

Submission on discussion document: Financial advice provider licensing fees and changes to the FMA levy

Your name and organisation

Name	Bridget MacDonald, Executive Director
Organisation	Securities Industry Association (SIA)

Responses to discussion document questions

FMA licensing fees	
1	<p><i>Do you agree with the identified objectives for fee setting? Are there other objectives which should be considered?</i></p> <p>The Securities Industry Association (SIA) acknowledges the intentions of the simplified and streamlined approach to licensing fees and the FMA levy.</p> <p>SIA broadly supports the objectives and proposed licensing fees outlined in the discussion document.</p>
2	<p><i>Do you have any comments on our proposed transitional licensing fees as set out in the discussion document?</i></p> <p>-</p>
3	<p><i>Do you have any comments on our assessment of the proposed full licensing fees as set out in the discussion document?</i></p> <p>-</p>
Changes to the FMA Levy	
4	<p><i>Do you agree with the identified objectives for setting the levy amounts that will apply in the new financial advice regime? Are there other objectives which should be considered?</i></p> <p>SIA broadly supports the objectives and proposed FMA levy amounts outlined in the discussion document, noting our comments in response to questions 6 and 7.</p>
5	<p><i>Do you have any comments on the proposed levy? Are there any further advantages or disadvantages to our proposal?</i></p> <p>-</p>
6	<p><i>Should the levy relating to financial advisers be payable by the financial adviser as proposed, or the financial advice provider?</i></p> <p>SIA disagrees with the proposal that financial advisers should be required to pay the FMA levy, and are strongly of the view that the financial advice provider should pay the FMA levy.</p> <p>It is the SIA's view that this approach would ensure a more streamlined approach and also</p>

reduce the administrative burden on the financial advisers.

7

Do you have any comments on the alternative options set out in the discussion document? Are there other options, or variations on the alternative options, that should be considered?

SIA supports a flat levy structure and disagrees with a tiered approach to the levy. We agree that a tiered system might discourage or penalise growth in the financial advice sector.

We think the relativity for the proposed levy is fair.

A fixed levy could be reviewed periodically to ensure that it is set at an appropriate level.

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What would the costs and benefits be of providing relief to single adviser businesses?

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Changes to levies relating to authorised bodies

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Do you have any comments on the proposed changes to the levies that relate to authorised bodies?

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Assumptions

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Do you have any comments on the assumptions used in this paper as outlined in Annex 1 of the discussion document?

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Other comments

Note, some SIA member firms may make an individual firm submission based on issues specific to the business of their firm. Those issues and views may not be reflected in this submission.

Securities Industry Association looks forward to participating in the consultation on licence renewal fees and timeframes.