

Code of Professional Conduct for Financial Advice Services

Submission Template

Submissions close Monday 30 April 2018

Please send submissions to:

code.secretariat@mbie.govt.nz or

Code Working Group
c/o Code Secretariat (Poppy Haynes and Max Lin)
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140
New Zealand

Submissions process

The Code Working Group (CWG) seeks written submissions on the issues raised in this document by **5pm on Monday 30 April 2018**

We welcome submissions on any or all consultation questions. You are welcome to comment only on the issues most relevant to you.

Where possible, please include evidence to support your views, for example references to independent research, facts and figures, or relevant examples.

Please direct any questions that you have in relation to the submissions process to code.secretariat@mbie.govt.nz.

Use of information

The information provided in submissions will be used to inform the CWG's development of the draft Code. We may contact submitters directly if we require clarification of any matters in submissions.

Release of information

The CWG intends to upload PDF copies of submissions received to MBIE's website at www.mbie.govt.nz. The CWG will consider you to have consented to publication of your submission, unless you clearly specify otherwise in your submission.

If your submission contains any information that is confidential or you otherwise wish us not to publish, please:

- indicate this on the front of the submission, with any confidential information clearly marked within the text
- provide a separate version excluding the relevant information for publication on our website.

Submissions remain subject to request under 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. The CWG will take such objections into account and will consult with submitters when responding to requests under the Official Information Act 1982.

Private information

The Privacy Act 1993 establishes certain principles with respect to the collection, use and disclosure of information about individuals. Any personal information you supply to the CWG in the course of making a submission will only be used for the purpose of assisting in the development of the draft code. 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 the CWG may publish.

Information about you

<i>Share your details</i>	
i.	<p>Adrian Rumney Compliance Manager Medical Assurance Society New Zealand Limited</p>
ii.	<p>S 9 (2) (a)</p>
iii.	<p>MAS is a licensed QFE entity that provides a suite of financial products (general insurances, life and disability insurances and superannuation (including KiwiSaver) funds) to MAS Members through its own network of QFE advisers and AFAs supported by a national Member Support Centre.</p> <p>All advisers are employees of MAS, each receive a fixed salary to service Members, and have their performance assessed on the quality of the service that they provide to Members.</p> <p>The scope of financial advice services provided by MAS advisers is limited to the provision of financial advice on MAS products and services. MAS advisers do not give financial advice on products provided by other product providers.</p>
iv.	<p>There is nothing in this submission that is confidential and I have no objections to its publication in full.</p>

Principles for drafting the Code

<i>Share your views</i>	
A.	<p>What comments do you have regarding the overarching theme of “good advice outcomes” and the underlying principles?</p> <p>MAS supports the overarching theme of “good advice outcomes”. This theme, and its associated underlying principles, align well with the broader conduct expectations that the FMA has published for financial product providers.</p>
B.	<p>Are there any further principles that should be included, or existing principles that should be removed?</p>

Care should be taken that the principles are not so broad that they risk crossing into the scope, and potentially creating ambiguity with, other aspects of the financial advice regime. For example, paragraph 50 refers to influencing the leadership and culture of Financial Advice Providers. Governance and culture is an important factor in the assessment, and ongoing monitoring, of Financial Advice Providers by the FMA as part of its licensing process.

Ethical behaviour

Act with honesty, fairness and integrity

Share your views

- C. Do you agree with a requirement to act with honesty, fairness and integrity? If not, please set out your reasoning.
- Yes. On face value an expectation on Financial Advice Providers to act with honesty, fairness and integrity is analogous with the overarching theme of seeking good advice outcomes.

Keep the commitments you make to your client

- D. Should minimum standards for ethical behaviour for the provision of financial advice extend beyond strict legal obligations, to include meeting less formal understandings, impressions or expectations that do not necessarily amount to strictly legal obligations? If no, please give reasoning. If yes, please propose how a standard for such commitments might be framed.
- No. It is perverse that Financial Advice Providers could be held to a standard of ethical behaviour over and above their legal obligations, especially where the obligations for conduct set out within the FMC Act will extend specifically to the provision of advice and adviser services.
- The Code should limit itself to providing guidance on standards of ethical behaviour that align with, but do not exceed, the conduct expectations set out in the FMC Act.

E.	<p>If there was a minimum standard requiring Financial Advice Providers – or Financial Advice Providers in some situations – to have their own code of ethics in addition to the Code, how would you frame the requirement for it to deal with keeping commitments?</p> <p>MAS supports the intent behind proposing codes of ethics but questions their effectiveness in achieving desired aims in balance with the cost and commitment required to implement and maintain them. This will be addressed in response to questions L – O.</p>
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Manage and fully disclose conflicts of interest

F.	<p>Should the Code include a minimum standard on conflicts of interest in addition to the legislation?</p> <p>No. The Code should be limited to providing guidance on expectations for meeting legal obligations. The imposition of a standard in addition to that contained legislation would imply that the legislation is deficient. It would also be perverse that an advice provider who is legally compliant could still be found to have not met minimum standards.</p>
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Do no harm to the client or the profession

G.	<p>Do you agree that a person who gives financial advice must not do anything or make an omission that would or would be likely to bring the financial advice profession into disrepute? If not, please set out your reasoning.</p> <p>Yes. CS-2 of the current AFA Code appears to be satisfactory in imposing this requirement and could be amended accordingly to fit the broader scope of Financial Advice Providers under the revised regime.</p>
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H.	<p>Is an additional minimum standard on doing no harm to the client necessary? If so, what standard do you propose?</p> <p>No. For the reasons raised in the consultation document (paragraph 95), “doing no harm” will largely be met through compliance with other legislative measures and with the Code itself.</p> <p>If included, caution should be taken to define what constitutes “harm”. It should not be the intent of such a standard, or an outcome, that harms indirectly arising outside of an adviser’s control (e.g. unforeseen market events) be categorised under any such standard.</p>
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Keep your client’s data confidential

I.	<p>In which situations, if any, should the retention, use or sharing of anonymised bulk customer data be subject to Code standards?</p> <p>The scope of the Code should not extend to issues of privacy. This is to avoid potential inconsistencies with other legislative measures, in particular the Privacy Act (and any subsequent iteration of it) which exist to provide specifically for the protection of personal information.</p>
J.	<p>Do you agree that the Code should cover the various aspects of maintaining client confidentiality discussed in this paper?</p> <p>No. Further to the response to question I, “client confidentiality” shouldn’t be a different standard or definition to the personal information protections set out within the Privacy Act?</p>
K.	<p>Are there other aspects of maintaining client confidentiality to consider?</p> <p>No. As per response to questions I and J.</p>

Ethical processes in Financial Advice Provider entities

L.	<p>Do you agree that the Code should require the Financial Advice Provider to document and maintain its “ethical processes”?</p> <p>No. Ethics is already within scope of other regulatory mechanisms within the current advice regime. For example, it is currently the case that MAS’s QFE Adviser Business Statement deals broadly with how MAS ensures ethical behaviours across its advice model. Given that the FMA is signalling that it is placing increased importance on the conduct of financial service providers, it is expected that an increased focus will be placed on the ethics and behaviours of Financial Advice Providers through the licensing processes of the new advice regime.</p>
M.	<p>Should the Financial Advice Provider be required to have a publicly available corporate code of ethics? Are there particular situations where a corporate code of ethics should be or should not be required?</p> <p>No. We understand the intent behind proposing a measure that has the intent to incentivise good behaviours but question where it fits within the regulatory regime. A well-constructed Code of Professional Conduct, and advisers / advice providers adhering to the Code, should in itself lead to behaviours that are ethical (i.e. aligned to achieving good advice outcomes).</p> <p>In addition, The New Zealand industry is notable in that there is a high level of adviser engagement and alignment with professional bodies, which have their own codes of conduct/ethics.</p> <p>A further concern from a compliance burden, cost and indeed ethical perspective is the effectiveness of Codes of Ethics in general. At the Code Working Group’s roadshow (Wellington, 20/03/2018) international research was cited that showed a lack of evidence to support the effectiveness of codes of ethics in practice. If their ineffectiveness is acknowledged, would it not therefore be disingenuous to implement them knowing that they are an illusory measure of consumer protection?</p>
N.	<p>Should Financial Advice Providers also be subject to additional standards in respect of leadership and culture? If so, how should these be framed?</p> <p>No. We do not support additional standards in respect of leadership and culture being added to the Code for the reason of avoiding potential regulatory overlap and reducing compliance burden and cost.</p> <p>Governance and culture is an area of strategic focus for the FMA and will form a significant portion of their licencing processes both at the licence application assessment phase and the ongoing monitoring of Financial Advice Providers once they become licenced.</p>

O.	<p>Do you propose other additional standards of ethical behaviour that should apply to Financial Advice Providers?</p> <p>No, again for the reason of avoiding potential regulatory overlap and reducing compliance burden and cost.</p>
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Ethics training

P.	<p>Do you agree that Financial Advice Providers should be required to meet standards relating to ethics training? If not, please state your reasoning.</p> <p>No. The need to demonstrate an up-to-date understanding of the general legal, Code and consumer protection obligations relevant to the provision of financial advice, alongside having the competence, knowledge and skill to give advice that delivers a good advice outcome (as set out in paragraph 154 (general competence, knowledge and skill) of the consultation document should be sufficient to meet reasonable ethical standards.</p> <p>In addition, most medium to large organisations (MAS included) already have in place their own internal codes of conduct which set out expected standards of behaviour. In our case, all employees must carry out periodic training and testing to ensure currency of knowledge with the Code of Conduct is maintained.</p>
Q.	<p>Should ethics training requirements apply to all officers and employees of a Financial Advice Provider, as appropriate to their role and contribution to the process of financial advice provision? If not, please state your reasoning.</p> <p>This shouldn't necessarily be a requirement set to a standard within the Code. If all employees involved in the provision of advice will be required to meet a general competency standard of demonstrating an up-to-date understanding of the general legal, Code and consumer protection obligations relevant to the provision of financial advice as well as meeting standards set by internal codes of conduct, this should be sufficient to achieve the outcomes sought by the Code.</p>
R.	<p>Should there be a requirement for ongoing refresher training on ethics?</p> <p>As per the response to question P. The proposed general competence, knowledge and skill obligations set out in paragraph 154 of the consultation document should be sufficient to meet principals of what is ethical behaviour. We support these requirements needing to be maintained as "up-to-date and clear".</p>

Resolving ethical dilemmas

S.	<p>Do you agree that Financial Advice Providers should be required to have in place, and use, a framework for resolving ethical dilemmas that may arise in giving financial advice? If not, please set out your reasoning.</p> <p>We think that such a framework will sit better within the licensing process as opposed to the Code. This approach will ensure that prospective Financial Advice Providers will have to demonstrate that they have suitable mechanisms for identifying and mitigating ethical dilemmas within their advice processes and business models. The licence application process allows for such frameworks to be objectively assessed against the size and nature of the prospective Financial Advice Provider prior to any licencing decision being made.</p>
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Compliance functions

T.	<p>Should there be a requirement for explicit sign-off on the soundness of financial advice provided directly by a Financial Advice Provider?</p> <p>No. We are of the opinion that compliance assurance processes sit within the Financial Adviser licensing framework as opposed to the Code. This is the case now with prospective QFE entities needing to demonstrate that they have the capacity to discharge their ongoing compliance obligations, comply with licensing conditions and maintain procedures to ensure adequate consumer protection.</p> <p>Adviser Business Statements, prepared for the purpose of licensing, are required to explain the governance and compliance arrangements that have been put in place to ensure that the entity can take responsibility for the professional conduct and competence of all of its advisers in all of their adviser services. It must explain how consumer protection is addressed. It is preferred, and likely to be the case, that similar provisions be retained within the licensing framework for the new regime and any regulatory overlap be avoided where possible.</p>
U.	<p>Do you agree that Financial Advice Providers should be required to have in place a compliance function aimed at following up on concerns raised by employees and other stakeholders? If not, please set out your reasoning.</p> <p>Yes. But as per response to question T, this requirement we feel is best addressed within the framework for the licensing of Financial Advice Providers as opposed to the Code.</p>

<p>V.</p>	<p>Should this extend further into an internal audit obligation, having in place processes to systematically test for and detect violations of ethical behaviour?</p> <p>Again, this requirement we feel is best addressed within the framework for the licensing of Financial Advice Providers as opposed to the Code. Within the licensing framework an objective assessment can be made as to an internal audit obligation that is appropriate for the size and nature of the provider.</p>
<p>W.</p>	<p>Are there any potential compliance costs for small and/or large Financial Advice Providers that need to be considered?</p> <p>Placing compliance functions within the Financial Advice Providers licensing framework as opposed to the Code will enable flexibility to impose requirements appropriately scaled to the size and nature of the advice business. The application assessment and ongoing monitoring phases of licensing enables compliance functions to be assessed objectively. Objectivity as to the suitability of compliance functions for the size and nature of the provider won't be achieved as effectively as a Code obligation.</p>

Responsibility for the whole advice process

<p>X.</p>	<p>Do you agree that Financial Advice Providers should be required to be able to demonstrate that they meet the standards of ethical behaviour as if the Financial Advice Provider carried out the whole advice process directly itself? If not, please set out your reasoning.</p> <p>Yes. But as per previous responses, this is better placed within the licensing framework where associated enforcement tools available under the FMC Act such as censures, or the imposition of action plans can be used to regulate behaviours and enables a consistent approach to enforcement across all licensed financial service providers.</p>
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Reinforcing good ethical behaviour

Y.	<p>What principle or mechanism do you propose the Code could include to reinforce good ethical behaviour on a day-to-day basis?</p> <p>Good ethical behaviour should be reinforced through the Code’s overarching principles of client centricity. Financial Advice Providers should be prompted to think at an emotional level “am I doing good” by introspectively assessing whether their behaviours are client centric and consistent with what would be reasonably expected of a prudent person to achieve “good advice outcomes”.</p> <p>The provision of guidance, and use of clearly defined terms in respect to “good advice outcomes” should achieve what is intended outside of the need to maintain separate codes of ethics.</p>
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Conduct and client care

Advice situations

<i>Share your views</i>	
Z.	<p>Are there other delivery methods that should be considered when testing our thinking?</p> <p>The examples provided in paragraph 124 of the consultation document appear reasonable for consideration. The Code itself should remain as neutral as possible on delivery methods (except in the provision of them as examples) to ensure that it does not become a barrier to innovation within the advice sector and remains flexible to methods that may arise in the future.</p>

Advice-giving standards

AA.	<p>How do the current client care standards work in practice, especially in advice-giving situations not previously covered by the AFA Code? In answering this question, please ignore “scope of advice” (CS-8) and “suitability” (CS-9 and part of CS-10).</p> <p>Broadly, we feel that the current client care standards work well. The exception is CS-7 ensuring that a client can make an informed decision. The disclosure requirements make this particular standard largely redundant given that it expresses that its requirements “may be satisfied in whole or in part by complying with” disclosure obligations. The Code should avoid crossing over into the scope of other regulatory mechanisms.</p>
BB.	<p>Could any aspect of the current client care standards be worded better? (For example, we are aware that the definition of “complaint” could be improved.)</p> <p>No comment.</p>
CC.	<p>Are there any aspects of the current client care standards that could be expanded or clarified (for example, in light of the published findings of the Disciplinary Committee)?</p> <p>No comment.</p>
DD.	<p>Are there any potential compliance costs for small and/or large Financial Advice Providers that need to be considered?</p> <p>No comment.</p>
EE.	<p>Are there any additional matters that should be addressed in the advice-giving standards? Those listed above? Others?</p> <p>No comment.</p>

Advice process

FF.	<p>Do you think there are any other components that should be included in the design considerations of an advice process?</p>
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	<p>No. What is noted in paragraph 131 of the consultation document about processes differing depending on the circumstances very important. Advice processes need to have flexibility to be applied to across a broad range of scopes of products and circumstances.</p>
GG.	<p>Should the Code include guidance material to help determine what needs to be considered when designing an advice process?</p> <p>Consideration should be given to how much the design of the advice process, and its suitability for the size and nature of the Financial Advice Provider will be addressed in the licensing processes of the regime. The current licensing regime addresses this in that prospective QFEs and AFAs must demonstrate governance and compliance arrangements that ensure their processes help advisers consistently recommend or guide customers towards suitable products.</p>
HH.	<p>Are there any other important aspects you think should be included in the advice process for all types of financial advice activities under the new regime?</p> <p>No comment.</p>
II.	<p>Should any of the key aspects that we have listed above be removed? If so, why?</p> <p>No comment.</p>
JJ.	<p>Are there any situations in which an advice process need not be followed?</p> <p>A client, should they wish to do so, should be able to opt themselves out of the advice process. This should be at their request though and not adviser led. In such situations, an obligation should remain on the adviser to ensure that the client understands the risks in doing so, and the client should provide active acknowledgment that they understand the potential implications of their decision. It would be expected that advice provided on such a basis would be generic in nature as a limitation of the client opting out of the process intended to determine personalised suitability as it would be difficult to otherwise achieve demonstrable good advice outcomes.</p>

Personalised suitability

KK.	<p>What comments do you have about a proposed minimum standard on personalised suitability analysis? What are your views on the example above?</p>
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	<p>We support a Code that is clear in allowing for flexible levels of enquiry and suitability analysis and which recognises that good advice outcomes can be achieved through differing approaches dependent on the circumstances. An important principle that should be considered is contained in the FMA’s June 2014 Guidance note: limited personalised advice – that is that advisers should adjust their level of enquiries to be “relevant and proportionate” to the scope of the advice. This is an expansion on the principle of existing CS-9 that a personalised service should be suitable “having regard to the agreed nature and scope” of the service provided.</p>
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Organisational standards

<p>LL.</p>	<p>What are the practical advantages and disadvantages of including organisational standards as described? What explanatory material or examples could we provide in the Code that might help to make these standards easier to comply with in practice?</p> <p>The concern with incorporating organisational standards into the Code is the extent that these will be addressed within the licensing framework and the preference that overlaps in the regulatory mechanisms are avoided.</p> <p>It is noted in paragraph 149 that good organisational conduct “is difficult to describe and measure” and the Code is not a tool that lends itself to overcome this issue. The licensing framework does allow for a more objective measure of how organisational arrangements are positioned to support the delivery of good advice outcomes.</p>
<p>MM.</p>	<p>Would implementing these organisational conduct and client care standards create a particular compliance burden for your firm? If yes, please explain why.</p> <p>They would if the Code carried organisational standards that were not carefully aligned with the standards expected of the FMA in their assessment and licensing of Financial Advice Providers.</p>

General competence, knowledge and skills

<i>Share your views</i>	
NN.	<p>Do you agree with our interpretation of the meaning of “competence, knowledge, and skills”? If not, why not?</p> <p>Yes. The definitions of the terms in paragraph 158 of the consultation document provide useful context of their application.</p>
OO.	<p>Are there other factors, which contribute to combined expertise, that we have not listed? We are particularly interested in factors that are relevant to financial advice that is given by a Financial Advice Provider directly, including by digital means.</p> <p>No. We are broadly supportive that competence, knowledge and skill can be demonstrated effectively on an in aggregate basis, that is the expertise of an individual in combination with the expertise of the organisation. The existing QFE model has already demonstrated this in practice, and we are not aware of any deficiencies or issues being noted from the experience of that model to date.</p> <p>Any standards for the demonstration of expertise should be technology neutral where possible to avoid becoming a barrier to innovation within the advice sector.</p>
PP.	<p>What do you think are the advantages of this approach to general competence, knowledge and skills?</p> <p>Principally, measuring expertise on a combined basis provides the flexibility for organisations (particularly larger ones) to leverage off their internal learning and development and assurance frameworks. This will facilitate consistent advice outcomes that align with the scope of advice service being provided.</p>
QQ.	<p>What do you think are the disadvantages of this approach to general competence, knowledge and skills?</p> <p>It would be a disadvantage not to follow this approach as learning and development and assurance costs could become prohibitive and a barrier to achieving the desired good advice outcomes.</p>

RR.	<p>In what ways do you think this proposed standard contributes to, or detracts from, the legislative purposes (for example ensuring the quality and availability of advice, avoiding unnecessary compliance costs, and promoting innovation and flexibility)?</p> <p>No comment.</p>
SS.	<p>What factors should we consider in determining whether to make the proposed unit standard a renewing obligation?</p> <p>The key factor is the availability of the standard. At present Unit Standard 26360 is only tested through one organisation (Skills Organisation). There should be greater flexibility in how competence at an equivalent level can be demonstrated. It would be preferable that there were an increased number of commercial assessors of the standard. Additionally, some larger Financial Advice Providers may be able to meet the standard internally or may wish to negotiate training delivery through a preferred provider of their choosing.</p>

Particular competence, knowledge and skills

<i>Share your views</i>	
TT.	<p>What are the advantages and disadvantages of our approach of identifying two types of financial advice? What impact would it have on the type of advice you give and on your compliance costs?</p> <p>It is not ideal that the Code Working Group has proposed types of financial advice that differ from those contained within the Bill and that the consultation document in explaining financial planning has not provided a definition of how it is envisaged to appear in a revised Bill (if any).</p> <p>One issue that we have concerns about is whether advice provided across multiple products in combination at the same time would be interpreted to be “planning” as opposed to product advice. One example that is relevant to MAS is the provision of life and disability advice. Here two or more products may be recommended together to provide cover for a number of events (e.g. term life cover structured in combination with accelerated total and permanent disability cover). This is a fairly common and not particularly complex scenario that shouldn’t require a higher standard of competency than that required for providing advice on each product in isolation. It may not be the intent of the proposed definition amendment to capture such product advice engagements, but this needs to be made clear.</p>

UU.	<p>How should RFA’s experience be recognised?</p> <p>No comment.</p>
VV.	<p>What do you think are the advantages of this approach to particular competence, knowledge, and skill?</p> <p>It is advantageous that this approach provides a clear pathway for people contemplating a career in financial advice.</p> <p>It is important though that the “in aggregate” approach is maintained to ensure that larger Financial Advice Providers can deliver training that is appropriately scaled to the scope of and nature of their product suites and advice provided by their nominated representatives.</p> <p>Guidance on how Financial Advice Providers can achieve demonstrable equivalency to the Level 5/Level 7 standards as appropriate is desirable.</p>
WW.	<p>What do you think are the disadvantages of this approach to particular competence, knowledge, and skill?</p> <p>The approach is not clear and in places appears contradictory, hence (as per response to question VV) it is desirable that there be guidance published on how Financial Advice Providers can achieve the in aggregate standard. For example, paragraph 179(i) expressly excludes experience as a measure of competency that Financial Advice Providers may take into account when determining their in aggregate position. This paragraph, and paragraph 181, are then contradicted by paragraph 182 which states that each person providing advice may not need to have a Level 5 qualification for the provision of advice.</p> <p>Further, it is noted that it is proposed that people that have previously qualified as an AFA would be recognised as meeting the minimum standard. However, no recognition appears to be allowed for those nominated representatives who may have years of experience under the existing regime and who can demonstrate a track record in achieving good, compliant advice outcomes through their employer’s internal compliance monitoring and performance management structures.</p> <p>The exclusion of previous experience as a substitute for formal qualifications within the specific competency, knowledge and skill section is also inconsistent with the definitions set out earlier in the consultation document. Specifically, the contextual definition of “knowledge” provided in paragraph 158 makes explicit reference to experience as an example of how knowledge can be acquired. Internal assurance activities are able to measure whether knowledge is applied to an acceptable standard (“competence”) and an individual’s ability to do something well (“skill”).</p>

XX.	<p>In what ways do you think this proposed standard contributes to, or detracts from, the legislative purposes (for example ensuring the quality and availability of advice, avoiding unnecessary compliance costs, and promoting innovation and flexibility)?</p> <p>There is a risk that if meeting the standard for specific competency, knowledge and skill is interpreted conservatively that all nominated representatives should be formally qualified, that this may become cost prohibitive for some Financial Advice Providers and they may step back from the provision of advice. Even on a limited basis this would be a step-backwards from increasing the availability of advice.</p> <p>It is also concerning that the competency standards appear to be more restrictive than are applied to QFEs under the current regime. This is despite no issues having been specifically identified with the quality of advice provided under the present regime. To avoid adverse outcomes, it is therefore desirable that the in aggregate ability of a Financial Advice Provider to meet the specific competency, knowledge and skill requirements be assessed through the licensing framework, in much the same way as it is now under the QFE model.</p>
YY.	<p>What alterations, if any, would you suggest to the baselines we have nominated: specialist strand for product capability, Level 5 for discipline capability, and relevant degree (or other degree plus Level 6) for planning capability?</p> <p>No comment.</p>

Other comments

<i>Share your views</i>	
ZZ.	<p>Are there any other comments you would like to make to assist us in developing the Code?</p> <p>In general, the current AFA Code has worked well for setting out the standards expected throughout the advice process, and in defining competency standards for individuals. However, the variances in the size and nature of entities that the new Code will seek to cover make it problematic to come up with standards that are clear yet still retain the flexibility needed to be effectively applied. The important role that licensing will play in objectively assessing the appropriateness of Financial Advice Providers' frameworks for ensuring they are well positioned to achieve good advice outcomes needs to be recognised and taken into account when drafting the Code.</p>