

# How do I apply for a licence?

## PART A:

**An overview of the application process for financial market service licences under the Financial Markets Conduct Act 2013**

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**Do you need a  
licence?**

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questions?**

## PART A: How do I apply? – **an overview**

**To apply for a market service licence you need to read both PART A and PART B of our licence application guides.**

Note: Financial Advice Provider and Financial Institution licences are covered separately. Refer to the specific guides under their licence pages on the FMA website.

**PART A:** (this guide) Gives general guidance about the licensing process - including information about who needs a licence.

**PART B:** Gives specific information about the type of licence you're applying for – there is a separate PART B for each licence type.

These guides outline the minimum standards for the licences, they set out the questions you'll be asked in the application form, provide guidance on what you might need to tell us and the types of supporting documents you'll need to provide. Your application can only be made via email - request an application form from us by emailing [licensing@fma.govt.nz](mailto:licensing@fma.govt.nz)

**You can find the Part B you want here...**

**B1:** [Crowd funding services](#)

**B2:** [Peer-to peer lending service](#)

**B3:** [MIS managers](#)

**B4:** [DIMS providers](#)

**B5:** [Derivatives issuers](#)

**B6:** [Independent Trustee](#)

Please note these guides may be updated from time to time, so please check our website for the latest version before you apply.

This guidance is of a general nature and does NOT replace your own careful reading of the requirements in the Financial Markets Conduct Act 2013 (the 'FMC Act'), applicable regulations, legal or other expert advice on your application. Applicable regulations include the Financial Markets Conduct Regulations 2014 (the 'Regulations') and any other regulations that are made pursuant to Part 9 of the FMC Act (together the 'Applicable Regulations').

### **Any questions?**

You're welcome to call our information line **0800 434 566** for anything to do with licensing. We're open for calls from 8.30am to 5pm, Monday to Friday. Overseas callers can reach us on +64 3 962 2695.



**We welcome your feedback**

If you have any comments or suggestions that can help us improve these guides, please [share them](#) with us.

Thank you.

FMCA licences	Who needs a licence?
<p><b>What licences does this guide cover?</b></p> <ul style="list-style-type: none"><li>• Crowd funding service providers</li><li>• Peer-to-peer lending service providers</li><li>• Managed investment scheme (MIS) managers</li><li>• Discretionary investment management service (DIMS) providers</li><li>• Derivatives issuers</li><li>• Independent trustees.</li></ul> <p>To become a licence holder your business must <b>meet and maintain</b> eligibility criteria and minimum standards – set out in the PART B sections of our licensing guides.</p>	<p><b>1. Crowd funding services</b></p> <p>A licence to provide <b>crowd funding services</b> is for businesses who want to act as an intermediary between companies making share offers and investors – by providing the facility through which offers can be made to investors.</p> <p>When your service is licensed, companies can offer shares through your service without having to supply product disclosure statements (PDS). See <a href="#">Part 3</a> of the FMC Act for PDS requirements, and <a href="#">clause 6</a> of schedule 1 about the exemption.</p> <p>For the definition of a crowd funding service, see regulation <a href="#">185</a> of the Regulations. You're not providing a crowd funding service under the FMC Act if your service is only used for charitable or rewards based fund raising, and the donors don't receive shares.</p> <p><b>2. Peer-to-peer lending services</b></p> <p>A licence for <b>peer-to-peer lending services</b> is for businesses who want to provide an intermediary facility to connect borrowers and lenders. This is generally intended for situations where the loan is sought for personal, charitable or small business purposes.</p> <p>When your service is licensed, borrowers can issue debt securities through your service without having to supply product disclosure statements. See <a href="#">Part 3</a> of the FMC Act for PDS requirements, and <a href="#">clause 6</a> of schedule 1 about the exemption.</p> <p><b>3. MIS managers</b></p> <p>A MIS is a <b>managed investment scheme</b>. You'll need a licence if you're the appointed or designated manager of a non-restricted and registered MIS. Specifically you'll need a licence to:</p> <ul style="list-style-type: none"><li>• Make a regulated offer of managed investment products to retail investors</li><li>• Register a non-restricted MIS you have been appointed the manager of.</li></ul> <p>When we grant a MIS licence, it will specify the class of MIS product(s) you offer, and may also specify the product(s) if you only offer a very limited range of products.</p> <p><b>What is a MIS?</b></p> <p>The definition of a MIS under the FMC Act is very broad (see <a href="#">section 9</a> of the FMC Act).</p> <ul style="list-style-type: none"><li>• It <b>includes</b> collective investment schemes, and most schemes involving participatory securities</li><li>• It does <b>NOT include</b> discretionary investment management services (DIMS), insurance contracts, or schemes that only involve managing separate and direct interests in underlying property.</li></ul>

#### **Any questions?**

Please remember you can contact us for information at any time before you apply – and after you're licensed. Just call

**0800 434 566**

8:30am – 5:00pm  
Monday to Friday

MIS schemes may be open-ended or closed-ended. **Open-ended** schemes are offered continuously, for example KiwiSaver, superannuation, workplace savings schemes, open-ended unit trusts, and other schemes that invest in relatively liquid assets. **Closed-ended** schemes are more equity-like, such as forestry partnerships and property syndicates that invest in a single asset class.

#### **4. DIMS providers**

A DIMS is a **discretionary investment management service** – an investment arrangement where you make buy–sell decisions about your client's portfolio, rather than your client making those decisions. It includes arrangements where the client has the right to be consulted, or can change a decision you have previously made. DIMS cover a wide range of services and can vary considerably. Section [432](#) of the FMC Act provides the definition of DIMS.

#### **5. Derivatives issuers**

If you're in the business of entering into derivatives, you are a **derivatives issuer**. You must be licensed to make a regulated offer of derivatives.

A regulated offer includes any offer of derivatives when disclosure must be made to investors, for example, because they are a retail investor.

The FMC Act has a broad definition of a derivative. It includes futures and forwards, options (except options to acquire an equity security, a debt security, or a managed investment product by way of issue), swaps and contracts for difference, margin contracts, rolling spot contracts, caps, collars, floors and spreads. The definition is also wide enough to catch new derivative products as they are developed (see section [8\(4\)](#) of the FMC Act for more details).

#### **6. Independent trustees**

This licence is for someone who is, or will be, the **independent trustee** for a restricted managed investment scheme. For the definition of 'independent' please see section [131\(3\)](#) of the FMC Act.

A restricted scheme is identified as 'restricted' on the Register of Managed Investment Schemes. It includes KiwiSaver schemes, and workplace superannuation or legacy schemes. See section [6](#) of the FMC Act for more information.

#### **Please remember**

If you are unsure what we mean in our guidance, you can email us at: [licensing@fma.govt.nz](mailto:licensing@fma.govt.nz)

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### Already an FSP?

You'll need to select the new service you want to be licensed for on the FSP register as well as completing this application.

## Register as a Financial Service Provider (FSP)

### 7. Registration on the Financial Service Providers Register (FSPR)

You need to be correctly registered on the FSPR before your licence, if granted, can be issued. Full details on how to register can be found on the [FSPR website](#).

- As this process can take up to five working days we suggest you apply in advance of your licence being issued. You must submit and pay for your FSP number, at the very latest, before your licence is issued.
- Your FSPR registration will only be completed once your licence is granted.
- If this is the only licensed service selected your FSP registration will not be visible to the public prior to a financial service licence being issued.
- Log in to your FSPR account, follow the step-by-step instructions, select the financial market service/s you want to be licensed for. (We can't grant a licence until you do this.) The licensed service won't be publicly visible on the register until we issue your licence.

### 8. You'll need a RealMe login to register on the FSPR

Please refer to the [RealMe website](#) for further information on creating an account and logging in.

### 9. Now you're ready to go...

Email [licensing@fma.govt.nz](mailto:licensing@fma.govt.nz) and request an Adobe editable pdf application form for the type of licence you want to apply for.

You'll need someone authorised by your board or governing body to complete the application.

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## What we ask

### Use the Part B guides

*Our Part B guides for each licence type list the questions we ask and the things we ask you to provide.*

There are also comments to explain what evidence and supporting documents we are looking to see. It's really important you download and read the Part B guide for the licence you're seeking before you begin your application.

#### **It's all done via email**

You apply for your licence using the Adobe editable pdf form which will be emailed to you. Once completed, attach any supporting documents and email back to [licensing@fma.govt.nz](mailto:licensing@fma.govt.nz). We don't accept hard copy applications unless we specifically request them.

## Completing your application

### 10. Filling in your application

The application form is set out in sections.

You need to complete all questions before you submit your application.

The questions are a mix of narrative fields where you can explain something in your own words – and questions where you are asked to answer either YES/NO, enter a value, or select from a list. Where we ask you to fill out an accompanying form, please attach to your email. If the size of the email is too large to send, please contact [licensing@fma.govt.nz](mailto:licensing@fma.govt.nz) and we will send you details for uploading to a secure databox.

If you want related bodies linked to your application, they will have to fill in a separate application.

### 11. Attaching documents

In the narrative fields there is enough space for a brief explanation. Where a fuller answer is required you can attach a separate supporting document. We'll ask you for the document name and a reference to the specific information you want us to read in relation to that question – you can then attach the supporting documents when you email your completed form.

**Please note when you attach a document it should have the same name you've referred to in your answers – so we can identify the relevant answer.**

#### **More guidance**

A range of guidance papers and other information is on our website [www.fma.govt.nz](http://www.fma.govt.nz)

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## Final steps

*At the end you're asked to certify that you've told us everything material to the licence.*

**Remember to attach all relevant supporting documents including all required declarations.**

**After you submit your application, we may ask you to provide more information to help us make a final decision on your application.**

## Submitting your application

### **13. Submitting your application**

These are the main things you need to know:

- The limit on email size is 153600 (kB)
- If the supporting documents are too large to attach to an email for our system to receive, email [licensing@fma.govt.nz](mailto:licensing@fma.govt.nz) and they will send you details of how to upload to a secure databox.
- Once we've received your application we will send you an invoice. (There's more about this on the next page)

If for some reason we need to place limits on your licence, or decline your application, we'll contact you first so you have the chance to discuss it with us. And if your licence is granted we'll contact you before we issue the licence so you can see and acknowledge the conditions we intend to set.

### **Saving your work**

We strongly recommend you save your work regularly as you are filling in the form because the form does NOT save itself automatically.

## Final steps

We will contact the named  
contact person on the  
application form if we need  
any further information

## Fees and payments

### 14. Fees and payments

After emailing your application we will send you an invoice for payment of the fee.

You'll find fee details in the Services menu of each licence type under the heading '[Costs](#)' [on our website](#). Here are the key points:

- There's a standard application fee for each licence type – this covers a certain number of hours to assess your application (this includes assessing related bodies you want authorised under your licence).
- If more time is needed, we charge an hourly rate to complete the assessment – we'll contact you and advise when this happens.
- There is a discount if your application is for a subsequent licence or for multiple types of licences (see below).
- If you're licensed, you'll also need to pay an annual levy which recovers the ongoing cost of the licensing regime.
- If you're a related body, you will not be asked to pay a fee.
- You can pay by internet banking / direct payment
- If you're applying from overseas you'll need to instruct your bank to also accept the FMA's bank charges associated with the funds transfer.
- Each individual application needs to be paid separately – this ensures we can identify your payments in the system.

#### Important Note:

Your fees must be paid before we will start on your application.

To pay by internet banking or to make direct payment follow these steps:

Any questions?

Call us on

**0800 434 566**

8:30am–5:00pm  
Monday to Friday

	<p><b>Step One</b></p> <p><b>Make Payment</b></p> <p>Bank payment details:</p> <table> <tbody> <tr> <td>Bank</td><td>Westpac</td></tr> <tr> <td>Name of account</td><td>Financial Markets Authority</td></tr> <tr> <td>Account number</td><td>03 0584 0198005 02</td></tr> <tr> <td>Payee particulars</td><td>Full name of applicant (If the full name doesn't fit in the reference field please enter at least a recognisable abbreviation).</td></tr> <tr> <td>Payee analysis code</td><td>Licence type</td></tr> <tr> <td>Payee reference</td><td>FSP number</td></tr> </tbody> </table>	Bank	Westpac	Name of account	Financial Markets Authority	Account number	03 0584 0198005 02	Payee particulars	Full name of applicant (If the full name doesn't fit in the reference field please enter at least a recognisable abbreviation).	Payee analysis code	Licence type	Payee reference	FSP number
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	<p><b>Step Two</b></p> <p><b>Email us</b></p> <p>Please email us on the same day you make your bank transfer. Please send your email notification to <a href="mailto:accountsreceivable@fma.govt.nz">accountsreceivable@fma.govt.nz</a> with the following information:</p> <ul style="list-style-type: none"> <li>• <b>Subject Header:</b> FMC Act licence application – Transfer of funds by direct payment</li> <li>• <b>Applicant:</b> i.e. Applicant name</li> <li>• <b>Licence type</b></li> <li>• <b>FSP number</b></li> <li>• <b>Full name:</b> Full name of authorised person applying</li> <li>• <b>Amount paid in dollars</b></li> <li>• <b>Alternate email address (optional):</b> Please provide an email address to receive the FMA's confirmation of payment if you would like us to email a different person to the one who sends the confirmation email.</li> </ul>												
	<p><b>Step Three</b></p> <p><b>Confirmation</b></p> <p>We will send you an email back when funds have cleared.</p>												
<p><b>Any questions?</b></p>													
<p>Please call us on <b>0800 434 566</b>, 8:30am – 5:00pm, Monday to Friday.</p>													

## Frequently asked questions

### **How long will it take to get a licence?**

There's no single answer to this as it depends on how well prepared your application is, whether all supporting documents have been provided, how long it takes to assess, and whether we need to come back to you for further information.

### **Do I have a grace period to supply extra information?**

If there is something you can't supply for a good reason you can always tell us that in the form. You can also ring our help line if there is some problem preventing you from completing the application form.

### **Can I apply for a limited licence?**

Yes, you can ask for limits on your licence, for example if you only want to offer certain types of financial products, or you want limits on the amounts you deal with. This may make it easier for some smaller businesses to meet the minimum standards. We may also impose limits if we consider the applicant can only deliver a limited service – but we would always discuss this with you first.

### **What happens to my information and documents?**

The information you supply in your application is held securely by the FMA and used for the ongoing administration and monitoring of your licence.

### **Does the same fee apply if I make a subsequent application for another market service licence?**

No there's a reduced fee, provided you make the subsequent application within six months of submitting the previous application. This recognises the lower costs for us since we'll have recently already assessed some of the same information. In most cases it will be a 50% discount, but there's a 15% discount for a derivatives issuer licence.

### **Can I apply for more than one licence at the same time?**

Yes, you can apply for multiple licences at the same time. Each licence application will require a separate form to be completed.

### **Will there be conditions?**

Yes, all licences will have conditions. Some of these will be standard and these are published on our website. Others may be specific to the type of licence, or in some cases to the particular business or applicant. We will inform you of any additional specific conditions that apply before we make a final decision on your application.

### **How long will my licence last?**

The standard licence duration is open ended, i.e. they do not expire. In some cases a licence expiry date may be imposed.

### **What if I no longer want my licence?**

If you no longer require a licence you can submit a request to terminate your licence.

Do you need a  
licence?

Register  
as an FSP

Select  
the service

Complete your  
application

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### Anything else you'd like to know?

You can also visit our [website](#) for  
information about licensing.  
Or you can call us – and if it's about  
something others might also  
want to know we can add it to our  
online FAQs.

## Glossary

### Some terms used in our guides

DIMS	Discretionary Investment Management Service
FMC Act	Financial Markets Conduct Act 2013 ('the Act')
FSP No.	Financial service provider registration number
FSPR	Financial Service Provider Register
MIS	Non-restricted and registered Managed Investment Scheme
MIP	Managed investment products
NZ IFRS	New Zealand equivalent to International Financial Reporting Standards
NTA	Net tangible assets
NZ GAAP	New Zealand Generally Accepted Accounting practice
PDS	Product disclosure statement
RBNZ	Reserve Bank of New Zealand
Regulations	Financial Markets Conduct Regulations 2014
SIPO	Statement of Investment Policy and Objectives

**Related body:** A related body corporate as defined in section [400](#) of the FMC Act (these related companies may be authorised under your licence to provide all or part of the licensed service).

**Authorised body:** A related body corporate authorised under your licence to provide all or part of the licensed service.

**Systems, processes, procedures and arrangements:** We use these terms throughout the guides to refer to how you manage the licensed business. What's required depends to a degree on your business and we'll take the size, complexity and nature of your business into account when we assess your application.