



## **Member Rules 2021**

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## 1. SCOPE

- 1.1. These Member Rules (**Member Rules**) are established by the Board, under the Financial Advice NZ Constitution (**Constitution clause 19.3 Rules**). They set out the rights and obligations of Members, including the entry and ongoing criteria for Membership.
- 1.2. The Member Rules are referenced in the following clauses of the Constitution:
  - (a) Member Admission (**Constitution clause 6 Member Admission**).
  - (b) The Board can set out Member subtypes in the Member Rules. The Member subtypes can define criteria, subscription fees and other obligations (**Constitution clause 8.7(a) Member Subtypes and Member Classifications**).
  - (c) The Board must set out Member classifications in the Member Rules. Member classifications apply across all Member types. The Member classifications can affect subscription fees and other obligations and rights (**Constitution clause 8.7(b) Member Subtypes and Member Classifications**).
  - (d) Every member has the rights and obligations set out in the Constitution and the Rules (**Constitution clause 9.1(a) Member Obligations and Rights**).
  - (e) Every Member must satisfy, and comply at all times, with the criteria set out in the Member Rules as applying to his or her Member type and classification (**Constitution clause 9.1(b) Member Obligations and Rights**).
  - (f) Membership will end or be suspended in the way set out in the Member Rules (**Constitution clause 12.1 Ending Membership**).
  - (g) The effect of ending or suspending Membership is set out in the Member Rules (**Constitution clause 12.3 Ending Membership**).

## 2. INTERPRETATION

- 2.1. The Board decides any matters not provided for in these Member Rules or any question about interpretation of these Member Rules.
- 2.2. Where there is a conflict between these Member Rules and the Constitution, the Constitution applies.
- 2.3. In these Member Rules, terms with capital letters are defined in **Member Rule 25 Definitions**.

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## MEMBER TYPES

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### 3. MEMBER TYPES

- 3.1. The Constitution (**clause 8 Types of Member**) sets out the types of Financial Advice NZ Members as follows:
  - (a) **Adviser Member:** any Financial Adviser or Nominated Representative who has been admitted as, and remains, an Adviser Member (**Constitution clause 8.2**).
  - (b) **Financial Advice Provider Member (FAP Member):** a FAP Licensee or Authorised Body that has been admitted as, and remains, a FAP Member (**Constitution clause 8.3**).

- (c) **Associate Member:** an individual who is part of the broader financial services community, but who is not and is not eligible to be an Adviser Member or FAP Member, and who has been admitted as, and remains, an Associate Member (**Constitution clause 8.4**).
- (d) **Life Member:** an individual who has been awarded, and accepted, Life Membership by the Board. The Board has the absolute and sole discretion to award Life Membership (**Constitution clause 8.5**).
- (e) **Retired Member:** an individual who was an Adviser Member or FAP Member immediately before retiring, and who has been admitted as, and remains, a Retired Member (**Constitution clause 8.6**).

#### 4. MEMBER SUBTYPES

4.1. The **Constitution (clause 8.7(a) Member Subtypes and Member Classifications)** allows the Board to set Member subtypes in the Member Rules and states Member subtypes can affect a Member's admission criteria, subscription fees and other obligations.

4.2. Financial Advice NZ has the following Member subtypes:

- (a) **Adviser Member** Membership type has two Member subtypes.
  - i. **Adviser Member – Financial Adviser:** an individual who is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 in relation to a financial advice service as a financial adviser.
  - ii. **Adviser Member – Nominated Representative:** an individual other than a Financial Adviser who is engaged by a licensed Financial Advice Provider to provide regulated financial advice on their behalf.
- (b) **FAP Member** Membership type has three Member subtypes.
  - i. **FAP Member – Individual:** an individual that is registered on the FSPR in relation to a financial advice service as a financial advice provider – licensee.
  - ii. **FAP Member – Licensee:** an entity that is registered on the FSPR in relation to a financial advice service as a financial advice provider – licensee.
  - iii. **FAP Member – Authorised Body:** an entity that is registered on the FSPR in relation to a financial advice service and is authorised to provide financial advice services under a FAP Licensee's licence.
- (c) **Associate Member** Membership type has two subtypes.
  - i. **Associate Member – Student:** an Associate Member who is an individual currently enrolled in study in financial advice.
  - ii. **Associate Member – Individual:** an Associate Member who is an individual.
- (d) **Life Member** and **Retired Member** Membership types do not have Membership subtypes.

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## CRITERIA FOR MEMBERSHIP

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#### 5. APPLICATION APPROVAL

5.1. The **Constitution (clause 6 Member Admission)** allows any Person to apply to Financial Advice NZ to become a Member using the application form published by Financial Advice NZ as required for their Member type.

- 5.2. The CEO approves Member applications when they meet both the general criteria and specific Membership type criteria outlined in **Member Rules 6 to 11**. The CEO may refer cases for consideration to the Board and must do so if the CEO has any doubt as to the applicant's eligibility or suitability.
- 5.3. A person becomes a Member once:
- (a) their application has been approved by the CEO; and
  - (b) they have paid the relevant application fee (if any).
- 5.4. A person who wants, or is required, to change Member types must cease their Membership of their previous Member type and complete the relevant application form for their new requested Member type. There is no transfer between Member types.
- 5.5. A former Member may apply for re-admission in the same manner as a new applicant.

## **6. GENERAL ELIGIBILITY CRITERIA FOR ALL MEMBERS**

- 6.1. To meet the general eligibility criteria as a Member, a Person must:
- (a) complete the relevant application form to the satisfaction of Financial Advice NZ;
  - (b) satisfy Financial Advice NZ they are a "Fit & Proper" Person;
  - (c) agree to comply with the Member obligations contained in the **Constitution** and Rules as they apply to their Member type and subtype; and
  - (d) meet the relevant application criteria for their Membership type and subtype.
- 6.2. To be admitted, and to remain, a Member a Person must also at all times:
- (a) hold appropriate regulatory status for their Membership type and subtype;
  - (b) if an individual, be ordinarily resident in New Zealand;
  - (c) meet the relevant ongoing criteria for their Membership type and subtype; and
  - (d) pay their subscription fees on time.

## **7. ADVISER MEMBER MEMBERSHIP CRITERIA**

- 7.1. **Adviser Member** - To be eligible for Membership as an Adviser Member, an individual must satisfy Financial Advice NZ that they meet the following eligibility criteria:
- (a) provide evidence they are a Financial Adviser or Nominated Representative;
  - (b) provide relevant referees who give satisfactory references;
  - (c) have a satisfactory ethical record and no unresolved complaints lodged with either Financial Advice NZ or other relevant external body;
  - (d) provide a satisfactory credit report; and
  - (e) agree to comply with the Code of Ethics, Code of Conduct and Practice Standards.
- 7.2. To remain an **Adviser Member**, the individual must at all times:
- (a) continue to be a Financial Adviser or Nominated Representative.

## 8. FAP MEMBER MEMBERSHIP CRITERIA

8.1. **FAP Member** - To be eligible for Membership as a FAP Member, the Person must satisfy Financial Advice NZ that they meet the following eligibility criteria:

- (a) provide evidence they are a FAP (whether a licence holder or an Authorised Body);
- (b) provide relevant referees who are Adviser Members and who give satisfactory references;
- (c) agree to endorse and encourage Membership of Financial Advice New Zealand by associated Authorised Bodies, Financial Advisers and Nominated Representatives;
- (d) have a satisfactory ethical record and no unresolved complaints lodged with either Financial Advice NZ or other relevant external body for itself;
- (e) agree to comply with the Code of Ethics, Code of Conduct and Practice Standards as they relate to FAPs; and
- (f) if not an individual, nominate a Member Representative to be its representative for purposes of its Membership. A Member Representative must be an individual who is a Member.

8.2. To remain a **FAP Member**, the FAP must also at all times:

- (a) continue to be a FAP licensee or Authorised Body;
- (b) continue to endorse and encourage Membership of Financial Advice New Zealand by associated Authorised Bodies, Financial Advisers and Nominated Representatives; and
- (c) meet other requirements as determined by the Board from time to time.

## 9. ASSOCIATE MEMBER MEMBERSHIP CRITERIA

9.1. **Associate Member** Membership eligibility criteria depends on whether the Associate Member has an Associate Member Individual or Student Membership subtype.

9.2. **Associate Member Individual** - To be eligible for Membership as an **Associate Member Individual** a Person must satisfy Financial Advice NZ that they meet the following eligibility criteria:

- (a) declare and detail involvement in the broader financial services community to the satisfaction of Financial Advice NZ; and
- (b) provide relevant referees who give satisfactory references.

9.3. To be eligible for Membership, and remain, as an **Associate Member Individual** a Person must also at all times:

- (a) not be eligible to be an Adviser Member and must immediately notify Financial Advice NZ if they do become eligible;
- (b) remain a "Fit & Proper" Person; and
- (c) meet other requirements as determined by the Board from time to time.

9.4. **Associate Member Student** - To be eligible for Membership as an Associate Member Student, the individual must meet the following eligibility criteria:

- (a) provide satisfactory evidence they are enrolled in full or part time study in financial services.

- 9.5. To be eligible for Membership, and remain, as an **Associate Member Student**, an individual must also at all times:
- (a) not be eligible to be an Adviser Member and not provide financial advice in their own right or on behalf of a FAP or Authorised Body; and
  - (b) immediately notify Financial Advice NZ if they become eligible to be an Adviser Member and/or if they cease study; and
  - (c) remain a “Fit & Proper” Person.

## 10. RETIRED MEMBER MEMBERSHIP CRITERIA

- 10.1. To be eligible for Membership as a **Retired Member**, an individual must meet the following eligibility criteria:
- (a) confirm they were an Adviser Member immediately before retiring; and
  - (b) declare they have permanently retired (not just from the industry); and
- 10.2. To remain as a **Retired Member**, an individual must at all times:
- (a) remain retired; and
  - (b) remain a “Fit & Proper” Person.

## 11. LIFE MEMBER MEMBERSHIP CRITERIA

- 11.1. To be eligible for Membership as a **Life Member**, an individual must have been awarded Life Membership by the Board and have accepted Life Membership.
- 11.2. To remain as a **Life Member**, an individual must at all times remain a “Fit & Proper” Person.

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## RIGHTS

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### 12. MEMBER RIGHTS

- 12.1. The **Constitution (clause 9.1(a) Member Obligations and Rights)** states every member has the rights and obligations set out in the **Constitution** and the Rules.
- 12.2. In addition to any Member rights provided for in the Constitution, every Member is entitled to:
- (a) receive a copy of the annual report;
  - (b) receive notice of, and attend, any Member Meeting;
  - (c) use the accepted promotional wording for their Member type;
  - (d) receive Member pricing (if offered) for events and courses;
  - (e) access the online Member portal; and
  - (f) access other Member benefits available for their Member type.
- 12.3. **Adviser Members, FAP Members and Life Members** are Voting Members and so are also entitled to:
- (a) vote for Member Directors and vote at Member Meetings as set out in the **Constitution (clause 8.2(b) Adviser Member, 8.3(b) FAP Member and 8.5(b) Life Member)**; and

- (b) submit resolutions or matters to be discussed at Member Meetings as set out in the **Constitution (clause 24.2 Resolutions)**.
- 12.4. **Adviser Members, Life Members, and Member Representatives of FAP Members** are also eligible to be Member Directors as set out in the **Constitution (clause 14.2(a) Member Director Elections)**.
- 12.5. These Member rights can be modified by a Member's classification as allowed for in the **Constitution (clause 8.7(b) Member Subtypes and Member Classifications)** and as set out in **Member Rule 22 (Member Classifications)**.

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## OBLIGATIONS

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### 13. MEMBER OBLIGATIONS

The **Constitution (clause 9.1(a) Member Obligations and Rights)** states every member has the rights and obligations set out in the **Constitution** and the Rules.

### 14. ADMINISTRATION OBLIGATIONS

14.1. All Members must:

- (a) pay all sums due to Financial Advice NZ on time (**Member Rule 18 Subscription Fees**); and
- (b) inform Financial Advice NZ of any change of contact details.

14.2. A Member who is not an individual must inform Financial Advice NZ of their Member Representative (**Constitution clause 9.3 Member Obligations and Rights**) to be its representative for purposes of its Membership.

14.3. Financial Advice NZ may recover all subscription fees or other monies owed by a Member through debt collection, including if necessary by the issuing of proceedings in any court. Collection costs may be charged.

### 15. SPECIFIC ADVISER MEMBER AND ADVISER OBLIGATIONS

15.1. Adviser Members, FAP Members and any other Member giving financial advice (directly or on behalf of a FAP) must comply with:

- (a) all legal obligations relating to the giving of that financial advice;
- (b) the Financial Advice NZ Code of Ethics, Code of Conduct and Practice Standards as set by the Board and published on the Financial Advice NZ website; and
- (c) if they are individuals, the Continuing Professional Development (CPD) policy set by the Board and documented in the Appendix to these Member Rules.

15.2. Adviser Members, FAP Members and any other members giving financial advice (directly or on behalf of a FAP) must inform Financial Advice NZ of any of the following events within ten working days:

- (a) the Member has been convicted of an offence punishable by imprisonment or a fine, or is the subject of an adverse finding by an external regulatory body or in civil proceedings, and the conviction or finding reflects adversely on the Member's fitness to be a financial adviser, FAP or nominated representative and/or tends to bring the profession into disrepute;



- (b) the Member has been refused Membership of any other professional body;
- (c) the Member is being investigated or has been found guilty in respect of disciplinary action by any other professional body or regulatory body or court;
- (d) the Member is the subject of an adverse determination in a civil court as a result of activities provided in the member's capacity as a financial adviser, FAP or nominated representative; and
- (e) the Member has been adjudicated bankrupt or made a composition with creditors to avoid bankruptcy.

## **16. GENERAL OBLIGATIONS**

16.1. All Members must:

- (a) promote the interests of Financial Advice NZ;
- (b) do nothing to bring Financial Advice NZ into disrepute;
- (c) comply with any written undertaking given by Financial Advice NZ or its committees;
- (d) co-operate with Financial Advice NZ, its committees and disciplinary bodies and not obstruct the performance of their work;
- (e) comply with any order made by the disciplinary bodies; and
- (f) not use Membership lists for purposes other than for contacting Members about Member matters.

## **17. PROMOTION OBLIGATIONS**

17.1. To protect and promote Financial Advice NZ's brand, all Members must:

- (a) represent themselves to the public only according to their relevant Membership type/subtype and classification;
- (b) use the accepted wording and logos for their Member Type/Subtype only as detailed in **Member Rule 23 Accepted Wording**;
- (c) use Financial Advice New Zealand logos only in accordance with the branding guidelines published by Financial Advice NZ;
- (d) not promote themselves as having one of Financial Advice NZ's marks unless they have been awarded and retain that mark; and
- (e) comply with the ongoing criteria for their marks (if any) and use the logos and marks only in accordance with the published branding guidelines (See **Certification Rules**).

## **18. SUBSCRIPTION FEES**

18.1. When setting subscription fees, the Board may have regard (among other things) to;

- (a) the type, subtype and classification of a Member;
- (b) the size of the Member;
- (c) the particular circumstances of the Member (in particular; philanthropic or hardship considerations in line with policies set by the Board);

- (d) the relationship between individual Members and entity Members;
- (e) the desirability of having a graduated scale of subscriptions.

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## ENDING MEMBERSHIP AND SUSPENSION

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### 19. CAUSE FOR ENDING OR SUSPENDING MEMBERSHIP

19.1. The **Constitution (clause 12 Ending Membership)** sets out when Membership will end or be suspended and refers to these Member Rules for the detail. According to the Constitution, Membership ends or can be suspended when;

- (a) a Member no longer meets the definition of the Member type (**Constitution clause 12.1(a)**);
- (b) a Member resigns their Membership (**Constitution clause 12.1(b)**);
- (c) a Member dies, or if not an individual, ceases to exist (**Constitution clause 12.1(c)**);
- (d) the Board uses its discretion to suspend or end a Membership for any of the reasons set out in the Member Rules (**Constitution clause 12.1(d)**); or
- (e) when the procedures in the **Disciplinary and Complaints Rules** have been followed (**Constitution clause 12.2**).

### 19.2. Ending Membership by resignation

- (a) A Member may resign their Membership by giving notice in writing to Financial Advice NZ.
- (b) The resignation is effective at the end of the calendar month in which the notice is received (with a minimum of 5 business days' notice), or a later date specified in the notice or any other date agreed to between the Member and Financial Advice NZ.
- (c) The effective date of resignation may be delayed, with joint agreement, for Members with insurance products to ensure any post-Membership insurance benefits have been appropriately considered.
- (d) Financial Advice NZ may refuse a resignation request if the Member is subject to a pending or unresolved complaint or disciplinary matter.
- (e) If a resignation is refused under **Member Rule 19.2(d)**, the resignation will 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.

### 19.3. Ending Membership by death or by ceasing to exist

When Financial Advice NZ has evidence a Member has died or, if not an individual, has ceased to exist, that Person's Membership will immediately end.

### 19.4. Suspending and ending Membership due to no longer meeting the Member type definition

- (a) The **Constitution (clause 8 Types of Member)** sets out the definitions of each Member type in, and are shown in **Member Rule 3 Member Types**.
- (b) When a Member no longer meets the definition of their Member Type, their Membership is suspended for 30 days.

- (c) The start of the suspension period is the date Financial Advice NZ became aware the Member no longer meets the definition of their Member type.
- (d) At the end of the 30-day period, if the Member still does not meet the appropriate definition, their Membership is ended.
- (e) A suspension ends either when Financial Advice NZ accepts that the Member meets the definition of their Member Type, the Member resigns or their Membership is ended by **Member Rule 19.3, 19.4(d), 19.5 or 19.6** , whichever is the earliest.

#### **19.5. Suspension or ending Membership by Board discretion**

The **Constitution (clause 12.1(d) Ending Membership)** allows the Board, at its discretion to:

- (a) suspend or remove a Member, if the Member has outstanding subscription fees or other monies owed for more than 60 days after the due date of a Member’s invoice or other later date as agreed by the Board, or if instalment dates agreed to with the Member are not met;
- (b) suspend or remove a Member, if the Member no longer meets the ongoing criteria relevant to their Membership type;
- (c) remove a Member, if the Member is bankrupt, insolvent, in liquidation or is otherwise dissolved;
- (d) suspend or remove an Associate Member if in its opinion that Member is no longer a “Fit & Proper” Person or is not meeting their Member obligations as set out in the **Constitution** and Rules of Financial Advice NZ; and
- (e) suspend or remove a Member following the procedures set out in the **Disciplinary and Complaints Rules**.

19.6. A Member can be suspended or have their Membership ended following the procedures in the **Disciplinary and Complaints Rules (Constitution 12.2 Ending Membership)**.

#### **19.7. Communication to member**

- (a) When suspending a Member under its discretion, the Board will decide the suspension period, any conditions of suspension ending, and any other conditions related to Membership rights and obligation during suspension.
- (b) Where a Member’s Membership is suspended or ended by **Member Rules 19.4 , 19.5 or 19.6** the CEO will ensure that the affected Member is sent written notice of the suspension or decision to end Membership, the reasons for the decision, any conditions of the suspension, and the rights of appeal, as soon as reasonably practicable.

#### **19.8. Appeal Process**

Where a Member’s Membership is suspended or ended by **Member Rules 19.4, 19.5 or 19.6** the Member may appeal following the procedures set out in the **Disciplinary and Complaints Rules**.

## 20. EFFECT OF ENDING MEMBERSHIP

- 20.1. The **Constitution (clause 12.4 Ending Membership)** sets out the effect of Membership ending or being suspended. A Person whose Membership has ended or been suspended:
- (a) cannot vote and is not eligible to be a Member Director;
  - (b) remains liable for any outstanding subscriptions, fees or other charges due and payable to Financial Advice NZ at the date on which the Membership ended or was suspended;
  - (c) remains bound by this **Constitution** and the Rules for any action or inaction of that Person while a Member;
  - (d) must comply with the disciplinary and complaints procedures set out in the **Disciplinary and Complaints Rules** in respect of any complaints or disciplinary matters related to any action or inaction of the Person while they were a Member; and
  - (e) must comply with any penalty, fine, compensation or sanction ordered against them under the **Disciplinary and Complaints Rules** whether before or after their Membership ended.
- 20.2. In addition to **Member Rule 20.1**, the **Constitution (clause 12.3 Ending Membership)** allows these Member Rules to set out the effect of ending Membership.
- 20.3. When Membership ends, all membership rights terminate immediately including the Member's right to:
- (a) refer to themselves as a Member of Financial Advice NZ;
  - (b) use any of Financial Advice NZ's logos and Trade Marks, including the Pinnacle Marks; and
  - (c) refer to themselves as a Financial Advice NZ Trusted Adviser if they held that designation.
- 20.4. Any certificate or other device signifying or denoting Membership, designations or marks awarded by Financial Advice NZ must be returned to Financial Advice NZ or destroyed immediately Membership ends.
- 20.5. All references to Financial Advice NZ Membership or designations must be removed from any marketing or other material immediately Membership ends.
- 20.6. Financial Advice NZ may, at its discretion, notify Members when a Person ceases to be a Member and publish such information in any internal or external website, newsletter or newspaper, magazine or other media as the CEO deems appropriate. The CEO must consider the appeal process and timelines when deciding whether, when and how to publish.

## 21. EFFECT OF SUSPENSION OF MEMBERSHIP

- 21.1. A Member who is suspended, is classified as a Suspended Member.
- 21.2. The CEO will review suspensions every 6 months. The CEO can recommend to the Board that a suspension is lifted.
- 21.3. The effects of suspension on Membership rights and obligations are outlined in the **Constitution (clause 22 Ending Membership)** and in **Member Rule 22.8 (Suspended Member Classification)**.

21.4. Financial Advice NZ may, at its discretion, notify Members when a Member is suspended, and publish such information in any internal or external website, newsletter or newspaper, magazine or other media as the CEO deems appropriate. The CEO must consider the appeal process and timelines when deciding whether, when and how to publish.

#### **21.5. End of Suspension**

- (a) Suspension ends on the earliest of the date on which the suspension period (as determined by the Board, these Member Rules, or the outcome of the disciplinary and complaints process) ends, the Membership of the suspended Member otherwise ends, and/or any conditions of suspension ending have been met.
- (b) When the suspension of a Member who has been suspended for a period of 12 months or less ends, full Membership rights are automatically reinstated.
- (c) When the suspension of a Member who has been suspended for a period longer than 12 months ends, full Membership rights are not automatically reinstated. The Board may decide to reinstate Membership rights following application by the Member and based on its assessment of the Member's fitness and propriety to be re-admitted as a Member with particular regard to the reasons for the suspension.

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## **MEMBER CLASSIFICATIONS**

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### **22. MEMBER CLASSIFICATIONS AND IMPACTS**

22.1. The **Constitution (clause 8.7(b) Member Subtypes and Member Classifications)** requires the Board to set Member classifications in the Member Rules and states that Member classifications can affect subscription fees and other obligations and rights.

22.2. Member classifications apply across all Member Types and a Member can have zero, one, or more than one Member classification.

22.3. Financial Advice NZ has the following Member classifications:

- (a) Founding
- (b) Fellow
- (c) Group Pricing
- (d) Inactive
- (e) Suspended

22.4. Where a Member has a classification as Suspended or Inactive, those classifications (in that order) take priority over other classifications if there is any conflict with subscription fees, rights and/or obligations.

#### **22.5. Founding Member Classification**

- (a) A Founding Member is an individual Member who meets the following criteria. They:
  - i. became a Member on or before 31 July 2018; and
  - ii. have remained a Member continuously since that time.
- (b) A Person with the Founding Member classification has the following changes to their Member subscription fees, right and obligations;

<b>Area of impact</b>	<b>Explanation</b>
Subscription fees	\$100 plus GST annual reduction to his or her Member subscription fees.
Rights	An Adviser Member, or FAP Member with the Founding Member classification can promote themselves as a “Financial Advice NZ Founding Member”.  An Associate Member with the Founding classification can promote themselves as a “Financial Advice NZ Founding Associate”.
Obligations	No change to obligations.

## 22.6. Fellow Member Classification

- (a) To be awarded the Fellow Member classification the Member must be an individual who meets the following criteria:
- i. has been an Adviser Member or FAP Member of Financial Advice NZ, or its predecessor Associations IFA, PAA or NZFAA, for over ten years;
  - ii. has contributed significantly to the profession;
  - iii. has given special service to Financial Advice NZ or its predecessor Associations at Board, Committee or Working Group level for more than ten years; and
  - iv. has been approved as a Fellow by the Board. The Board has the absolute and sole discretion to award the Fellow classification.
- (b) A Person with the Fellow classification has the following changes to their Member subscription fees, rights and obligations:

<b>Area of impact</b>	<b>Explanation</b>
Subscription fees	No change to subscription fees.
Rights	An Adviser Member or FAP Member with the Fellow classification can promote themselves as a “Financial Advice NZ Fellow” or “Financial Advice NZ Adviser Member - Fellow”  An Associate Member with the Fellow classification can promote themselves as a “Financial Advice NZ Associate Fellow” or “Financial Advice New Zealand Associate - Fellow”.
Obligations	No change to obligations.

## 22.7. Inactive Member Classification

- (a) An Inactive Member is an individual Member who meets the following criteria. They:
- i. are not, or will not be, actively involved in the financial services sector but intend to return to active Membership or Associate business in the near future;
  - ii. do not, or will not, earn more than \$5,000 pa from any personal provision of financial advice, and an Associate does not, or will not, earn more than \$5,000 pa from remuneration in the financial services sector; and
  - iii. have applied to the CEO and has been accepted as having the Inactive classification.

- (b) Inactive classification can be sought for a period of up to two years. After two years the applicant can apply for an extension by providing the reasons to the CEO. Extension to an Inactive classification is at the discretion of the CEO.
- (c) Applying for the Inactive classification is different from applying to keep a Pinnacle Mark while not practising. Only the Certification Committee can determine if a Member can keep their Pinnacle Mark while not practising. See **Certification Rule 24 (Application to use a Pinnacle Mark while not giving financial advice)**.
- (d) A Person with the Inactive classification has the following changes to their Member subscription fees, rights and obligations:

<b>Area of impact</b>	<b>A Member with the Inactive classification....</b>
Subscription fees	Subscription fee is 25% of the subscription fee that applies to their Membership type.
Rights	<p>Cannot promote themselves as a Member of Financial Advice NZ, or as having any of Financial Advice NZ's marks, including CFP<sup>CM</sup>, CLU<sup>CM</sup> and the Trusted Adviser mark.</p> <p>Cannot vote, regardless of the voting rights of their Membership Type.</p> <p>Is not eligible to be nominated as a Member Director.</p> <p>Cannot be a Member Representative.</p> <p>Will not have his or her Membership suspended by <b>Constitution clause 12.1(a) Ending Membership</b> if they no longer meet the definition of their Member Type due to their inactivity in the financial services sector during the approved inactive period.</p>
Obligations	<p>Must:</p> <ul style="list-style-type: none"> <li>- inform Financial Advice NZ once they return to active involvement in the financial services sector; and</li> <li>- inform Financial Advice NZ if they no longer expect to return to active involvement in the sector.</li> </ul> <p>Is not required to undertake CPD</p>

## 22.8. Suspended Member Classification

- (a) A Suspended Member is a Member who has had their Membership suspended under the authority of the **Constitution**, these Member Rules or as an outcome of the disciplinary and complaints procedures.
- (b) A Member's Pinnacle Mark(s) is not automatically suspended or withdrawn as a result of being given the suspended Member classification. Under the **Certification Rules**, only the Certification Committee can rescind, reinstate or suspend the Pinnacle Marks of Members.
- (c) A Person with the Suspended classification has the following changes to their Member subscription fees, rights and obligations:

<b>Area of impact</b>	<b>A Member with the Suspended classification....</b>
Subscription fees	No change, unless subscription fees are reduced by the Board after consideration of the suspended Member's particular circumstances.
Rights	<p>All Member rights as set out in <b>Member Rule 12 Member Rights</b> are withdrawn unless specifically allowed below. This includes withdrawal of the right to vote.</p> <p>In particular, a suspended Member cannot promote themselves as a Member of Financial Advice NZ, or as having any of Financial Advice NZ's marks, including CFP<sup>CM</sup>, CLU<sup>CM</sup> and the Trusted Adviser mark.</p> <p>Unless otherwise notified, suspended Members can keep their Liability Insurance for a period of 6 months from the date of suspension or as agreed with the Board.</p> <p>Unless otherwise notified, suspended Members do not forfeit their Financial Advice Group Life insurance due to suspension.</p> <p>For any suspended Member, the Board can use its discretion, with consideration of the Member's particular circumstances, to overrule these adjustments to Rights.</p>
Obligations	No change, unless obligations are reduced by the Board after consideration of the suspended Member's particular circumstances.

## 22.9. Group Pricing Member Classification

- (a) The Group Pricing Member Classification is given to Adviser Members and FAP Members who meet criteria set by the Board, showing they are related to entities which qualify for group pricing.
- (b) A Member with the Group Pricing classification has the following changes to their Member subscription fees, obligations and rights:

<b>Area of impact</b>	<b>A Member with the Group Pricing classification....</b>
Subscription fees	Receive any discount, or adjusted subscription fees, the Board determines for this Member classification. This may include a graduated scale of subscription fees depending on the related entity's size of Membership or similar factor.
Rights	No change to Member rights.
Obligations	No change to Member obligations.



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## PROMOTION OF MEMBERSHIP

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### 23. ACCEPTED WORDING

23.1. Members are encouraged to promote their Membership of Financial Advice NZ.

23.2. **Adviser Members, FAP Members, Life Members & Retired Members** can use the following wording and logos:

<b><i>Member Type &amp; subtype</i></b>	<b><i>Accepted wording</i></b>	<b><i>Financial Advice NZ logo use</i></b>
Adviser Member	Financial Advice NZ Member Financial Advice NZ Adviser Member	If clearly associated with the individual and not a firm.
FAP Member – FAP sole adviser (see 23.3 for criteria)	Financial Advice NZ Member Financial Advice NZ Adviser Member	If clearly associated with the individual.
FAP Member	Financial Advice NZ Member	If clearly associated with the firm and not an individual.
Life Member	Financial Advice NZ Member Financial Advice NZ Life Member	If clearly associated with the individual and not a firm.
Retired Member	Financial Advice NZ Member (Retired)	No logo use allowed.

23.3. A FAP Member who is an individual sole adviser can use the wording, “Financial Advice NZ Adviser Member” provided:

- (a) the FAP Member does not have associated Authorised Bodies; and
- (b) the FAP Member does not engage Financial Advisers or Nominated Representatives.

23.4. **Associate Members** can use the following wording;

<b><i>Member Type</i></b>	<b><i>Accepted wording and abbreviation</i></b>	<b><i>Logo</i></b>
Associate Member – Student	Financial Advice NZ Student Associate	No logo use allowed.
Associate Member – Individual	Financial Advice NZ Associate	No logo use allowed.

23.5. In all cases, “New Zealand” can be used as an acceptable alternative to “NZ”.

23.6. The Branding Guidelines are published on the Member’s website.

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## MISCELLANEOUS

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### 24. CHANGES TO THE MEMBER RULES

- 24.1. Any changes to these Member Rules will be notified to Members. As set out in the **Constitution (clause 19.3(b) Rules)**, every Member is deemed to have knowledge of the Rules, and changes to them, when they have been published on Financial Advice NZ's website.
- 24.2. If the changes to the Member Rules are material, as determined by the Board, the changes will only be made after reasonable consultation with affected Members.

### 25. DEFINITIONS

- 25.1. In these Member Rules the following terms have these meanings:

**Adviser Member** - means a type of Member as defined in **Constitution clause 8.2(a) Adviser Member**.

**Annual Report** - means the report produced annually by the Board for the Annual General Meeting. It includes, but is not limited to the Board's report, the financial statements and any opinion report by the reviewer or auditor.

**Associate Member** - means a type of Member as defined in **Constitution clause 8.4(a) Associate Member**.

**Authorised Body** – means an entity that is authorised to provide financial advice services under a FAP Licensee's licence.

**Board** - means Financial Advice NZ's board formed under **Constitution clause 13.1 Board Structure**.

**Directors** – means the Member Directors and Independent Directors of Financial Advice NZ elected or selected as described in **Constitution clauses 14 Member Director Elections** and **15 Independent Director Appointments**.

**Financial Adviser** - means an individual who is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 in relation to a financial advice service as a financial adviser.

**FAP Licensee** - means a Person that is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (or replacement Act) in relation to a financial advice service as a financial advice provider - licensee.

**Financial Advice Provider Member (FAP Member)** – means a type of Member as defined in **Constitution clause 8.3(a) Financial Advice Provider Member (FAP Member)**.

**Fit & Proper person** – means a person who is financially sound, honest, reputable, reliable and competent to perform their role.

**Life Member** – means a type of Member as defined in **Constitution clause 8.5(a) Life Member**.

**Member** – means and includes an Adviser Member, a FAP Member, a Life Member, an Associate Member and a Retired Member. 'Membership' will be read accordingly.

**Member Meeting** – means an Annual General Meeting or a Special General Meeting.

**Member Representative** – means an individual appointed by a Member who is not an individual, to be its representative for purposes of its Membership.

**Nominated Representative** – means an individual other than a Financial Adviser who is engaged by a licensed Financial Advice Provider to provide regulated financial advice on their behalf.

**Person** – means an individual, company, partnership, incorporated body or other entity whether or not having separate legal identity. ‘People’ will be read accordingly.

**Pinnacle Mark** – means either the CERTIFIED FINANCIAL PLANNER<sup>CM</sup>, CFP<sup>CM</sup>, Certified Life Underwriter<sub>CM</sub>, CLU<sub>CM</sub> and Chartered Life Underwriter, CLU mark and does not include the Trusted Adviser mark.

**Retired Member** - means a type of Member as defined in **Constitution clause 8.6(a) Retired Member**.

**Rules** - means rules made by the Board for the effective management and operation of Financial Advice NZ. These can include (without limitation) these Member Rules, Certification Rules, Governance Rules, Code of Ethics, Practice Standards, Rules of Conduct, Member Meeting Rules, and Disciplinary and Complaints Rules.

**Voting Member** – means an Adviser Member, a FAP Member and a Life Member.

25.2. In these Member Rules, where the context requires:

- (a) the singular includes the plural and vice-versa; and
- (b) reference to one gender includes all genders.

 CFP<sup>CM</sup> and CFP<sup>CM</sup> are registered certification marks and CERTIFIED FINANCIAL PLANNER<sup>CM</sup> is a common law certification mark owned outside the U.S. by Financial Planning Standards Board Ltd. Financial Advice New Zealand Inc is the marks licensing authority for the CFP Marks in New Zealand, through agreement with FPSB.

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## APPENDIX: CONTINUING PROFESSIONAL DEVELOPMENT POLICY (CPD)

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### 26. CPD PRINCIPLES

- 26.1. As a professional body, Financial Advice NZ encourages and supports all Members to complete Continuing Professional Development (CPD).
- 26.2. Financial Advice NZ applies its own set of CPD obligations beyond the New Zealand statutory requirements.
- 26.3. CPD consists of education, learning, training and development that is relevant and appropriate to a Member's professional or technical development and to their present or future roles, within the Financial Sector.
- 26.4. Individuals who are Adviser Members, FAP Members, Members with a Financial Advice NZ mark, and other individual Members who give financial advice (directly or on behalf of a FAP) are required to comply with this CPD policy and must undertake sufficient CPD to:
- (a) maintain their competence at a level appropriate for the financial advice services they provide or intend to provide;
  - (b) keep up to date with developments relevant to their practice;
  - (c) perform their activities to the required professional standard, consistently over time; and
  - (d) align their individual development needs to those appropriate to their level of ability and professional responsibility.

### 27. CPD FOR ADVISERS WITHOUT MARKS

- 27.1. Individuals who are Adviser Members, FAP Members, and other individual Members who give financial advice (directly or on behalf of a FAP) who don't have a Pinnacle Mark or the Trusted Adviser Mark must:
- (a) maintain an annual Professional Development Plan;
  - (b) complete at least two hours structured CPD in the topic area of ethics in each calendar year;
  - (c) complete at least 30 hours relevant structured CPD over a rolling 24-month period; and
  - (d) keep a log of CPD completed.
- 27.2. The Professional Development Plan must comply with **Member Rule 30 Professional Development Plan** and include all aspects as detailed in that clause.
- 27.3. The CPD hours undertaken must be relevant and appropriate after consideration of the member's Professional Development Plan, see **Member Rule 31 CPD Hours**.
- 27.4. The CPD log must comply with **Member Rule 32 CPD Log and Audit**.

## **28. CPD FOR MEMBERS WITH THE TRUSTED ADVISER MARK**

- 28.1. Members with the Trusted Adviser Mark are required to:
- (a) maintain an annual Professional Development Plan;
  - (b) complete at least two hours structured CPD in the topic area of ethics in each calendar year;
  - (c) complete at least 20 hours relevant structured CPD each year; and
  - (d) keep a log of CPD completed.
- 28.2. Members with the Trusted Adviser mark must also attend a Financial Advice NZ, or Financial Advice NZ endorsed, Ethics in Financial Services three-hour workshop every three years.
- 28.3. The Professional Development Plan must comply with **Member Rule 30 Professional Development Plan** and include all aspects as detailed in that clause.
- 28.4. The CPD hours undertaken must be relevant and appropriate after consideration of the member's Professional Development Plan, see **Member Rule 31 CPD Hours**.
- 28.5. The CPD log must comply with **Member Rule 32 CPD Log and Audit**.

## **29. CPD FOR MEMBERS WITH PINNACLE MARKS**

- 29.1. Members with a Pinnacle Mark are required to:
- (a) maintain an annual Professional Development Plan; and
  - (b) complete at least 60 hours relevant CPD over a rolling 24-month period. CPD must include a minimum of:
    - i. 30 hours structured CPD;
    - ii. 30 hours either structured or unstructured CPD;
    - iii. at least 2 hours CPD per annum in the topic area of ethics; and
  - (c) keep a log of CPD completed.
- 29.2. The Professional Development Plan must comply with **Member Rule 30 Professional Development Plan** and include all aspects as detailed in that clause.
- 29.3. The CPD hours undertaken must be relevant and appropriate after consideration of the member's Professional Development Plan, see **Member Rule 31 CPD Hours**.
- 29.4. The CPD log must comply with **Member Rule 32 CPD Log and Audit**.

## **30. PROFESSIONAL DEVELOPMENT PLAN**

- 30.1. A compliant Professional Development Plan must, for each year, identify:
- (a) gaps in competence, knowledge or skills;
  - (b) requirements to maintain competence, knowledge or skills;
  - (c) plans to keep an up-to-date understanding of the regulatory framework;
  - (d) proposed CPD to meet those improvements and maintain those skills and understanding; and

- (e) details of conferences, courses, qualifications, and CPD events to be undertaken throughout the year.

30.2. Guidance and examples of Professional Development Plans are available on the member's website.

### **31. CPD HOURS**

31.1. A CPD 'hour' is a time-based approximation of learning value. Hours are issued for a minimum of 30 minutes and then in 30-minute allocations thereafter i.e. 0.5 hours, 1.0 hour, 1.5 hours, 2.0 hours.

31.2. CPD Hours are recorded as either structured or unstructured.

31.3. The level of the CPD undertaken must be relevant and appropriate after consideration of the member's Professional Development Plan.

### **32. CPD LOG AND AUDIT**

32.1. CPD logs must contain sufficient information and detailed evidence of attendance or participation in educational events or courses that support the Professional Development Plan.

32.2. A complaint CPD log must include (at a minimum):

- (a) date of the course;
- (b) course provider;
- (c) hours completed;
- (d) topics covered; and
- (e) whether the training was structured or unstructured.

32.3. Financial Advice NZ may at any time request to audit a Member's CPD log and request evidence of a Member's CPD learning over any timeframe.

### **33. STRUCTURED VS UNSTRUCTURED**

33.1. Structured CPD is 'outputs' based learning. Outputs measure the direct impact of learning through 'learning activities' that test or monitor the ability to apply knowledge to specific situations or to develop principles for future action. An 'output' might be an audience interaction with questions and answers, a written or verbal test or quiz, a role-play or submitted case-study.

33.2. To be recognised as Structured CPD, a learning activity must be interactive or test the acquisition and/or application of abilities, professional skills and knowledge.

33.3. Unstructured CPD is a learning activity that does not monitor a person's apprehension, knowledge or acquisition of skills through learning 'output'. It is, however recognised as a valuable learning activity.

33.4. Guidance and examples of what counts as structured and unstructured CPD is available on the member's website.

### **34. CPD FROM PRESENTING OR WRITING**

34.1. When a Member is the writer of published works or articles pertaining to a field of financial advice, then the Member may claim the research time as unstructured CPD.

34.2. Where a Member is the presenter, educator or subject-matter expert for a structured CPD event, the Member may record the hours of presentation of the CPD event (repeated events cannot be claimed), and in addition, record as unstructured CPD the hours spent in research and reading for the presentation. The preparation time spent to create the presentation cannot be claimed as CPD.

### 35. QUALIFICATION BASED CPD

35.1. Members who successfully complete a Pinnacle Mark case study can claim 10 Structured CPD hours.

35.2. Members who successfully complete studies towards a NZ University qualification or New Zealand Qualification Framework (NZQF) qualification relevant to their financial advice or future career in future advice, may record:

- (a) 10 Structured CPD hours for each paper completed at University level;
- (b) 10 Structured CPD hours for the Core Component and every Advice Strand successfully completed in the NZ Certificate in Financial Services Level 5; and
- (c) 10 Structured CPD hours for the NZ Certificate in Financial Services Level 4.

35.3. Where a Member completes studies delivered by an organisation outside of the NZQF or the NZ Universities, then they may apply to the Association for a determination of CPD.

### 36. SUMMARY CPD REQUIREMENTS

<b>Member ...</b>	<b>Ethics</b>	<b>Minimum Structured</b>	<b>Plus ...</b>
With Pinnacle Marks	2 hours annually	30 hours over 24 months	an additional 30 hours over 24 months either structured or unstructured.
With Trusted Adviser Mark	2 hours annually and a 3 hour workshop every 3 years	20 hours annually	
Other individual Members who give financial advice	2 hours annually	30 hours over 24 months	