



This is the ninth message and the first of 2019 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 licensing fees and levies

The Ministry of Business, Innovation and Employment (MBIE) released a consultation paper about licensing fees and levies on 13 December 2018, and you have until 22 February 2019 to have your say. Submission details are [available here](#). The proposals for feedback are:

### *Licensing fees*

- Transitional licence fee, financial advice provider, \$363.
  - Plus \$39 per authorised body named in application.
- Full licence fee varies:
  - Financial advice provider with a sole financial adviser, \$575.
  - Financial advice provider with more than one financial adviser, \$730.
  - Financial advice provider with nominated representatives, \$885.
  - Authorised bodies named in application, an additional \$155 each.
  - Complex cases to be charged \$155/hour over expected assessment hours.
- All values exclude GST.

### *FMA levies*

- Levy payable at initial FSPR registration, financial advice provider, \$460.
- Annual levies are charged with FSPR renewal fees:
  - Financial advice provider, \$230, plus
    - \$179 per nominated representative,
    - \$1,106 if the financial advice provider gives advice on its own account.
    - There is a proposed cap of \$80,000 per year.
  - Financial adviser, \$267.
- All values exclude GST, and exclude FSPR fees.

The discussion paper asks some questions and offers some alternative options for feedback. For example:

- The levy could be tiered, based on the number of individuals the firm engages, rather than a charge per nominated representative;
- A single adviser financial advice provider could be charged the FAP levy only, not the FAP levy plus the levy for one financial adviser;

- Should levies for financial advisers be paid by the financial adviser, or by the FAP?;
- Market service licensees could be charged a levy based on the accumulated business of the licensee and its authorised bodies.

The paper also outlines the assumptions MBIE made when setting the fees and levies.

This is your chance to have your say on how much it will cost to obtain and hold a financial advice provider licence and the levies that will apply. Feedback (with reasons and examples) is important, whether it supports or disagrees with the proposals. Remember to submit your feedback by 22 February 2019.

Next steps

Keep your eye out for future milestones:

- Parliament passing FSLAB into law;
- Minister approving the financial advice Code of Conduct;
- MBIE releasing draft regulations, including disclosure requirements; and
- FMA to provide more detail about transitional licensing.

Previous messages in this series  
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