

## Information about you

<i>Share your details</i>	
i.	Wendy Hamilton
ii.	<b>S 9 (2) (a)</b>
iii.	I am a sales manager with a Life & Health brokerage; however have also spent 11 years as an adviser. My submission is on behalf of myself not my employer.
iv.	Happy for you to share my personal details (not those of my employer)

## Principles for drafting the Code

<i>Share your views</i>	
A.	<i>Good Advice Outcomes need to be clearly defined to make clear what they don't include e.g. not the performance of recommended investment funds as opposed to investment strategy</i>

## Ethical behaviour

Act with honesty, fairness and integrity

<i>Share your views</i>	
B.	<i>Definitely agree</i>

Do no harm to the client or the profession

C.	<i>Yes I agree</i>
----	--------------------

D.	<i>No</i>
----	-----------

## Ethical processes in Financial Advice Provider entities

E.	<i>Shouldn't the Code stipulate this for all parties to follow? Could be dangerous having different standards amongst businesses</i>
F.	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? <i>No as above</i>
G.	Should Financial Advice Providers also be subject to additional standards in respect of leadership and culture? If so, how should these be framed? <i>Too hard to develop and monitor</i>
H.	Do you propose other additional standards of ethical behaviour that should apply to Financial Advice Providers? <i>No, but regulator should be able to conduct review/have disciplinary options available when advisers working under FAP are brought to the attention of the regulator more than once within specified times frames, e.g. 12 or 24 months</i>

## Ethics training

I.	Do you agree that Financial Advice Providers should be required to meet standards relating to ethics training? If not, please state your reasoning. <i>Yes annual programs should be put in place</i>
J.	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. <i>Only as relevant</i>
K.	Should there be a requirement for ongoing refresher training on ethics? <i>Yes, annual</i>

## Resolving ethical dilemmas

L.	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. Yes
----	---

## Compliance functions

M.	Should there be a requirement for explicit sign-off on the soundness of financial advice provided directly by a Financial Advice Provider? Not sure how this would work – <i>initial sign off by approved bodies on best practice templates to be used could be a good idea</i>
N.	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. <i>Someone needs to handle these functions however would be scalable depending on the size of the organisation.</i>
O.	Should this extend further into an internal audit obligation, having in place processes to systematically test for and detect violations of ethical behaviour? <i>Again needs to be scalable</i>
P.	Are there any potential compliance costs for small and/or large Financial Advice Providers that need to be considered? <i>Could be very tricky for small advice firms, could this be a contracted service offered as part of a professional body membership?</i>

## Responsibility for the whole advice process

Q.	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. Yes
----	--

# Conduct and client care

## Advice situations

*Share your views*

## Advice-giving standards

R.	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). <i>I believe that the current standards should apply to all advisers going forward, so a client could expect the same level of documentation from any adviser. The proposed new Disclosure standards should also improve the client’s ability to make an informed decision about who to deal with.</i>
----	---

## Advice process

S.	Do you think there are any other components that should be included in the design considerations of an advice process? <i>Simplified paperwork with more transactional advice situation e.g. purchasing car insurance</i>
T.	Should the Code include guidance material to help determine what needs to be considered when designing an advice process? <i>Yes</i>
U.	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? <i>Short form process for limited and transactional. Also definition of what can be considered ‘limited advice’</i>
V.	Are there any situations in which an advice process need not be followed? <i>No – if any advice is provided the process needs to be followed to protect all parties – but as above needs to be short-form option in certain situations</i>

## Personalised suitability

W.	What comments do you have about a proposed minimum standard on personalised suitability analysis? What are your views on the example above? <i>Agree with the examples</i>
----	--

and keeping output appropriate to needs

## General competence, knowledge and skills

### Share your views

X.	Do you agree with our interpretation of the meaning of “competence, knowledge, and skills”? If not, why not? <i>Yes, however see notes below</i>
Y.	Are there other factors, which contribute to <b>combined expertise</b> , 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. This is a very difficult area to quantify and monitor. <i>If the adviser themselves has no qualifications, someone above them should sign off their work and be held accountable for the advice – however this would place a significant time and compliance burden on a smaller FAP</i>
Z.	What do you think are the advantages of this approach to general competence, knowledge and skills? <i>Lowers education costs and means lower productivity drop at start of new regime.</i>
AA.	What do you think are the disadvantages of this approach to general competence, knowledge and skills? <i>Very clear and measurable requirements will need to be set – may be difficult to define for all business situations, leading to loopholes of potential exploitation.</i>
BB.	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)? <i>If appropriate definition and framework can be created, could lower costs and increase access to advice</i>
CC.	What factors should we consider in determining whether to make the proposed unit standard a renewing obligation? <i>Cost</i>

## Particular competence, knowledge and skills

### Share your views

DD.	<i>Yes agree with two different types of financial advice and that higher education levels should apply to Financial Planning services</i>
EE.	How should RFA's experience be recognised? <i>Minimum education standards plus on-going professional development. Time in industry does not necessarily correspond to competence. However saying that an alternative could be for an RFA to be mentored by an AFA over a set period and have various files randomly audited to check standard of advice meets predetermined standards</i>
FF.	What do you think are the advantages of this approach to particular competence, knowledge, and skill? <i>Increased consumer confidence and industry reputation</i>
GG.	What do you think are the disadvantages of this approach to particular competence, knowledge, and skill? <i>Potential exit of good advisers from the industry – therefore I strongly believe that it is inappropriate to exclude industry qualifications prior to 30 June 2011. A number of good advisers completed or nearly completed education requirements prior to the FAA being introduced. When the rules changed at the last minute for RFAs many did not complete to AFA standards. These advisers should not have to start again, but have some competency assessment standards as an alternative qualification. I myself completed my Graduate Diploma in Business Studies endorsed Personal Financial Planning in 2006, attained CFP &amp; CLU (since let go as didn't want to remain a member of IFA), however have been told that I can only cross credit to the core strand and would need to redo the Life &amp; Health strand in order to be an FA in the new regime. Given the years of study I previously did, the time and cost seems to be totally inappropriate and means people like me may exit the industry.</i>
HH.	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)? <i>I believe that all advisers need to be educated and qualified to the same standards, but should not result in those who have previously studied to restart as above. This would be an adverse and unintended consequence for the consumers</i>
II.	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? <i>As above</i>

## Other comments

### *Share your views*

JJ.	Are there any other comments you would like to make to assist us in developing the Code? <i>Regime needs to promote simplified yet informed choice for the consumer and more accountability for the advisers.</i>
-----	---