

This quick guide is provided by Financial Advice New Zealand (the Association) as a general information sheet only for those considering becoming a NZ financial adviser. Please note specific requirements are defined by the NZ regulator Financial Markets Authority [www.fma.govt.nz](http://www.fma.govt.nz) If you wish to join this new Association and read about upcoming events please check us out at <https://financialadvice.nz/>

## NZ Regulatory Environment

The financial planning and financial advice sector in New Zealand are regulated by the Financial Advisers Act 2008 (FA Act). The NZ government is currently repealing this Act and there is currently before the New Zealand Parliament a new Bill that will provide a comprehensive reform of the legislation governing all financial advisers.

This Bill has cross-party support and it is envisioned that this new legislation will be enacted in late 2018 with a regulatory Code of Conduct covering all Financial Advisers and advice in New Zealand.

What will remain unchanged is the regulator – and the Financial Markets Authority (FMA) has authority for the administration of Acts and compliance for financial services [www.fma.govt.nz](http://www.fma.govt.nz) All advisers must be registered and have their names listed on a public register, called the Financial Service Providers Register <http://www.business.govt.nz/fsp/>

The FMA appoints a 'Code Committee', who set the minimum qualifications for AFAs. The Code Committee regularly update the Code of Professional Conduct for AFAs which also sets out the minimum qualification requirements.

<https://fma.govt.nz/compliance/role/authorised-financial-advisers/#e3528>

There will be a new code for all financial advisers by late 2018.

## Investment advisers

Advisers who provide advice on complex products including investments (category 1 products), or provide investment advice, **must** become licenced by the FMA and be 'Authorised Financial Advisers' (AFAs). This nomenclature will change this year to reduce confusion to the consumer.

Specifically, advisers will need to become an AFA if they:

- give financial advice in relation to category 1 products
- provide an investment planning service
- provide a discretionary investment management (DIMS) service.

Currently, the minimum qualification for AFAs is the **NZ Certificate in Financial Services Level 5**.

Important Note: The Association is not aware, that the FMA under NZ regulations, have given any exemptions to this qualification requirement to overseas financial advisers who hold their CFP designation, higher financial planning degrees or diplomas.

*'new legislation will be enacted in late 2018 with a regulatory Code of Conduct covering all financial advisers in NZ'*

This is an internal document for information to potential Members. If you wish this to be distributed further please phone or email us for permission Andrew Gunn, Manager Learning & Development [andrewg@financialadvice.nz](mailto:andrewg@financialadvice.nz) 021 684355

## Providers of the NZ Certificate

This vocational qualification is currently delivered online by three organisations:

### Professional IQ College

<http://professionaliq.co.nz/NZ-Fin-Serv-Cert-L5/10222/>

### Open Polytechnic of New Zealand

<https://www.openpolytechnic.ac.nz/qualifications-and-courses/op5141-new-zealand-certificate-in-financial-services-level-5/>

### Strategi Institute

<https://www.strategi.co.nz/?for=advisers>

## Insurance and Lending Advisers

Advisers of 'category 2 products', that is products including mortgages, term deposits and life insurance, are currently known as 'Registered Financial Advisers' (RFAs). They have significant restrictions on their services, and for instance cannot provide investment planning or give advice on investment products.

There is currently no qualification requirement for RFAs. However, with the new legislation this year it is highly likely that all advisers will have to meet minimum qualification levels.

*'there are three organisations that deliver the minimum qualification – the NZ Certificate in Financial Services Level 5'*

## Gaining CFP in New Zealand

There are specific requirements for those wishing to gain their New Zealand CFP<sup>CM</sup> designation. A senior category of membership for financial planning members in New Zealand is the CERTIFIED FINANCIAL PLANNER<sup>CM</sup> Practitioner (CFP<sup>CM</sup>) designation.

*'A senior category of membership for financial planning members in New Zealand is the CERTIFIED FINANCIAL PLANNER<sup>CM</sup> Practitioner'*

The Association is the licensing authority for CERTIFIED FINANCIAL PLANNER<sup>CM</sup> (CFP<sup>CM</sup>) mark through agreement with the international Financial Planning Standards Board (FPSB). The Association also owns the CERTIFIED LIFE UNDERWRITER<sub>CM</sub> (CLU<sub>CM</sub>) mark for practitioner members in the area of personal risk management.

The requirements for CFP Practitioners from overseas to gain their NZ designation are in quick guide 7 and vary from time to time. If you hold an overseas designation please contact us.



You must be a Practitioner Member with AFA status to hold the pinnacle designations of CFP<sup>CM</sup> and CLU<sub>CM</sub>



## Financial Advice New Zealand - your Professional Association

Financial Advice New Zealand (Association) provides a wide range of benefits to its members including technical guidelines and templates, access to Professional Indemnity Insurance, an online CPD log and Professional Development Plan, CPD events and the annual National Advisers Conference, seminars and regional meetings. <https://financialadvice.nz/>

The Association is made up of Members who voluntarily undertake formal education, subscribe to a Code of Ethics, continuing education courses, and provide more comprehensive disclosure information than is legally required. This is used as a basis for marketing themselves as professional financial advisers.

*“The Association provides a wide range of benefits to its members”*

### Professional Indemnity Insurance

The Association facilitates a group professional insurance indemnity scheme available to all its Members. You may apply for this insurance upon Membership application. The exact policy and costs are determined once you submit details of your advice business to the underwriter. The Association is not a party to this correspondence.

### Legislative and Regulatory Changes

2018 is a year of large changes – both in the area of legislation and regulation and the formation of the new body, Financial Advice New Zealand. For the latest update please call us or email at any time as the environment is quite dynamic.



### Types of Membership

**Practitioner Membership** is open to those involved in giving advice in Financial Planning, Investment Advice and Personal Risk & Insurance Advice and Lending Advice, and who are ordinarily resident in New Zealand and who are Authorised Financial Advisers (AFAs) or Registered Financial Advisers (RFAs) or advisers with 'Qualifying Financial Entities' like a bank, advice business or insurance company.

**Associate Individual** category in the Association is available to those associated with the industry, or involved in the process of providing advice (e.g. compliance managers) but who are not practicing advisers.

**Associate Student** category is free to join and available for NZ residents, studying in financial services qualifications and not giving advice in New Zealand.

Important Note: For holders of overseas the CFP designation, if you have arrived in New Zealand as a resident, but are not yet employed as a financial adviser and you are studying for the requirements of being an AFA, you may apply to be a Student Associate of the Association and attend regional and national functions and CPD events.

To join please use this link <https://financialadvice.nz/>