



*This is the eighteenth 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 as well as and other financial services legislation. For more information, visit [navigatingregulation.co.nz](http://navigatingregulation.co.nz)*

## **29 June 2020 is the deadline for transitional licences**

If you didn't get the chance to attend or would like to refresh yourselves on the sessions at the Advice Summits to help you prepare for the 29 June 2020 Transitional Licensing deadline, [presentations and videos are available](#).

Transitional licensing applications can take up to 60 days to process, and just over 300 transitional licences have been granted to date. If you wait until the last minute to submit your transitional licence application, you may not get it before 29 June 2020, so we recommend applying for it soon.

If you are not engaged by a financial advice provider (or you are not a licensed financial advice provider yourself) on 29 June 2020, and you continue to give regulated financial advice to retail clients, you risk breaking the law.

The Financial Markets Authority and Companies Office have also written some FAQs following feedback from delegates at the Summits - [FMA FAQ](#) | [Companies Office FAQ](#)

## **We encourage submissions on the Conduct of Institutions Bill**

The Financial Markets (Conduct of Institutions) Amendment Bill (the Bill) passed its first reading in Parliament on 12 February. The Bill is now with the Select Committee, and open for submissions until 26 March 2020. [Make submissions here](#).

### **Contents of the Bill**

The Bill is [available here](#). It begins with an explanatory note that summarises the Bill and will help you identify the potential issues (7 pages), followed by contents (3 pages) and the wording of the Bill (23 pages).

If passed, the Bill will require banks, insurers and non-bank deposit-takers (NBDTs) to obtain a conduct licence from the Financial Markets Authority. It also requires:

- These licensed entities to implement and publish an effective “fair conduct programme” that contains policies, procedures, systems and controls designed to ensure compliance with a fair conduct principle - to treat customers fairly, including by paying due regard to their interests;
- Intermediaries to comply with these fair conduct programmes, including limited application to licensed financial advice providers (who would have to comply with elements of the programmes of all banks, insurers and NBDTs for whom they distribute products when they are not giving financial advice); and

- Financial institutions and intermediaries (including financial advice providers) to comply with any regulations that regulate or prohibit commissions and incentives.

Like the Financial Services Legislation Amendment Act, the Bill proposes to amend the Financial Markets Conduct Act (FMCA), bringing conduct of financial institutions into the existing FMCA legal infrastructure including enforcement provisions.

### Further details

For information about transitional licensing, refer to (1) the [FSPR website](#), and then (2) the [FMA website](#).

The FSC Navigating Regulation Hub is [available here](#) where you can find up-to-date information about FSLAA, the Code, disclosure, licensing, and fees and levies. You can email questions about the content or this message to [fsc@fsc.org.nz](mailto:fsc@fsc.org.nz).

Get In Shape Advice Summits 2020 were highly successful and informative for financial advisers. Get the highlights at [getinshape.nz](http://getinshape.nz).

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