

# NAVIGATING REGULATION

**Financial Services Council.**  
Growing and protecting the wealth of New Zealanders

2018



This is the seventh message from the Financial Services Council about future changes coming to financial advice regulation. *The FSC's goal is to highlight key things you need to know about the Financial Services Legislation Amendment Bill (FSLAB), its regulations and the Code of Conduct for Financial Advice.*

## Have your say on the draft Code of Conduct

The Code Working Group released the draft Code of Conduct "The Financial Advice Code" on 11 October, and you have until 9 November to have your say. Submission details are [available here](#).

- The draft Code contains high level principles, not detailed rules.
- There are 8 standards of ethical behaviour, conduct and client care, and 4 standards of competence knowledge and skill.
- Each standard contains commentary to explain it, and there are a few examples.
- The full draft is only 10 pages.
- The education standard is one of:
  - a level 5 certificate in financial services with the financial advice strand, or
  - existing AFA status, or
  - demonstrable competence in these qualification outcomes in some other way.
- The standard your advice must meet is "a prudent person engaged in the profession of giving financial advice".

This is your chance to seek to influence your Code of Conduct. If there is something you think can be improved, have your say!

## The Code Standards

Here is a list of the Code Standards in the draft Code of Conduct. For details and commentary, read the draft Code, [available here](#).

### *Ethical behaviour, conduct and client care*

1. Treat clients fairly and act in their interests
2. Act with integrity
3. Manage conflicts of interest
4. Take reasonable steps to ensure that the client understands the financial advice
5. Give financial advice that is suitable for the client
6. Protect client information
7. Resolve complaints
8. Not bring the financial advice industry into disrepute

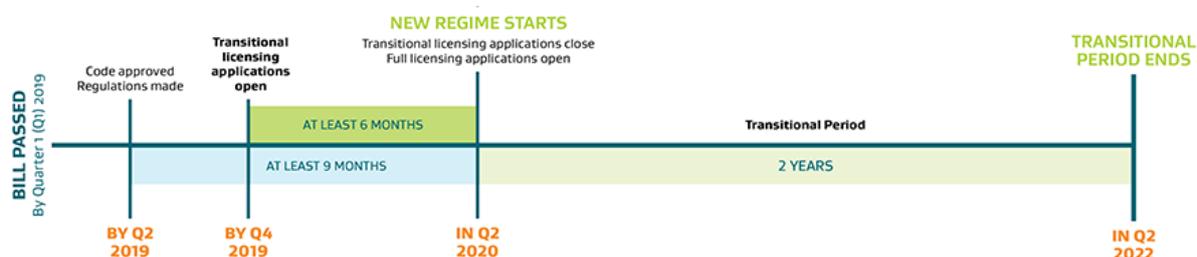
### Competence, knowledge and skill

9. Have general competence, knowledge and skill
10. Keep competence, knowledge, and skill up-to-date
11. Have particular competence, knowledge, and skill for designing an investment plan
12. Have particular competence, knowledge, and skill for other types of financial advice

Remember that you have until 9 November to submit your feedback.

### MBIE and the FMA released an updated timeline

Recently MBIE and the FMA [released a revised timeline](#). It included a [summary of what needs to happen](#) before the regime goes live. Although the regime is delayed, the Bill is very unlikely to change materially from its current version.



### Previous messages in this series

- Message 1, general information and timeline, is available [\[here\]](#).
- Message 2, submitting on the Code Working Group consultation document, is available [\[here\]](#).
- Message 3, MBIE's consultation paper about disclosure, is available [\[here\]](#).
- Message 4, what can I do now (step 1, entity policy statements), is available [\[here\]](#).
- Message 5, more things you can do now (step 2, develop and review your processes), is available [\[here\]](#).
- Message 6, the FSLAB regime is full steam ahead, is available [\[here\]](#).