

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

Your name and organisation

Name	Tony Dixon
Organisation	Tony Dixon Insurance

Responses to discussion document questions

FMA licensing fees

1 *Do you agree with the identified objectives for fee setting? Are there other objective which should be considered?*

To encourage the retention of good advisers by making the process as simple and affordable as possible.

2 *Do you have any comments on our proposed transitional licensing fees as set out in the discussion document?*

Ok . But if it cost me \$155/hr to process any application in my business, I would soon be out of business!

3 *Do you have any comments on our assessment of the proposed full licensing fees as set out in the discussion document?*

Can I be assured that the staff are competent enough to process an application within two hours. There is no certainty of costs.

Changes to the FMA Levy

4 *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?*

Based on the wide range of estimated participants, how can we be assured that costs will not be under-estimated.

5 *Do you have any comments on the proposed levy? Are there any further advantages or disadvantages to our proposal?*

It looks as if it is reasonable for a single adviser business like mine.

6 *Should the levy relating to financial advisers be payable by the financial adviser as proposed, or the financial advice provider?*

Prefer it to be the financial adviser.

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?

Not too keen on a tiered system –looks too complicated.

8

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

I believe the single adviser business should have clarity in what they know they will have to pay. I am at a loss to find any “Benefit they receive” in any of these levies.

Changes to levies relating to authorised bodies

9

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

No

Assumptions

10

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

The estimates made in this assumptions are in a wide range, 1,250 to 3,240. This could mean increases in costs if these numbers are overestimated.

Other comments

Your organisation is following the classic path of a bureaucracy.

Firstly, once established, you forget why you were set up.

In the last ten years,

- has the customer been better protected against bad advice or given assurance that they have been given quality advice?
- Has good impartial financial advice been more readily available to Joe Public?
- Has the quality of advice given anywhere been improved?

Secondly, you look for ways to fund your continued existence.