver. A minimum for providing KiwiSaver advise is qualification outcomes under the investment strand of the New Zealand Certificate in Financial Services (Level 5) approved by the New Zealand Qualifications Authority in September 2014 (NZQA reference 2315).

The terms related to alternative qualifications also needs to be included in this section.

Critically Nominated reps should not be able to do investment plans. Further consideration also needs to go into how the role of nominated reps differs from financial advisers.

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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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Q25 Is there anything missing from the draft Code? **Yes**

Q26 If you answered yes, what is missing?

As urged through the review of the Financial Advisers Act there are, as yet, no legislative or regulatory whistle blowing mechanisms in the proposal to date. This gap was identified in the recent Reserve Bank / FMA review of bank conduct. How, and where, this can be addressed needs some thought but one area where serious consideration should be given is around the role of nominated representatives.

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

Wayne Smith

Q30 Your role or professional title

Chief Executive

Q31 Individual or organisational submission **This is a submission on behalf of an organisation (eg employer)**

Q32 If you give financial advice... **I am not an AFA, RFA or QFE adviser**

Q33 My organisation or I give the following types of advice... **Other (please specify):
Adviser Professional Body**

Q34 Organisation Name

TripleA Advisers Association

Q35 Type of organisation

Industry body

Q36 Size of organisation

Large firm (50+ 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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