

How to have your say

Submissions process

The Ministry of Business, Innovation and Employment (MBIE) seeks written submissions on the issues raised in this document by **5pm on Friday 31 March 2017**.

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 attaching your submission as a Microsoft Word attachment and sending to faareview@mbie.govt.nz.
- By mailing your submission to:

Financial Markets Policy
Building, Resources and Markets
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140
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 the development of the Financial Services Legislation Amendment Bill, decisions in relation to the outstanding policy matters, and advice to Ministers.

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

Except for material that may be defamatory, MBIE intends to upload PDF copies of submissions received to MBIE's website at www.mbie.govt.nz. MBIE will consider you to have consented to uploading by making a submission, unless you clearly specify otherwise in your submission.

Release of information

Submissions are also subject to the Official Information Act 1982. Please set out clearly in the cover letter or e-mail accompanying your submission if you have any objection to the release of any information in the submission, and in particular, which parts you consider should be withheld, together with the reasons for withholding the information. MBIE will take such objections into account and will consult with submitters when responding to requests under the Official Information Act 1982.

If your submission contains any confidential information, please indicate this on the front of the submission. Any confidential information should be clearly marked within the text. If you wish to provide a submission containing confidential information, please provide a separate version excluding the relevant information for publication on our website.

Private information

The Privacy Act 1993 establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information you supply to MBIE in the course of making a submission will only be used for the purpose of assisting in the development of policy advice in relation to this review. Please clearly indicate in the cover letter or e-mail accompanying your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that MBIE may publish.

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FMG is very supportive of the proposed changes outlined in the Consultation paper and believe the proposals are well aligned to ensuring a responsible and accountable financial services sector. The changes immensely simplify the current regime and make it very understandable both from a financial services industry perspective as well as consumer one. The only change we have some concerns about is set out in question 30, below:

30. Should the Financial Advisers Disciplinary Committee consider complaints against financial advice providers as well as complaints against financial advisers? Why or why not?

We believe entities (FAPs) should face civil pecuniary penalties and individuals (both FA and FARs) should face disciplinary processes. However, providers should only face civil liability where they failed to take reasonable steps to ensure that their representatives (advisers or “representatives”) complied with the legislation, and representatives should only face personal disciplinary processes where they made a conscious decision to act outside their financial advice provider’s systems, processes, policies or protocols or their conduct was grossly negligent. An error or inadvertent conduct should not trigger this disciplinary oversight.

Our position on FARs being subject to disciplinary proceeding in the context outlined above is that there is no visibility of past ‘bad conduct’ of FARs which means that they can essentially move from FAP to FAP without any ability of the FAP to understand past issues. This poses a risk not only to the FAP, but also to the consumer.

We would suspect the number of instances an FAR would be subject to disciplinary proceedings would be negligible; but rather this avenue would be confined to addressing truly ‘rogue behaviour’

Demographics

1. Name:

Lisa Murray on behalf of Farmers’ Mutual Group

2. Contact details:

REDACTED

3. Are you providing this submission:

As an individual

On behalf of an organisation

Mutual Direct Insurer

4. Please select if your submission contains confidential information:

I would like my submission (or specified parts of my submission) to be kept confidential, and attach my reasons for this for consideration by MBIE.

Reason: Enter text here.

