

A woman with dark hair, wearing a light-colored knit sweater and a tan hat, is seen from the side, looking out from a ziplane. The ziplane's ropes and wooden frame are visible in the foreground. The background is a lush, green forest with sunlight filtering through the trees.

# MEMBERSHIP BYLAWS OF FINANCIAL ADVICE NEW ZEALAND

Financial **Advice**  
NEW ZEALAND

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## DEFINITIONS

<b>Associate</b>	means an individual or entity, other than a Member, who is involved in the financial services industry but that does not provide financial advice. Associates may be individuals, students or a corporate entity
<b>Association or Financial Advice New Zealand</b>	means Financial Advice New Zealand Incorporated
<b>Board</b>	means the Board of the Financial Advice New Zealand
<b>Certification Committee</b>	means Financial Advice New Zealand's Certification Committee
<b>Constitution</b>	means Financial Advice New Zealand's constitution adopted on 26 <sup>th</sup> September 2017 and as amended from time to time
<b>Corporate Associate</b>	means a corporate entity in the financial services industry that has been approved for Associate status.
<b>CPD</b>	means Continuing Professional Development
<b>Fellow</b>	means a Member who has been awarded the distinction by the Association for service to the Association
<b>Life Member</b>	means a Member who has been awarded the distinction by the Association for service to the Association
<b>Member Advisory Committees</b>	means Financial Advice New Zealand's Member Advisory Committees
<b>Financial Advice New Zealand Office</b>	means the management and administrative headquarters of the Association
<b>Management</b>	means Financial Advice New Zealand executive staff
<b>Member</b>	means a person admitted as a Member of Financial Advice New Zealand [and includes a Practitioner Member, a Life Member and a Fellow]. <b>Membership</b> will be interpreted accordingly
<b>Ordinarily Resident</b>	means providing the majority of his / her services in New Zealand

**Practitioner Member** means a Member practising as a Financial Adviser, or involved in the process of giving advice, who has met all the requirements prescribed for a Practitioner Member

**Student Associate** means any person who is currently enrolled in the study of financial advice but who is not eligible for admission to any other Membership class

## 1. ROLES

- 1.1 The following documents and concepts define the context for Financial Advice New Zealand's membership policy:
- a. The Constitution defines the classes of membership,
  - b. These Bylaws prescribe requirements for each class and category of membership,
  - c. The Member Advisory Committees develop policy for the particular education courses recognised as meeting the requirements for each category of membership as well as requirements for eligibility for membership, moral character and business ethics,
  - d. The Board consider and if appropriate approves the particular policies,
  - e. The Certification Committee evaluates individual applications in terms of the requirements under the Membership Bylaws and Board policy, in terms of processes set by the Certification Bylaws.

## 2. CLASSES AND CATEGORIES OF MEMBERSHIP

### Members

- 2.1 Members may be Practitioner Members, Life Members or Fellows.
- 2.2 A person who has become a Member on or before 31 July 2018 will be known as a **Founding Member** and will qualify for a [\$100 including GST] reduction in his or her Membership subscription for the Membership year from 1 July 2018 and each year while he or she continuously remains a Member.

### ASSOCIATES

- 2.3 Associates may be Associates (individuals), Corporate Associates or Student Associates.

## 3. APPLICATION FOR MEMBERSHIP

3.1 Criteria for Membership shall reflect the principle that Membership of a profession requires proven competency (knowledge and skills), experience and ethical standards. Application for Membership shall be made in the form authorised by the Board.

3.2 Management may approve the application for Practitioner Membership of any financial adviser who is ordinarily resident in New Zealand who has satisfied the requirements for eligibility

for Membership, moral character and business ethics. Management may refer cases for consideration by the Certification Committee and shall do so if there is any doubt as to eligibility or suitability. Management shall regularly report approvals to the Certification Committee.

3.3 Management may admit to Associate Membership of the Association any person who is not a practising financial adviser but who is otherwise involved in the financial services industry upon such conditions as may be prescribed by the Constitution or approved by the Board. Management may refer cases for consideration by the Certification Committee and shall do so if there is any doubt as to eligibility or suitability. Management shall regularly report approvals to the Certification Committee.

3.4 Management may admit to Student Associate Membership of the Association any person who is studying financial advice but is not a practising financial adviser and who is not eligible for admission to any other Membership class.

3.5 Management may admit to Corporate Associate Membership of the Association any entity upon such conditions as may be prescribed by the Constitution or approved by the Board. Management may refer cases for consideration by the Certification Committee and shall do so if there is any doubt as to eligibility or suitability.

3.6 A person or entity shall become a Member once:

- a) their application has been approved; and
- b) the person or entity has paid the relevant Membership subscription and any other fees.

## **4. SPECIFIC REQUIREMENTS FOR MEMBERSHIP**

### **4.1 Practitioner Membership**

To obtain Practitioner Member status a practising financial adviser shall:

- a) Declare involvement as a practising financial adviser, or be involved in the process of giving advice,
- b) Hold appropriate regulatory status,
- c) Be ordinarily resident in New Zealand,
- d) Have a satisfactory ethical record and no unresolved complaints lodged with either the Association, its predecessor Associations or other relevant external body.
- e) Pay the relevant Membership subscription and any other fees.

### **4.2 Associate (Individual) Membership**

Industry participants who are not practising financial advisers and who either provide ancillary services or support to the industry, or are involved in the provision of financial services to the consumer which are outside the definition of a Practitioner Member can apply for Associate Membership of the Association

To obtain Associate status an applicant shall:



- a) Declare involvement in the industry but not as a practising financial adviser
- b) Be ordinarily resident in New Zealand,
- c) Pay the relevant Membership subscription and any other fees.

#### **4.3 Student Associate Membership**

To obtain Student Membership, an applicant shall declare current enrolment in study in financial advice, and non-eligibility for any other Membership class.

#### **4.4 Corporate Associate Membership**

To obtain Corporate Associate Membership an entity must meet the requirements determined by the Board from time to time.

### **5. REQUIREMENTS FOR PRACTITIONER MEMBERSHIP**

5.1 The following requirements apply to all Practitioner Members at the time of application and on an ongoing basis.

To maintain Practitioner Membership, a Member shall:

- a) Complete CPD in the manner specified by the Board as set out in the CPD Guidelines in the Appendix.
- b) Agree to comply with the Association's Code of Ethics, Practice Standards, Rules of Conduct, Constitution and Bylaws
- c) Pay the relevant Member subscription and any other fees.

### **6. REQUIREMENTS FOR ASSOCIATE**

To maintain Associate status, an Associate shall

- a) Not be eligible for Practitioner Membership and may not refer to themselves as a Member.
- b) Not be an individual personally in the business of giving financial advice
- c) Immediately apply for admission as a Practitioner Member if an Associate commences practice as a financial adviser.
- d) Agree to comply with the Association's Code of Ethics, Practice Standards, Rules of Conduct, Constitution and Bylaws
- e) Pay the relevant subscription and any other fees.

## **7. FELLOW**

To be recognised and to maintain the designation as a Fellow of the Association a current Member must meet the requirements of clause 6 of the Constitution. A Fellow shall also have a satisfactory ethical record, have not brought the Association into disrepute, and have no unresolved complaints.

To be awarded Fellow status the Member must:

- a) have been a Practitioner Member of the Association, or its predecessor Associations, for over ten years; and
- b) have contributed significantly to the profession; and
- c) have given special service to the Association or its predecessor Associations at Board, Committee or Working Group level for more than ten years; and
- d) be approved as a Fellow by the Board

## **8. LIFE MEMBER**

To be recognised and to maintain the designation as a Life Member of the Association a current Practitioner Member must meet the requirements of clauses 6 of the Constitution. A Life Member shall also have a satisfactory ethical record, have not brought the Association into disrepute and have no unresolved complaints.

To be awarded Life status the Member must:

- a) have a record of extraordinary service to the Association, or its predecessor Associations at Board, Committee or Working Group level for more than ten years; and
- b) be approved as a Life Member by the Board

## 9. PROMOTION OF MEMBERSHIP

9.1 When Members refer to their Membership of the Association they should clearly indicate what type of Membership class and category they hold. When Associates refer to their Associate status with the Association they should clearly indicate what type of Associate class and category they hold. The accepted wording is set out below:

<b>Membership category and certification</b>	<b>Accepted wording and abbreviation</b>
Practitioner Member	Financial Advice New Zealand Practitioner Member Financial Advice New Zealand Member
Founding Member	Financial Advice New Zealand Founding Member
Fellow	Financial Advice New Zealand Fellow
Life Member	Financial Advice New Zealand Life Member
Inactive Member	No wording allowed
CERTIFIED FINANCIAL PLANNER <sup>cm</sup>	CERTIFIED FINANCIAL PLANNER <sup>cm</sup> Professional / Practitioner CFP <sup>cm</sup> Professional /Practitioner CFP <sup>cm</sup> Professional (not providing advice)
Chartered Life Underwriter Certified Life Underwriter <sup>cm</sup>	Chartered Life Underwriter CLU Certified Life Underwriter <sup>cm</sup> CLU <sup>cm</sup> CLU <sup>cm</sup> (not providing advice)
<b>Associate category</b>	<b>Accepted wording and abbreviation</b>
Associate	Financial Advice New Zealand Associate
Corporate Associate	Financial Advice New Zealand Corporate Associate
Student Associate	Financial Advice New Zealand Student Associate
Inactive Associate	No wording allowed



9.2 Members shall use the Financial Advice New Zealand member logos and marks in strict accordance with the branding guidelines as published.

9.3 Associates may only use the accepted wording as per the table in clause 9.1 above and are not allowed to use the Financial Advice New Zealand logo or marks.

9.4 Inactive Members or Associates may not use any wording in reference to their inactive status.

## **10. RESIGNATION OF MEMBERSHIP**

10.1 A Member may resign from Membership at any time by writing to the Association. Any notice of resignation given after any complaint is lodged against the Member or after any disciplinary proceedings are commenced by the Association against the Member shall not take effect until the hearing of the complaint or the disciplinary proceedings and related appeals have been disposed of and any resulting action or disciplinary measure, fine or penalty has been settled.

10.2 Resignation from the Association does not affect liability for any outstanding subscriptions, fees or other charges lawfully due and payable to the Association.

10.3 Any certificate or other device signifying or denoting Membership or designations awarded by the Association or its predecessor bodies, are to be returned to the Association at the time of resignation.

10.4 All references to Association Membership or designations must be removed from any marketing or other material.

10.5 Notification of the cessation of Membership may be made to other Members and the public in such manner as the Board sees fit.

## **11. CANCELLATION OR SUSPENSION OF MEMBERSHIP**

11.1 The Board may cancel or suspend Membership as prescribed by the Constitution or Bylaws and may delegate this power as it sees fit.

11.2 Any Member who ceases to be eligible for Membership is to have their Membership cancelled unless special dispensation has been granted by the Board or its delegated authority.

## **12. WITHDRAWAL OF MEMBERSHIP**

### **12.1 Retirement or Resignation from the Association**

- a) No member may retire or resign if:
  - i. Any complaint is lodged with the Association against the member or
  - ii. Any disciplinary hearing is commenced against the member. Any notice of retirement or resignation where a member is the subject of either or both of the above two events shall not take effect until:

- b) The hearing of any complaint has been disposed of; and
- c) Any resulting action has been imposed.
- d) No notice of retirement or resignation shall take effect until all subscriptions, fines, penalties, levies and other payments due to the Association have been paid. However, the Board may determine otherwise, in which case all unpaid subscriptions, fines, penalties, levies and other payments shall constitute a debt due to the Association by the former member and shall be recoverable as such.
- e) A member must provide notice in writing to Financial Advice New Zealand Office of any intention to resign or retire.

## **12.2 Membership ceases if subscription not paid**

- a) Subject to 4 below, where a Member's subscriptions are not paid in full at the end of the third month of the financial year, that Member shall be deemed "non-financial" and their Membership shall cease, unless their subscriptions are being paid by regular instalments in a manner approved by the Board of the Association.
- b) Subject to 4 below, if a Member's subscriptions are being paid by regular instalments and they miss three or more of the agreed payments, that Member shall be deemed "non-financial" and their Membership shall cease.
- c) A non-financial Member shall be entitled to be reinstated to their previous Membership class on payment of the full subscriptions (plus any penalty set by the Board) before the end of that Financial Year.
- d) A non-financial Member's Membership shall not cease under 1 or 2 above if a complaint has been received about that Member, until:
  - i. the complaint has been resolved, or any hearing in relation to the complaint or has been concluded and a decision made by the Professional Conduct Committee or Adjudication Body
  - ii. any appeal period relating to the matters set out in (a) or (b) has expired without an appeal being lodged, or any appeal lodged within the relevant appeal period has been determined; and
  - iii. all subscriptions, levies and other payments due to the Association have been paid.
- e) The cessation of a non-financial Member's Membership under 1 or 2 does not affect that non-financial Member's liability for any outstanding subscriptions, fees or other charges lawfully due and payable to the Association at the date on which the Membership ceases. For the avoidance of doubt, this includes any outstanding subscriptions, fees or other charges incurred in the period during which a non-financial Member's Membership is continued under 9.8 of the Constitution.

### **12.3 Powers to suspend or withdraw by Resolution of the Certification Committee**

- a) An Annual Certificate to Practise, the Quality mark, professional designation or Membership of the Association may be withdrawn by resolution of the Certification Committee where a Member does not comply with the criteria for Membership as laid down by the Membership Bylaws, in particular, where they relate to educational, compliance and professional requirements. Where non-compliance relates to ethical requirements, such as good moral character and following business ethics, then the process to be followed is for the Association to make a complaint under the Disciplinary Bylaws.
- b) Membership of the Association can be terminated or suspended by the Professional Conduct Committee, Adjudication Body or the Board of the Association in accordance with the Disciplinary Bylaws.
- c) Any disputes in relation to suspension or termination are to be heard first by the Certification Committee.

### **12.4 Effect of Cessation, Withdrawal or Termination of Membership**

Where Membership of the Association ceases under clause 12.2 or is withdrawn or terminated:

- a) The Member shall cease to be a Member of the Association with effect immediately; and shall forthwith cease to hold them self out as a Member of the Association and shall return to the Association any certificate awarded by the Association or other device signifying or denoting Membership of the Association.
- b) The member shall cease to use any professional designations awarded by the Association immediately.
- c) The Chief Executive shall send to that person written notice of the withdrawal or termination and the reasons therefore as soon as reasonably practicable; and
- d) The Association shall be entitled to publicise and advise people of any withdrawal or termination of Membership; and
- e) The Association shall be entitled to recover as a debt any monies due by the former Member to the Association; and
- f) The Association may, at its discretion, notify Members when a Member ceases to be a Member and publish such information in any Association newsletter or newspaper, magazine or other media as the Chief Executive Officer deems appropriate.

## **13. INACTIVE MEMBERSHIP**

13.1 Inactive Membership and Inactive Associate status is available to Practitioner Members and Associates who are not actively involved in the financial services sector but who intend to return to Membership or Associate status in the future.

13.2 Inactive Membership and Inactive Associate can be sought for a period of up to two years. After two years an Interactive Member/Associate may apply for an extension to their interactive status and provide the reasons for the extension. Extensions to inactive status will be at the discretion of the Chief Executive.

13.2 To be eligible to apply for Inactive Membership/Associate status a Practitioner Member has to declare they will earn less than \$5,000 pa from any personal provision of financial advice, and an Associate shall earn less than \$5,000 pa from any employment in the financial services sector.

13.3 Inactive Members and Inactive Associates are required to pay a subscription that is 25% of the subscription that was applicable to their former Membership/Associate category.

13.4 An Inactive Member/Associate may return to their former membership category without needing to pay another application fee (if any applicable). If the Member concerned previously enjoyed the 'Founding Members' pricing, this preferential pricing will be applied upon reinstatement.

13.5 While an Inactive Member, a former practising Member is not required to undertake CPD. However, upon return to membership, the Practising Member will have to meet the CPD requirements as per the Association bylaws.

13.6 Nothing in this clause affects any requirements of the Association's Certification Committee for reinstating a certified designation.

**See PART 2**

**CONTINUING PROFESSIONAL DEVELOPMENT bylaws**