

FINANCIAL SERVICES LEGISLATION AMENDMENT BILL

What is it?

The Bill introduces a package of changes to the regulation of financial advice following a review of the Financial Advisers Act. It sets out the duties that will apply to providers and individuals e.g. persons giving advice must prioritise clients' interests.

Where is it at?

The Bill is currently before Parliament. The remaining stages in the process are the Committee of the Whole House and Third Reading before it becomes law.

How to find out more?

- Visit [Parliament's website](#)
- Visit [MBIE's website](#)

REGISTRATION

What is it?

The Companies Office is making changes to the Financial Service Providers Register (FSPR) to implement the changes to the registration requirements in the new regime.

Where is it at?

In addition to the registration requirements in the Bill, detailed requirements are being developed in regulations, including measures to prevent misuse of the FSPR. More information on the upcoming changes will be confirmed in early 2019.

How to find out more?

- Visit [MBIE's website](#)
- Contact MBIE: faareview@mbie.govt.nz
- Contact the Companies Office: info@fspr.govt.nz

CODE OF CONDUCT

What is it?

A new Code of Conduct for Financial Advice will set standards of conduct and client care, and competence knowledge and skill for those giving financial advice e.g. the Code could require persons giving advice to not bring the financial advice industry into disrepute.

Where is it at?

The new Code is being developed by an independent Code Working Group, who recently consulted on a draft Code of Conduct. They are currently considering feedback before providing a draft code to the Minister of Commerce and Consumer Affairs for approval in early 2019.

How to find out more?

- Visit the [Code Working Group's website](#)
- Sign up to the [Code Working Group's mailing list](#)
- Contact the Code Working Group: code.secretariat@mbie.govt.nz

DISCLOSURE

What is it?

New disclosure requirements will require certain information to be provided to consumers when receiving financial advice to help them make informed decisions e.g. the regulations could require consumers to be informed of the conduct and client care duties the person giving advice is subject to.

Where is it at?

MBIE consulted on proposals for new disclosure requirements in April-May 2018. Feedback from consultation will feed into the development of regulations, which will be confirmed in early 2019.

How to find out more?

- Visit [MBIE's website](#)
- Contact MBIE: faareview@mbie.govt.nz

LICENSING

What is it?

Financial Advice Providers that give advice to retail clients will need to be licensed by the Financial Markets Authority (FMA). There will be two phases of licensing: transitional and full. Financial Advice Providers will initially be able to operate under a transitional licence, and will have two years to obtain a full licence. Applicants will need to satisfy the FMA of certain matters before a licence is granted e.g. the FMA could require that the applicant has processes for managing customer complaints.

Where is it at?

The FMA is designing the transitional licensing process. They are also developing a series of communications to help advisers prepare for licensing. Keep an eye out for updates on the FMA's website in early 2019.

How to find out more?

- Visit the [FMA's website](#)
- Contact the FMA: questions@fma.govt.nz

FEES AND LEVIES

What is it?

MBIE is developing regulations to set licensing fees and levies that will apply in the new regime. This includes the fees for obtaining transitional and full licences for the financial advice service and the FMA levies that apply at registration and annual confirmation.

Where is it at?

MBIE is currently consulting on draft proposals for fees and levies. We are seeking feedback on how the fees and levies have been calculated and what impact they will have on the industry.

How to find out more?

- Visit [MBIE's website](#)
- Contact MBIE: faareview@mbie.govt.nz