

9 November 2018

Mr Angus Dale-Jones
Chair, Financial Advice Code Working Group
Ministry of Business, Innovation & Employment
New Zealand

Re: Consultation on proposed Code of Conduct October-November 2018

Dear Mr Dale-Jones:

On behalf of our members in New Zealand, CFA Institute and CFA Society New Zealand, we welcome the opportunity to comment on the *Financial Advice Code* (hereafter the “Code”) proposed by the Financial Advice Code Working Group of the Ministry of Business, Innovation & Employment.

We understand that on July 2016 the New Zealand Government announced a package of reforms to the regulation of financial advice, following a comprehensive review of the Financial Advisers Act 2008. These reforms aimed to improve access to high quality financial advice for New Zealanders by introducing a level playing field of regulation across industry. This includes a universal code of conduct that will apply to all financial advice to retail clients (**Code**).

CFA Institute’s mission is closely aligned with the aims of these reforms above. Our mission is to lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society.

CFA Institute represents the views of investment professionals before standard setters, regulatory authorities and legislative bodies worldwide on issues that affect the practice of financial analysis and investment management, education and licensing requirements for investment professionals. We represent these professionals on issues that affect the integrity and accountability of global financial markets.

We understand the objectives of the Code are to establish minimum standards of professional conduct for those providing financial advice and operate as a component of new financial regulatory regime. The proposed Code includes several fundamental ethical standards and provides a relevant a foundation for developing trust between clients and the providers of advice.

We have several concerns when we view the proposed Code through the lens of a client. We believe if the Code Working Group incorporates the recommendations below, the Code would be improved for both the advice providers and their clients.

In this letter, we propose changes to the proposed Code that would, in our view, further enhance its effectiveness and practicality, ensuring uniformly high standards throughout the financial advice industry.

This letter provides:

- Background on the CFA Institute and CFA Society New Zealand;

- Information on the CFA Institute Code of Ethics and Standards of Professional Conduct and the CFA Charter; and
- Our comments on the proposed questions in the consultation.

Background on the CFA Institute

CFA Institute is the leading global association of investment professionals that sets the standard for professional excellence and credentials. We administer the CFA® Program, CIPM® Program, and Investment Foundations™ certificate program and offer world-class education and professional development opportunities.

The organisation is a champion for ethical behaviour in investment markets and a respected source of knowledge in the global financial community. Our end goal is to create an environment where investors' interests come first, markets function at their best and economies grow. The Institute is a non-profit organization and revenue is sourced from membership and candidate fees.

The greatest acknowledged strength of CFA Institute is that it has managed for many decades to establish and sustain the highest standards of technical, professional and ethical excellence of the global investment profession. We have the capacity, capability, track record and desire to support governments, regulators and industry in creating a world-class financial system with the highest ethical standards, including in Australia.

CFA Institute has more than 162,000 members in 160+ countries and territories, and 151 member societies. For more information, please visit www.cfainstitute.org.

Background on the CFA Society New Zealand

CFA Society New Zealand is an association of local investment professionals, including portfolio managers, security analysts, investment advisers, and other financial professionals. As a CFA Institute Society, we connect members to a global network of investment professionals. Our members include charterholders, candidates and associate members who:

- Promote ethical and professional standards within the investment industry;
- Encourage professional development through the CFA Program and continuing education;
- Facilitate the exchange of information and opinions among people within the local investment community and beyond; and
- Work to further the public's understanding of the CFA designation and investment industry.

There are currently 445 CFAI members with a residential address in NZ, nearly 90% of which are and are also member of CFA Society New Zealand. In 2018 there were 885 CFA program candidates in New Zealand. Top employers of CFA charterholders in NZ include: HSBC, Citigroup, and UBS.

For more information, please visit: <https://cfas.org.au/new-zealand/>

The CFA Institute Code of Ethics and Standards of Professional Conduct

The [CFA Institute Code and Standards](#) are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of

society. High ethical standards are critical to maintaining the public's trust in financial markets and in the investment profession.

All CFA Institute members (including holders of the Chartered Financial Analyst® (CFA®) designation) and CFA candidates must abide by the Code and Standards and demonstrate their commitment each year by signing the Professional Conduct Statement. Members are encouraged to notify their employer of this responsibility. Violations may result in disciplinary sanctions by CFA Institute, which can include revocation of membership, revocation of candidacy in the CFA Program and revocation of the right to use the CFA designation.

The CFA Charter

The CFA charter is a challenging and widely respected global post-graduate level investment management credential, with a recognised commitment to ethics and professionalism in the investment industry. It has been referred to by the *Economist* magazine and the Financial Times as the “gold standard” financial qualification. Importantly, the comprehensive nature of the CFA program, through its three levels, prepares financial advisers to advise and service their clients in a competent, professional and ethical manner.

Earning the CFA charter requires the passing of a series of three examinations and four years of professional work experience. CFA Level I focuses on a knowledge of ten topic areas as defined in the CFA Program Candidate Body of Knowledge (“CBOK”) and analysis using investment tools. This level can enhance advisers’ understanding of investment principles, including portfolio theory. The Body of Knowledge is revised each year, after incorporating results from worldwide member surveys.

CFA Level II emphasises the application of investment tools and concepts with a focus on the valuation of all types of assets. Level III of the CFA examination focuses on synthesising all the concepts and analytical methods in a variety of applications for effective portfolio management, wealth planning and financial advice.

In Australia, since 2009, Level I of the CFA program, combined with the RG 146 Gap Training Program for CFA charterholders and candidates, has met the Australian Securities and Investment Commission’s (ASIC) initial training requirements for “those providing financial product advice to retail clients.” There are similar mutual recognitions around the world. We **attach** a list of global regulator recognition of the CFA Program for your information.

In 2013, the UK National Recognition Information Centre (the “NARIC”) benchmarked CFA Level III and the CFA charter at the Masters degree level (equivalent to NZQF Level 9). Over 30 securities commissions around the world, including Australian Securities and Investments Commission, recognise the CFA program as one of the options for investment professionals to demonstrate competency and commitment to the highest ethical and professional standards. A copy of the report titled “International Benchmarking Analysis of CFA Institute Qualifications Executive Summary by UK NARIC” is attached at the end of this letter.

Successfully earning the CFA charter demonstrates a commitment to the highest ethical and professional standards as well as a mastery of a comprehensive range of advanced investment principles needed to successfully practice in the investment management and financial advice industry, including extensive understanding of behavioural finance and comprehensive study of ethical behaviour.

CFA Institute also partners with universities to offer world-class education and professional development opportunities. In Australia, five universities participate in our University

Affiliation Program by embedding a significant portion (over 70 per cent) of the CFA Program Candidate Body of Knowledge (CBOK), including the Code of Ethics and Standards of Professional Conduct, in their curriculums.

Our comments on the proposed questions in the consultation are as follows:

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Our Comments on Consultation Questions

[Standard 1] Treat clients fairly and act in their interests

1. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/ Neither agree nor disagree/ Disagree/ Don't know)

Agree

2. Please provide any comments on this standard and the proposed commentary.

The CFA Institute Code and Standards contain comparable elements addressing conduct towards clients. [Standard III\(B\) Fair Dealing](#) shares the requirement to provide fair and objective services to clients. The associated guidance identifies that advice and services can be provided at different levels without being unfair to the various range of clients.

The current proposed does not provide a definition of "fair." Without clarity, there may be the perception that all clients must be treated the same. However, clients have different facts and circumstances that may warrant different advice.

To add clarity, we recommend noting that differing advice is permitted as long as the services do not disadvantage other clients.

[Standard III\(A\) Loyalty, Prudence, and Care](#) shares the requirement to act in the interest of clients. However, our Standard also touches on concepts of loyalty and care that are vitally important in investment management relationships. The relationship between investment management professional and client often goes beyond point-in-time transactions. This concepts aid in the trust building that occurs between both parties to these longer-term engagements.

In addition, we note that the standard requires that a financial adviser act in their client's interests. It is notable that advisers are not required to act in their client's "best interests" or at least be required to "place their clients' interests before their employer's or their own interests." Given that in many circumstances, financial advisers will owe fiduciary duties towards their clients, which will require them to act in their client's "best interests" and "place their clients' interests before their employer's or their own interests" (see eg P. Hanrahan (2013) "The relationship between equitable and statutory 'best interests' obligations in financial services law" 7 Journal of Equity 46-73), we think further clarity on this standard is needed. Further clarity here would also support compliance with s431J of the FMC Act.

We recommend adding commentary around these concepts. The general statement to apply industry practices leave clients looking to the Code at a disadvantage, as they may likely be unaware of those practices. While these topics may be parts of other legislation or regulations and many be beyond the scope of other financial products covered, a minimal Code should include reference to all items of material importance.

[Standard 2] Act with integrity

3. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/ Neither agree nor disagree/ Disagree/ Don't know)

Agree

4. Please provide any comments on this standard and the proposed commentary.

Integrity represents a foundational concept for effective client engagements both in the proposed Code and the CFA Institute Code and Standards.

We do have several areas of consideration for this proposed Standard.

We recommend making this Standard #1. Subsequent Standards rely upon the integrity of the advice provider. Thus, this should be front and centre in the Code. Further, we recommend adding the requirement to follow applicable laws to this Standard:

A person who gives financial advice must always act with integrity and in accordance with applicable laws.

This concept is currently only discussed in the commentary to the current Standard #1. We believe this deserves additional prominence as an actual part of a Standard. Our Code and Standards clearly address this requirement through [Standard I\(A\) Knowledge of the Law](#). Through the commentary, the proposed Code and identify and explain the potential scope of the laws and regulations applicable for the various types of financial products covered. This will assist clients in understanding that more should be expected of the providers of advice than the basic elements covered in the proposed Code.

We suggest that the first line of the commentary be amended to read - "A person who acts with integrity is **open and** honest and consistently does the right thing" – to emphasise the importance of full disclosure in the client/adviser relationship.

We understand the value of the principle-based approach taken in the development of the proposed Code as it allows for application across many service providers. However, some commentary includes terms or phrases that may not aid in implementation. Terms such as "spirit and intent" are open to interpretation, which may lead to variances in implementation by advice providers. **Finally, we recommend either clarifying or removing discussions around the "spirit and intent" of the laws in the commentary.**

[Standard 3] Manage conflicts of interests

5. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/ Neither agree nor disagree/ Disagree/ Don't know)

Disagree

6. Please provide any comments on this standard and the proposed commentary.

Standard 3 as proposed appears to place the importance on “arrangements” and not on taking actions to avoid or disclose the conflict. **We recommend the following changes:**

A person who gives financial advice must ~~have arrangements in place to manage conflicts of interests, including arrangements to:~~ where practicable, avoid conflicts of interests; identify *unavoidable* conflicts of interests; adequately disclose unavoidable conflicts of interests to clients; and ensure that conflicts of interests are controlled in accordance with the requirements of the FMC Act.

This approach should clarify the obligation on the individual, so that clients can understand. The vague term of “arrangements” could lead to confusion as to what action if any is required of the individual. Additionally, policies and procedures are typically developed at a firm level and not by the individual. Providing individuals with this level of flexibility will minimise consistency of conflict management practices.

As is done in Standard 7 in relation to “complaint”, it may be helpful to provide a definition of “conflict of interest”, in addition to providing further examples. Two widely used definitions are: “A conflict of interest occurs when two different interests overlap.” and “A conflict of interest is a set of circumstances that creates a risk that professional judgement or actions regarding a primary interest will be unduly influenced by a secondary interest.”

In addition, best practice corporate governance for both private and public entities would require mechanisms to identify and address not only actual conflicts but also **potential** conflicts of interest and we see no reason why this threshold should not also apply here.

We also consider that the appropriate order to address conflicts is: identify – disclose – manage (see Institute of Directors *Conflicts of Interest Practice Guide* p3).

CFA Institute [Standard VI\(A\) Disclosure of Conflicts](#) aligns with this proposed Standard to ensure clients are informed of actual and potential conflicts of interest. When applied with [Standard I\(B\) Independence and Objectivity](#), it strengthens the commitment of our members to avoiding conflicts that could lead to non-objective investment advice

We further recommend that commentary be added to highlight areas that often create conflicts associated with giving financial advice. Some examples in the investment management industry include investing in shares being recommended or serving on the boards of public companies. Financial incentives for the advice provider, such as sales contests and quotas also create potential conflicts of interests. Though providing common examples, clients are better informed to ask questions. This may also lead to the industry moving away from practices that conflict with the interest of the client.

The current guidance points out the direct relationship between this Standard and an applicable part of regulation. This limited commentary is insufficient to inform advice

providers or clients as to what conduct is expected. We address this concern further in our response to Question #26 below.

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[Standard 4] Take reasonable steps to ensure that the client understands the financial advice

7. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Agree

8. Please provide any comments on this standard and the proposed commentary.

We support the notion that full and fair disclosures are key elements of the investment decision making process. This Standard and commentary align with our [Standard V\(B\) Communications with Clients and Prospective Clients](#). Both present clients with relevant information needed to make decisions.

When making recommendations, it may be difficult for clients to distinguish between what is an opinion of the advice provider and what are actual facts. To meet the requirements outlined, clients should have clarity on all information being presented. **We recommend the inclusion of the requirement to clarify between facts and opinions included in any advice.**

The example provided includes the statement, "The nature and scope of the financial advice given by Beth excludes a comparison between the existing and the new policy." When an investment management professional provides a recommendation to a client to switch between similar investment funds, such a comparison would be necessary. Without making this comparison, the investment management professional may be seen as encouraging trading for their personal benefit.

We recommend that any examples used not create conflicts related to the providing of other financial products. This one should be updated or removed.

In relation to the examples in general, we recommend that it is made clearer that each example is an example of compliance with the standard.

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[Standard 5] Give financial advice that is suitable for the client

9. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Agree

10. Please provide any comments on this standard and the proposed commentary.

We support the requirement that a suitability review be completed before any advice is provided to the client. This requirement aligns with several of our Standards including [Standard III\(A\) Loyalty, Prudence, and Care](#); [Standard III\(C\) Suitability](#); and [Standard V\(A\) Diligence and Reasonable Basis](#).

[Standard 6] Protect client information

11. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Agree

12. Please provide any comments on this standard and the proposed commentary.

We support the requirement to maintain the confidentiality of client information. This aligns with our [Standard III\(E\) Preservation of Confidentiality](#).

There is one area where our requirements differ related to potential illegal activities of the client. The current proposed Standard only permits disclosure when it is required by law or the client agrees. This may place a duty to remain silent on the advice provider if there is not a specific law or regulation requiring the reporting of suspected illegal activities. **We recommend that disclosures permitted under current laws and regulations serve as a basis for sharing information with appropriate parties.**

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[Standard 7] Resolve complaints

13. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Agree

14. Please provide any comments on this standard and the proposed commentary.

CFA Institute maintains a Professional Conduct program to ensure members and candidates abide by the Code and Standards. A robust enforcement practice relies upon an effective compliant process and independent investigation. While we support the concept in the Code to require a robust compliant process, we have no comments on the specifics of the proposed Standard.

[Standard 8] Not bring the financial advice industry into disrepute

15. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Neither agree nor disagree

16. Please provide any comments on this standard and the proposed commentary.

This proposed Standard has two different and distinct elements. The first to promote confident and informed participation could be seen as restatements of aspects of other Standards. This could lead one to question if the inclusion is necessary.

The second and the aspect that appears to define the proposed Standard relates to protecting the industry. This alone could be seen as the opposite of the proposed Standard 2 to Act with Integrity. The commentary provided does highlight what would be required but focuses on actions that would not be prevented by the proposed Standard.

Our [Standard I\(D\) Misconduct](#) appears to approach this concept in a slightly different manner. Our focus is on actions that reflect poorly on the individual, without a directly link to the industry as a whole. This allows both the advice provider and client to have a better understanding of actions to be avoided.

We recommend the reconsideration of the intended scope of the Standard, with the impact focus moving to the individual from the broader industry.

[Standard 9] Have general competence, knowledge, and skill

17. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Neither agree nor disagree

18. Please provide any comments on this standard and the proposed commentary.

We agree that this standard aligns with the requirements of the FMC Act.

CFA Institute advocates that minimum standards of competency need to be raised for financial advisers.

We also believe that the level of minimum standards of competency set has to be appropriate for the situation of the New Zealand financial planning and investment advice industry.

In the Code, the minimum standards of particular competence, knowledge, and skill are the general qualification outcomes of the New Zealand Certificate in Financial Services (Level 5) approved by the NZQA in September 2014 for both individuals and the nominated representatives. We note regulators in other countries set different minimum standard for financial advisers. For example, in Australia, the Financial Adviser Standards and Ethics Authority proposed the minimum level of education qualification requirement for financial advisers at Australian Qualification Framework 7 or above (equivalent to NZQF Level 7).

We would suggest the Code Committee to raise the minimum level of standards for individuals and nominated representatives in the future. In the meantime **we recommend that the Code Committee consider recognising the CFA charter as one of the approved professional qualifications.**

Our support for this proposal is based on the requirement for charterholders to already hold a Bachelor's degree, to have a minimum of four years of work experience, to have studied the depth and breadth of the three-year CFA curriculum, and to be signatories to the ongoing CFA Code of Ethics and CPD requirements.

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[Standard 10] Keep competence, knowledge, and skill up-to-date

19. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Agree

20. Please provide any comments on this standard and the proposed commentary.

We fully support the Code Committee's view that a well-defined and robust continuing professional education program is necessary for financial advisers. Combined with a suitable minimum standard of general competence, knowledge, and skill, and a strong ethical philosophy, continuing professional education program is a key to a financial adviser's professional development.

To provide ongoing investor protection and to increase the trust between financial advisers, clients and the larger investment community, the education and training of advisers should continue after they become qualified for their job. Products, technology and clients' needs change continually and it is an adviser's job to understand these dynamics. A well-structured CPD program ensures advisers' qualifications remain up to date, increasing their technical knowledge and professional development.

[Standard 11] Have particular competence, knowledge, and skill for designing an investment plan

21. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Agree

22. Please provide any comments on this standard and the proposed commentary.

Please refer to our response to Question 18.

[Standard 12] Have particular competence, knowledge, and skill for other types of financial advice

23. Overall, do you agree or disagree with this standard and proposed commentary?
(Agree/Neither agree nor disagree/Disagree/Don't know)

Agree

24. Please provide any comments on this standard and the proposed commentary.

Please refer to our response to Question 18.

General questions

25. Is there anything missing from the draft Code?

Yes

26. If you answered yes, what is missing?

A general challenge faced with the proposed Code is that it is intended to be used in conjunction with other existing regulation. This bifurcation of the ethical and professional requirements of the individuals providing advice requires them to read, review and understand a multitude of regulations. This is clearly pointed out at the beginning of Part 2. Further, clients of the providers will also not have a single place to view the baseline expectations of those hired to provide financial advice.

Part 2 of the proposed Code focuses on Competence, Knowledge, and Skill that is needed for someone to give advice on financial products to clients. However, the requirement that the same individual actually engage with clients using care, diligence and skill comes from s431k of the FMC Act. By not having this requirement in the proposed Code, the clarity around what is expected of someone giving advice to retail clients is hindered.

The CFA Institute Code and Standards establishes similar baseline expectations for our members, candidates, and other professionals in the investment management industry. Many of the Standards were previously referenced. Others, such as Standard I(C) Misrepresentation may add value as further additions to the proposed Code. Other will also likely align with aspects of the yet to be finalised Licensing and Disclosure updates of the new regulatory regime.

We recommend a summary of the requirements included in related laws and regulations be included directly in the proposed Code. A reference can be provided to the full regulations, but the final Code should contain all elements related to serving clients in an ethical and professional manner. This will aid clients in understanding what can be expected when they engage the services of an advice provider.

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

The Commission should consider if the few examples provided create the clarity intended. We previously noted an issue with the example provide for proposed Standard 4. This example also highlights the need to embrace the proposed Code as a cohesive unit of requirements and not isolated steps or considerations. This example makes no mention of needing to determine if the recommendation to change is in the best interest of the client.

The example demonstrated that the expectation of Standard 4 were satisfied through the disclosures made about potential changes in coverage and new issuance requirements. A reader of this example would be left to their own interpretation if the advice giver actually met the requirements of Standard 1 "Treat clients fairly and in their interests" or Standard 5 "Give financial advice that is suitable for the client".

Given the limited number presented against the diverse range of financial products covered by the Code, we recommend that the sufficient examples be provided to address the breadth of the finance industry. Absent the development of sufficiently robust and diverse examples, all examples should be removed from the commentary.

28. Is there anything else you want to say?

The responses from CFA Institute and CFA Society New Zealand reflect activities of the investment management industry, whereas the proposed Code is intended to cover advice on a broader set of financial products. Given the different practices related to providing these products, the baseline expectations for some products may surpass the minimum requirement of others. **We recommend that the highest minimum requirement is reflected in the final Code.**

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Final questions – tell us about yourself (Please note this information will be published with your submission unless there is a withholding ground under the Official Information Act. Responses are optional.)

29. What is your name?

CFA Institute and CFA Society New Zealand

30. Your role or professional title

Not applicable

31. Is this an individual submission or on behalf of an organisation?

The responses reflect the thoughts and opinions of CFA Institute and CFA Society New Zealand on behalf of our members.

32. If you give financial advice, are you an AFA, RFA, QFE adviser or other?

As an organization, neither group provides financial advice. Individual members are active in the investment management industry and do provide advice services.

33. What types of financial advice do you or your organisation give?

None

34. What your organisation's name?

The responses reflect the thoughts and opinions of CFA Institute and CFA Society New Zealand on behalf of our members.

35. What type of organisation is it? (e.g. bank, dealer group, independent adviser, education provider . . .)

Both the CFA Institute and CFA Society New Zealand are Not-for-Profit member associations.

36. Is your organisation's size small (1–10 staff), medium (10–50 staff) or large (50+ staff)?

CFA Institute is a large organization.
CFA Society New Zealand is a small organization.

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

We do not have any further info to provided.

38. 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.

No information is considered confidential.

39. Please provide your contact details (email and/or phone number) Your contact details would not be released publicly. We may get in touch with you in order to help us understand particular points from your submission.

Questions about the submission can be address to:

CFA Institute:

Mr. Glenn Doggett, CFA;

S9(2)(a)

Mr. Thomas Ma, CFA, CPA, FRM:

S9(2)(a)

CFA Society New Zealand: info@cfasociety.org.nz

Conclusion

Through the Financial Advice Code Working Group, the Ministry of Business, Innovation and Employment has taken a great initiative to develop a Financial Advice Code to raise the standards of ethical conduct and professionalism in the financial services industry. This effort is well-aligned with the CFA Institute's mission to lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society.

We believe the success of this proposed Code requires a holistic approach to provide different stakeholders an understanding the Code and recognise its benefits. However, the current draft Code requires stakeholders to review and understand multiple areas of regulation to understand the expected baseline commitment to proper ethical conduct. Further, the intent to cover a wide breadth of financial products creates a concern that the proposed Code will lower the expectations of those providing advice in the investment management industry.

We believe that due consideration of the recommendations we have set out above, as supported by the CFA Institute Code and Standards, will lead to enhancements to the proposed Code. Our detailed and clearly defined ethical standards serve the investment management industry well as a model for conduct for professionals and is easily understandable by their clients.

We would be pleased to discuss our comments in greater detail, or to provide any other assistance that would be helpful. If you have any questions, please do not hesitate to contact us at the contact details above.

Yours sincerely

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