

**BRING  
IN THE  
EXPERTS**

**WEBINAR SERIES**

**TOOLKIT  
FOR DIRECTORS  
OF A FAP**

# DISCLAIMER

The information provided in today's webinar is for general information only and is not legal advice.

## **Reference material and resources used for today's webinar.**

- The essentials of being a director (Institute of Directors NZ/Financial Markets Authority)
- FMA Full License guide
- Code of Professional Conduct for financial advice services
- Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2020
- [www.business.govt.nz](http://www.business.govt.nz)
- IOD NZ - The Four Pillars

# AGENDA



1. Director of a Financial Advice Provider
2. Your obligations and relevant laws
3. Four pillars of governance best practice

# So you're a Director of your own FAP



Most of our members are directors of small FAP's. Being a director of a company comes with extra obligations. We will run through these today in the webinar.

Your workbook has areas to write your notes down and think about how you can plan and meet your new obligations.

# Being a Director is more than a title.



- Good corporate governance supports investor confidence.
- To enable companies to grow and thrive, directors need to be both risk managers and responsible risk takers.
- Being a director is more than just a title.
- The office of a director carries with it a wide range of ethical, legal and commercial duties and obligations.

\*Ref. - <https://www.fma.govt.nz/compliance/role/directors-and-officers/>

# Your obligations & relevant laws

## Relevant Legislation obligations

- Financial Markets Conduct Act 2013
- Companies Act 1993
- Financial Reporting Act 2013
- Health and Safety at Work Act 2015
- Fair Trading Act 1986
- Protected Disclosure Act 2000 and whistle blowing
- Privacy Act 2020
- Tax



(Refer to workbook for detailed list)

# As a Director of a FAP

## Requirements in the new regime.

- Fit and proper test
- Conduct and culture focus
- Good outcomes for clients
- Governance (not management)
- Standard conditions of a Full Licence



\*Refer to workbook for details

# The Four Pillars

## Four pillars of good governance and best practice

1. Strategy or purpose
2. Effective governance culture
3. Holding to account
4. Effective compliance



\*Ref. IOD NZ The Four Pillars



# 1. What's your strategy or purpose?

## Why is this important?

Every business benefits from a business plan regardless of the size of the business. Regular planning helps you:

- have a clear plan of where you're going and the path ahead
- build a business that best suits you and your lifestyle
- understand your current business skills and identify any gaps
- spot opportunities that can help you reach your end goal
- use your resources wisely
- know whether to say yes or no to opportunities that come up

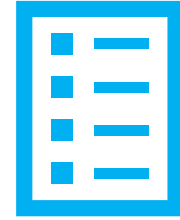
# What's your plan for your FAP?



As a director or a FAP:

- How you intend to manage your financials and report.
- Help to review whether your business objectives reflect good business conduct.
- Show how you manage your business in a fit and proper manner.
- Ensure your focus is on good customer outcomes.

# What's your plan?



## Refer to your workbook

- Common elements in business planning
- Business planning tips
- Common mistakes

\* Templates for your Business plan and Quick focus plan

## 2. Effective governance culture



- Act with honesty and integrity
- Ethical behaviour
- Understand risk, and be responsive to risks and conflicts
- Commit to quality governance
  - Get advice from a different perspective if you are a sole director of your business.
  - Look to bring a mix of the right skills and experience into your business (board members, advisory board, coach or mentors).

## 2. Effective governance culture

How can you demonstrate good governance?

Regular meetings with a set agenda (example in workbook)

Seek advice or review from an external adviser, mentor, coach.



## 3. Holding to account



- Oversight of business performance
- Follow the business strategy and plan
- Determines risk appetite
- Keeps check on risk management
- Focus on good customer outcomes

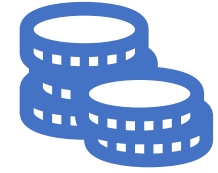
## 3. Holding to Account

Are you checking on your strategy and plan regularly?  
What's your risk management plan?

Template in your workbook.



## 4. Effective Compliance



- Financial reporting
- Remaining solvent
- High standard of compliance with regulatory obligations
- Comply with duties
- Comply with the spirit of the law





# 4. Effective Compliance



Refer to workbook for your obligations and duties in detail

General reporting – for directors of a FAP

# THANK YOU!

The PowerPoint will be available to our members under your membership account.

