How to have your say

Submissions process

The Ministry of Business, Innovation and Employment (MBIE) seeks written submissions on the questions raised in this document.

- Submissions on the questions in Part 3 of this paper (relating to the Financial Service Providers Register) are due by **5pm on Friday 29 January 2016**.
- Submissions on the questions in Part 1 and Part 2 of this paper are due by **5pm on Friday 26 February 2016**.

Your submission may respond to any or all of these questions. We also encourage your input on any other relevant work. Where possible, please include evidence to support your views, for example references to independent research, facts and figures, or relevant examples.

Please include your name, or the name of your organisation, and contact details. You can make your submission:

- By filling out the submission template online.
- By attaching your submission as a Microsoft Word attachment and sending to ***faareview@mbie.govt.nz***.
- By mailing your submission to:

  Financial Markets Policy
  Ministry of Business, Innovation & Employment
  PO Box 3705
  Wellington
  New Zealand

Please direct any questions that you have in relation to the submissions process to: ***faareview@mbie.govt.nz***.

Use of information

The information provided in submissions will be used to inform MBIE's policy development process, and will inform advice to Ministers on the operation of the Financial Advisers Act 2008 and the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

We may contact submitters directly if we require clarification of any matters in submissions.

Submissions are subject to the Official Information Act 1982. MBIE intends to upload PDF copies of submissions received to MBIE's website at ***www.mbie.govt.nz*** and will do so in accordance with that Act.

Please set out clearly with your submission if you have any objection to the release of any information in the submission, and in particular, which part(s) you consider should be withheld, together with the reason(s) for withholding the information under that Act.

If your submission contains any confidential information, please indicate this on the front of the submission, mark it clearly in the text, and provide a separate version excluding the relevant information for publication on our website.

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Chapter 3 – Barriers to achieving the outcomes

1. Do you agree with the barriers outlined in the Options Paper? If not, why not?

   Q.1 Qualified "Yes".

   "Sales" being undertaken as "Advice" should be included specifically under the "conflicts of interest" barrier.

2. Is there evidence of other major barriers not captured in the Options Paper? If so, please explain.

   Q.2 No submission.

Chapter 4 – Discrete elements

1. Which options will be most effective in achieving the desired outcomes and why?

   Q.3 In order of effectiveness – positive to negative:

   Option 1: Remove the distinction between class and personalised advice. Partly positive.

   The current distinction between personalised and class advice serves a useful purpose. Replacing "Class" advice with a broader "General" advice category would allow licensed advisers to offer non-personalised investment information via blogs, newsletters and seminars (or some discrete advice not requiring a full client financial analysis) without fear of incurring liability for specific advice. The term "General Advice" would be widely understood by the public as being non-specific to an individual.

The current advice gap for personalised advice should be addressed through broader allowance of limited advice, not removal of the distinction between class and personalised advice.

Option 2: Remove any distinction based on product category. Negative.

Removing the distinction between category 1 and 2 products is practical only if a single class of adviser is to be introduced. Retention of an RFA-type of adviser means the product category distinction is still relevant. AFAs already have a responsibility to provide advice within their area of competence (Code Standard 14). This responsibility should be extended to RFAs or their equivalent through application of the Code.

Option 3: Restrict the provision of certain complex or high-risk services to certain advisers. Negative. Introduction of "expert" or "specialist" advisers is undesirable and impractical at this stage of the profession's development. See Q.7.

However, if a two-tier adviser regime is to be retained, then retaining the existing authorities of licensed advisers (current AFAs) and associates (future RFA-type advisers) would be appropriate.

Option 4: Require wholesale client to "opt-in". Negative. The consequences of being treated as a wholesale client are already required to be explained to a qualifying wholesale client and the option to "opt-out" is given. The "opt-out" option is easily explained and understood. See Q.8.

2. What would the costs and benefits be of the various options for different participants (consumers, financial advisers, businesses)?

Q.4 Costs are unable to be calculated without provision of much greater detail of proposed changes to the current regime. The introduction of "expert advisers" (Option 3, p23) would increase training time, costs and compliance costs for advisers without significantly improving customer outcomes because licensed advisers already work within their areas of expertise. Customers may be obliged to consult several different "experts" when seeking the advice they require, a situation almost certain to increase costs to the consumer.

3. Are there any other viable options? If so, please provide details.

Q.5. See Q.35.

4. Should high-risk services be restricted to certain advisers? Why or why not?

Q.7 Retaining the distinction between high risk (category 1) and low risk (category 2) products is appropriate if an RFA-type adviser designation is to be retained, with providing advice on high risk products being restricted to fully licensed advisers (current AFAs) as is the current situation. QFEs (or equivalent) could largely retain their existing authorities subject to a clear distinction between "sales" and "advice" being introduced.

However, the idea of "expert advisers" is premature. Insufficient guidance has been provided to gauge what level of fragmentation of the industry would result from a broader introduction of

"expert" advisers. The list of "high risk" products intended to be reserved for expert advisers is unknown. Determining the current lists of Category 1 and Category 2 products has proven to be contentious enough. Deciding on a further high risk investment class would be even more so. The intention that ONLY SOME current AFAs would become experts means that many existing experienced AFAs would probably no longer be authorised to provide the current level of service they extend to their clients and may abandon the industry altogether. There is no evidence that a move to "expert advisers" is necessary or desirable for benefit of the public or the industry. One class of fully-qualified adviser is appropriate at this stage of the profession's development. Fully licensed advisers should be free to advertise and operate within their own specialities, subject to Code Standard 14.

Once the advisory industry is established as a true profession, formal specialisation may become practical. At this stage neither the small number of advisers in practice nor the limited opportunities for specialist training allow for specialisation.

There is little, if any, evidence to suggest advisers are contravening Code Standard 14. To the contrary, anecdotal (and observable) evidence suggests AFAs are restricting services well within their own areas of expertise in consideration of their own ethics and out of concern for potential liability.

5. Would requiring a client to 'opt-in' to being a wholesale investor have negative implications on advisers? If so, how could this be mitigated?

Q.8 Requiring a client to "opt-in" as a wholesale client would create more work and expense for the adviser. Placing yet more onus on a prospective client to undertake yet more paperwork would increase the chances of losing the client altogether – further reducing the uptake of professional financial advice within the wider community. The existing "opt-out" regime could be improved through adoption of a clear and consistent definition of "wholesale investor".

Currently, from an adviser's practical point of view, depending on the legislation referred to, the wholesale client could be, according to the:

Financial Advisers Act 2008 (Reprinted 2015), Section 5C(1)(d)
(a) An "entity" whose net assets exceeded $1 million at the last two balance dates.
(b) An "entity" whose turnover exceeded $1 million for the last two completed accounting periods.

Financial Markets Conduct Act, Schedule 1, Clause (3)(b)
(c) A person paying at least $750,000 in accepting one or more offers in a single class from a single issuer.

Financial Markets Conduct Act 2013, Schedule 1, Clause 38 (1)(a)&(b)
(d) A person who has owned, during the past two years, a portfolio of specified financial products of at least $1 million (in aggregate) OR, during the last two years, has purchased specified financial products to the value of at least $1 million in value from unrelated persons.

Financial Markets Conduct Act 2013, Schedule 1, Clause 39 (1)(a)&(b)
(e) A person who is "large" meaning net assets of the person (and controlled entities) exceeded $5 million as at the last day of the two most recently completed financial years OR the total consolidated turnover of the person (or controlled entities) exceeded $5 million in each of the two most recently completed financial years.

Financial Markets Conduct Act, Schedule 1, Clause 41(1)(a – c)
(f) A person who self-certifies in writing that the person is an eligible investor with respect to

various criteria and has that certification accepted by an Authorised Financial Adviser.

N.B. A "Person" includes any "Entity" (FMCA 2013, Part 1, Section 6).

To simplify, it is suggested that the automatic definition of wholesale client be limited to the $5m asset test as per the FMCA 2013, Schedule1, Clause 39 (1)(a)&(b). In addition, the option of self-certification should be retained as in the Financial Markets Conduct Act, Schedule 1, Clause 41(1)(a – c).

4.2 Advice through technological channels

6. What ethical and other entry requirements should apply to advice platforms?

Q.9 Ethical requirements should be the same as for current AFAs. All fully-licensed advisers should be authorised to provide advice through technological channels subject to the existing (or future) Code of Conduct. All advice provided through technological channels should be administered by a fully-licensed adviser. Technical standards of advice provision for robo-advice should not be a role of the Financial Advisers Act.

7. How, if at all, should requirements differ between traditional and online financial advice?

Q.10 Explicit warnings may be advisable for online financial advice. Robo-advice will not negate the age-old penchant of inexperienced investors to scramble in at the top and panic out at the bottom of markets. Algorithm-driven trading systems can exacerbate both market volatility and human reaction.

8. Are the options suggested in this chapter sufficient to enable innovation in the adviser industry? What other changes might need to be made?

Q.11 No submission.

4.3 Ethical and client-care obligations

9. If the ethical obligation to put the consumers' interests first was extended, what would the right obligation be? How could this be monitored and enforced?

Q.12 All AFA-type and RFA-type advisers should be subject to the Code of Conduct, imposing a mandatory ethical obligation to put the consumer's interest first. Product provider employees engaged primarily in a sales role need not observe the Code but clear disclosure of the sales-linked nature of the information being provided must then be made clear to the customer. Monitoring and enforcement of the Code should remain the same as for current AFAs. Monitoring and enforcement of sales disclosure could include unannounced shopping expeditions and examinations of product supplier disclosure documentation.

10. What would be some practical ways of distinguishing 'sales' and 'advice'? What obligations should salespeople have?

Q.13 A clear distinction between "sales" and "advice" is needed. Require all advisers and sales people to disclose source and percentage of remuneration, bonuses and other benefits. Where more than 80% of remuneration is received from one employer or entities associated with that employer, that employee should not be considered as a financial adviser. The term "Sales Consultant" would be a more appropriate description or designation. The employer should not be allowed to avoid the distinction between "sales consultant" and "adviser" simply by claiming

employees are free to offer "any product" as an investment solution, including products from another provider.

If employees engaged mainly in sales are to be entitled to use a designation encompassing the word "adviser", (e.g. XYZ Bank adviser) then advisers receiving less than 20% of their remuneration from one employer or product provider and whose advice is not compromised by sales targets, bonuses or special reward of any sort, should be entitled to use the term "independent" to enable prospective clients to distinguish clearly between the two types of service on offer. A small level of commission income should not exclude an adviser from being "independent". A reasonable person in the position of a client would consider the services provided by such an adviser to be independent.

11. If there was a ban or restriction on conflicted remuneration who and what should it cover?

Q.14 A blanket ban on commissions pertaining to sale of investment products is not required. Commissions are becoming rare in the case of investment products and, in any case, disclosure of commissions is already required.

Restrictions on insurance product commissions may be desirable to reduce conflicts of interest leading to possible mis-selling of product and product churn.

4.4 Competency obligations

12. How can competency requirements be designed to lift capability, without becoming an undue barrier to entry and continuation in the profession?

Q.15 For the public to gain sufficient confidence in the industry to regard it as a profession, raising the required education qualification for fully-licensed advisers to Graduate Diploma level (Level 7) would be necessary. If an RFA-type designation is to be retained, a level 5 qualification in the relevant area of advice being given should be required.

To avoid further reduction of adviser numbers and loss of experience to the industry a certain level of "grandfathering" may be necessary on introduction of the new regime.

Introducing a stepped career path for new entrants to the industry would be likely to encourage interest in the industry amongst young people when choosing a career. Within this stepped process the RFA-type designation could be structured as a step towards becoming a fully licensed adviser.

13. Should all advisers be subject to minimum entry requirements (Option 1)? What should those requirements include? If not, how should requirements differ for different types of advisers?

Q.16 All advisers should be subject to minimum entry qualifications. Graduate Diploma level (Level 7) should be the objective qualification of all fully-licensed advisers. If an RFA-type designation is to be retained, a level 5 qualification in the relevant area of advice being given should be required. Current "QFE advisers" engaged in a sales role for a product provider employer would become "Sales Consultants", not advisers, and could be subject to a more specific sales oriented qualification recognised by their employer and approved as a condition

of their entity licensing.

4.5 Tools for ensuring compliance with the ethical and competency requirements

1. What are the benefits and costs of shifting to an entity licensing model whereby the business is accountable for meeting obligations (Option 1)? If some individual advisers are also licensed (Option 2), what specific obligations should these advisers be accountable for?

   Q.17
   Licensing adviser businesses to oversee compliance and competency of employees (Option 1) would have a negative impact on the whole advisory industry. As the industry aspires to become a true profession then individual advisers must retain primary responsibility for their own conduct as in any other profession. Negative aspects of the suggestion include:
   (a) Advisers may well become subject to a great range of employer-determined compliance and competency standards rather than just one.
   (b) What monitoring regime would be put in place to ensure compliance by licensed entities? This necessity alone would appear to trigger the need for another whole expensive regime of legislation, regulation, and compliance costs.
   (c) What rules would apply to individual advisers operating through their own businesses? It seems, under this suggestion, independent advisers would be obliged to observe two distinct layers of regulation and cost – one applying to the individual and the other applying to the business as a licensed entity – all with the objective of regulating themselves!
   (d) Some advisers may find transfer of skills to another employer difficult because their existing employer would be able to exercise such significant control over the standards and reputation of existing adviser employees.
   (e) Entity licensing would not provide consumers with confidence that all advisers have met the required standards if individual advisers are not licensed.
   (f) The complaints process would be heavily tilted against individual and small advisory firms. Clients would be intimidated from taking complaints action against a major employer whereas an individual or small operator would be seen as “fair game”.
   (g) Financial product providers will be able to continue undertaking sales under the guise of advice. Simply by employing Authorised Financial Advisers (or their equivalent) and making the disingenuous claim that their employees are “free to offer any products”, financial product providers would still be able to promote their own products as advice rather than sales.
   (h) The licensing process would enable the regulator to arbitrarily impose specific conditions on a small advisory business possibly restricting the flexibility the small business now has in the manner in which service is provided. Flexibility of the small business, including provision of a close working relationship, can be a key differentiator of the small advisory business that holds attraction for some clients.

   If some individual advisers are to be licensed (Option 2), as are AFAs at present, and with current AFA obligations, then a two tier adviser structure is desirable with the current RFA-type designated adviser being required to meet minimum qualifications and observe the Code also. Entity licensing across the board would be neither necessary nor desirable. Entity licensing could remain much as the current QFE system exists today but would be particularly pertinent to product suppliers.

2. What suggestions do you have for the roles of different industry and regulatory bodies?

Q.18 Current roles are appropriate for transition of the industry to a profession. Any consolidation of industry bodies and extension of their responsibilities should be the result of initiatives from the bodies in consultation with existing regulators.

4.6 Disclosure

3. What do you think is the most effective way to disclose information to consumers (e.g. written, verbal, online) to help them make more effective decisions?

Q.19 A written, brief, individual disclosure document is still the most effective. If a common database of disclosure information is to be made available to the public through the FSPR or a similar portal, then the need for a separate disclosure document is obviated and the cost of production unjustified. Any adviser could simply direct a potential client to the portal or print off the required information as necessary. A foreseeable difficulty is that if each adviser is made responsible for updating his or her own information on the portal, many would likely not do so in a timely manner. Hence the portal would probably contain a lot of out-of-date information at any one time.

4. Would a common disclosure document for all advisers work in practice?

Q.20 Yes. One class of adviser would only require one class of disclosure document. Even a two-tier adviser regime could be served by a single format disclosure document. Obviously the content of disclosure documents would differ depending on the services offered by each adviser, but a common format would be desirable for promoting public understanding of the profession and providing information pertaining to the individual adviser.

Sales consultants would be subject to different disclosure requirements with an emphasis on sources of remuneration and sales nature of the information to be provided.

5. How could remuneration details be disclosed in a way that would be meaningful to consumers yet relatively simple for advisers to produce?

Q.21 Current AFA disclosure of remuneration is sufficient, but only if applied to advisers, not salespeople.

Advisers wanting to use the term “Independent” would need to disclose the percentage of remuneration received from different sources. Basic criteria would be receiving less than 20% of their remuneration from one employer or product provider and being able to provide advice not compromised by sales targets, bonuses or special rewards of any sort.

4.7 Dispute resolution

6. Is there any evidence that the existence of multiple schemes is leading to poor outcomes for consumers?

Q.22 No. The current system appears to be working well. Consumers already have easy access to dispute resolution at nil cost – with all costs being carried by the adviser who may not be able to pass these costs on to clients. Notification of consumer dispute resolution rights is already compulsory and easily understood. Requiring all schemes to be the same would negate any reason for competition in provision of the service and consolidation to just one scheme, government operated, unprofitable and expensive to advisers would be the logical outcome.

7. Assuming that the multiple scheme model is retained, should there be greater consistency between dispute resolution scheme rules and processes? If so, what particular elements should be consistent?

   Q.23 No. The current model is satisfactory as it provides competition for provision of the service, keeping downward pressure on scheme fees and positive pressure on standard of service to both adviser and client.

8. Should professional indemnity insurance apply to all financial service providers?
   Q.24 A desirable objective but the range of PI insurance providers in New Zealand is very limited, making the proposal impractical. Despite the high cost, the restricted scope of policies available makes these policies virtually worthless to both adviser and client. A solution may be to instigate a worthwhile government operated PI insurance scheme at reasonable cost to the adviser until such time as private competition can produce a useful alternative.

4.8 Finding an adviser

9. What is the best way to get information to consumers? Who is best placed to provide this information (e.g. Government, industry, consumer groups)?

   Q.25 Providing the public with detailed information on advisers should not primarily be a government function although information contained within each entry of the Financial Services Provider Register could be expanded. Advisory businesses themselves plus industry and consumer groups are the appropriate sources of detailed information. Potential clients seeking information are already well versed in search functions.

10. What terminology do you think would be more meaningful to consumers?

    Q.26 If a two-tier structure is retained then the term Financial Adviser Associate could be used as a term widely understood by the public to denote a practitioner not yet fully qualified or of limited authority, similar to the current RFA designation. A fully-licensed financial adviser could retain the current AFA designation or, if the industry is to be perceived as a profession, the fully qualified practitioner could be designated as a Professional Financial Adviser (PFA).

    Employees of a financial product supplier, engaged primarily in a sales role, should not be permitted to describe themselves as advisers. A more appropriate term would be “sales consultant”. An 80% remuneration level from a single product provider (or associated party) would be an appropriate defining line between adviser and sales consultant. A financial product provider should not be able to claim adviser status for employees simply by stating that staff members are able to offer a wide range of products, including those of other providers, to meet client needs.

    Certain advisers should be able to use the term “independent”. Advisers wanting to use the term “Independent” would need to disclose the percentage of remuneration received from different sources. Basic criteria would be receiving less than 20% of their remuneration from one employer or product provider and being able to provide advice not compromised by sales targets, bonuses or special rewards of any sort.

4.9 Other elements where no changes are proposed

The definitions of 'financial adviser' and 'financial adviser service'

11. Do you have any comments on the proposal to retain the current definitions of 'financial adviser' and 'financial adviser service'?
    Q.27 No.

Exemptions from the application of the FA Act

1. Are those currently exempt from the regime posing undue risk to consumers through the provision of financial advice in the normal course of their business? If possible, please provide evidence.

2. Q. 28 Spruikers of "Get Rich Quick" schemes should be brought within the ambit of the Financial Advisers Act. "Experts" offering public seminars selling expensive and dubious investment schemes such as options trading systems, share trading software and integrated property investment programs bring the financial advisory industry into disrepute as the public generally perceive such offerings as part of the overall financial advisory industry. It remains highly anomalous that such operators are still free to make their offers relatively unrestricted, posing a real risk to the community while AFAs are obliged to operate under a regime of ever increasing regulations, restrictions and costs.

Territorial scope

3. How can the FA Act better facilitate the provision of international financial advice to New Zealanders, without compromising consumer protection? Are there other changes that may be needed to aid this, beyond the technological options outlined in Chapter 4.2?

   Q.29 Agree that access to overseas-based financial advice should not be limited. However, making consumers aware of risks should include warnings that the culture and ethics of investment advice offered from offshore jurisdictions may be very different from that of New Zealand. Hence seeking advice on overseas contacts and/or international investments through a New Zealand licensed financial adviser is desirable.

4. How can we better facilitate the export of New Zealand financial advice?

   Q.30 No submission.

The regulation of brokers and custodians

5. Do you have any comments on the proposal to retain the current approach to regulating broking and custodial services?

   Q.31 No.

Chapter 5 – Potential packages of options

6. What are the costs and benefits of the packages of options described in this chapter?

   Q.32 Package 1: Minor costs for AFA including initial cost of consolidation and reissue of current two disclosure statements into one. Few benefits. Introduction of ethical obligations for

RFAs should improve standard of advice and safety for some consumers. Limiting provision of robo-advice to QFEs would limit scope and quality of advice delivered by technological means. "Robo-advice" would effectively become "robo-sales".

Package 2: "SOME AFAs would become 'expert financial advisers' " opens likelihood of further restrictions being imposed on existing AFAs' ability to provide a relevant advisory service to their clients. The proposal for "expert financial advisers" is not helpful to the industry or to the consumer for the reasons detailed in Item 4, Q.7. Impost of new costs on existing AFAs would be substantial including licensing of business plus yet more competency training, administration and regulation. Little, if any, advantage to consumers would accrue in quality of advice but cost to access advice is likely to increase substantially. A further cost to the industry would be another decline in the number of fully licensed advisers (i.e. "experts").

Package 3: The attempt to separate sales from advice is commendable but product providers will easily be able to circumvent this objective, continuing to conduct sales under the guise of advice, simply by employing "licensed advisers" and claiming these employees are free to offer any financial product as a solution to clients' financial needs. A delineation between sales and advice is required such as that suggested at Item 10, Q.13.

Direct costs, especially for individual advisers and small advisory firms, would increase substantially as a regime of licensing both the business and the adviser appears to be envisaged under Option 3. Direct cost increases to the adviser and customer would surely follow, reflecting a necessity to fund a whole new additional regulatory and administrative regime aimed at regulating the licensed entities.

7. How effective is each package in addressing the barriers described in Chapter 3?

Q.33

	Package 1	Package 2	Package 3
1. Where to seek financial advice.	satisfactory	satisfactory	satisfactory

Additional costs of keeping FSPR constantly updated with current information would not be justified under a simplified and effective adviser regime.

2. Some types of advice not being provided.	ineffective	ineffective	somewhat effective

None of the packages specifically addresses the need for limited advice relating to a specific product to be made available – without the costs of a full client financial analysis. Also, advice given through technological channels will still need to be administered by a suitably qualified adviser who will also need to take responsibility for the outcome. Allowing providers of robo-advice to diminish their own responsibility by utilising an intermediate "licensed entity" is neither in the interests of the public nor the advisory industry as a whole.

3. Avoiding advice being given by people without adequate skills.	partly effective	less effective	ineffective

Package 1 retains clear separation of complex and simple products and who can advise on each. Package 2's introduction of "expert financial advisers" is likely to be impractical owing to lack of adviser numbers, lack of specialist training and complexity of fragmented expert adviser designation. The list of "high risk" products is unknown but the proposal threatens the ability of current AFAs to continue advising on relatively familiar investments such as equities, options

and Coco bonds. Who is to say who is an expert and who isn't?
Package 3 drops the distinction between product types and allows salespeople without educational standards to sell complex products.

4. Conflicts of interest	effective	effective	effective

All packages introduce client care and disclosure requirements for all advisers. Package 1 summary implies non-aligned advisers could describe themselves as "independent". Presumably the same applies to Packages 2 and 3.

5. Consumer lack of understanding of limitations of different types of advice	partially effective	ineffective	ineffective

Package 1 retains the distinction between class and personalised advice. This distinction is widely understood by consumers. Fragmenting the small number of advisers into specialists according to competency, as described in Packages 2 and 3 would just further confuse consumers, increase costs and drive prospective clients away. A single prospective client seeking financial advice may need to consult several different financial advisers depending on the differing specialist areas of advice being sought.

8. What changes could be made to any of the packages to improve how its elements work together?

Q.34 None. The industry structure needs to be simplified to improve effectiveness while reducing costs. Designations in common use and easily understood by the public are required to improve public understanding of the new profession. See alternative at 9. Q.35 below.

9. Can you suggest any alternative packages of options that might work more effectively?

Q.35
A simplified professional structure that broadly aligns with other professions and uses designations and terms widely understood by the public is needed. This suggested structure retains complex/simple product distinction and the personalised advice category. "Class" advice is replaced with "General".
A QFE-type designation and structure is retained for financial product suppliers.

Designations	Professional Financial Adviser	Financial Adviser Associate	Financial Sales Consultant
Qualification	Level 7 (graduate diploma)	Level 5	Level 5 plus employer certification
Disclosure	Full	Full	Full
Authority	Complex product advice including personal, general, limited, robo-advice and DIMS	Simple product advice or complex under supervision as step in career path	Employer products only

Specialisation	Optional but not compulsory	Available under training	Employer approved
Regulator	FMA	FMA	FMA through employer
Dispute resolution	As at present	Through employer or scheme membership	Through employer
Industry association membership	Voluntary	Voluntary	Voluntary
CPD	As at present	As for present AFA plus further study for PFA if desired	Specified by employer authorised to monitor
Ethics	Professional Code of Conduct	Professional Code of Conduct	Set by employer, approved by FMA
Discipline	As at present	As at present for AFA	Through employer, approved by FMA

Chapter 6 – Misuse of the Financial Service Providers Register

10. Do you agree with our assessment of the pros and cons of the options to overcome misuse of the FSPR?
    No submission

11. What option or combination of options do you prefer and why? What are the costs and benefits?
    No submission

12. What are the potential risks and unintended consequences of the options above? How could these be mitigated?
    No submission

13. Would limiting public access to parts of the FSPR help reduce misuse?
    No submission

Demographics

1. Name
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2. Contact details:
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