

NAVIGATING REGULATION

FinancialServicesCouncil.
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2018



As you may know, regulation of financial advice in New Zealand is changing. The changes aim to lift professionalism in the industry, make advice more accessible to customers and add value to the industry.

To help advisers have the best possible chance of transitioning into the proposed regime smoothly, members of the Financial Services Council are working together to bring you a series of messages over the months ahead. As a result, you may receive the same messages from different providers. We think this is a good thing as we are trying to reach as many advisers as possible.

Our goal is to highlight the key things you need to know about the Financial Services Legislation Amendment Bill (FSLAB). We will cover topics such as:

- Advisers' **options and obligations** under the proposed regime
- How to get involved in consultation on the **Code of Conduct**, disclosure and licensing regime
- How the transitional **licensing framework** will work.

Our first key message is: the Financial Advice Code Working Group is consulting – get involved.

If you want to help shape the Code of Conduct that will govern every person who gives regulated financial advice in New Zealand, have your say in the Code Working Group consultation process.

The Financial Advice Code Working Group released a consultation paper on 12 March. It is [available here](#). Written submissions must be received by Monday 30 April. Subscribe for [further details here](#).

Remember: we have time to adjust to the proposed regime.

The FSLAB is presently before a Parliamentary Select Committee. The Code Working Group is currently consulting, and MBIE is planning consultation on disclosure. The FMA are yet to design licensing requirements.

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Here's our understanding of the expected timeline (all dates are estimated):

Jun 2018	Select Committee report to Parliament
Mid 2018	Code Working Group release draft Code of Conduct
Nov 2018	FSLAB passes into law
Dec 2018	Code of Conduct for Financial Advice Services approved and published
Apr 2019	Transitional licensing opens
Oct 2019	Transitional licensing ends, full licensing opens
Nov 2021	Full licensing ends, law fully implemented

What should you do now?

Read the Code Working Group consultation document, [available here](#). It contains a good summary in the first 10 pages, so you can focus on the sections that interest you most. Send a submission by 30 April to have your say.

Talk to other advisers, and to specialists in adviser associations and product providers. Start thinking about how your business could look in the proposed regime. And read our messages as we release them.

If you want to know more now, you may find these things helpful:

- MBIE have a summary of the [proposed regime here](#). The draft legislation is [available here](#), if you are keen.
- The Code Working Group are actively engaging with the entire industry. [Learn more here](#).
- John Berry of the Code Working Group wrote a useful article about his experience getting a licence as a manager of a Managed Investment Scheme, [available here](#).
- You can watch the video of the recent [FSC Adviser Summit here](#). It is just over 100 minutes, with presentations from Sharon Corbett of MBIE (who are writing the law), John Botica and Derek Grantham of the FMA (who will enforce the law), and a panel including Angus Dale-Jones of the Code Working Group (who are writing the industry Code of Conduct).

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