



This is the twelfth 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 Act (FSLAA), its regulations and the Code of Conduct for Financial Advice. For more information, visit navigatingregulation.co.nz



Code of Professional Conduct for Financial Advice Services

The Minister has now approved the Code of Professional Conduct for Financial Advice Services, which is available via the [Navigating Regulation Advice Hub](#) or on the [MBIE website](#).

The code standards are in two parts:

Part 1: Ethical behaviour, conduct, and client care

1. Treat clients fairly
2. Act with integrity
3. Give financial advice that is suitable
4. Ensure that the client understands the financial advice
5. Protect client information

Part 2: Competence, knowledge, and skill

6. Have general competence, knowledge, and skill
7. Have particular competence, knowledge, and skill for designing an investment plan
8. Have particular competence, knowledge, and skill for product advice
9. Keep competence, knowledge, and skill up-to-date

What next?

Next up in MBIE's [timeframe](#) is developing the supporting Regulations - this includes the regulations that will set the new disclosure requirements, set licensing fees and change the FMA levy, followed by the opening of transitional FMA licensing for financial advice providers, which will happen at least three months after this approval of the code.



Individual advisers need to think about which Financial Advice Provider (FAP) they will work for – for example plan to establish their own or to work for another.

It's also a good time to review systems and processes for licence readiness, and align them up to the requirements of the new code.

We expect to hear from MBIE in coming months on the detail of the disclosure regulations and from the FMA on the specifics of licensing.

Transitional FMA licensing runs for at least six months; expected to be from a date in quarter 4, 2019. Then the regime starts in quarter 2, 2020, replacing the Financial Advisers Act regime at that date. From then, the new licence, new code and new disclosure requirements will apply.

Further details

For more information see the [Navigating Regulation Advice Hub](#) or the code on the [MBIE website](#).

Please feel free to email any questions about the Code, FSLAA or this message to fsc@fsc.org.nz.

The FSC Navigating Regulation Hub is [available here](#) where you can find up to date information about FSLAA, including video from the recent Navigating Regulation Advice Summits.