



#16

COMPLETE

PAGE 2: Role and regulation of financial advice

Q1: Do you agree that financial adviser regulation should seek to achieve the identified goals? If not, why not?

Yes I do agree --- for clarity for clients

Q2: What goals do you consider should be more or less important in deciding how to regulate financial advisers?

All (yes all) to be AFA level. I may even suggest Level 5 is a goal to be aimed for

Q3: Does this definition adequately capture what financial advice is? If not, what changes should be considered?

Respondent skipped this question

Q4: Is the distinction in the Financial Advisers Act (FA Act) between wholesale and retail clients appropriate and effective? If not, what changes should be considered?

there are major anomalies in what level of compliance, disclosure is required in what can essentially be the same or similar perceived client outcome

Q5: Is the distinction in the Act between a personalised financial service and a class service appropriate and effective? If not, what changes should be considered?

As above in a good number of cases

Q6: Is it appropriate to have different requirements on advisers depending on the risk and complexity of the products they advise upon?

Respondent skipped this question

Q7: Does the current categorisation system accurately reflect the level of complexity and risk associated with financial products? If not, how could it be improved?

Not at all. The result of an incorrect assessment of a clients personal risk ie the amount of life cover etc can have catastrophic impact. The skill level of the adviser is paramount at inception. Have a high level of skill --- not just an order taker

Q8: Do you think that the term Registered Financial Adviser (RFA) gives consumers an accurate understanding of what these advisers are permitted to provide advice on and the requirements that apply to them? If not, should an alternative term be considered?

In short I don't believe there should be such a designation. It is not the term it is the issue it is what it designates. Generally a lower level level of skill.

Q9: Are the general conduct requirements applying to all financial advisers, including RFAs, appropriate and adequate? If not, what changes should be considered?

In adequate for RFA's . All advice should clearly put the clients best interest first. Up the base requirements (that easy)

Q10: Do you think that disclosing this information is adequate for consumers? Should RFAs be required to disclose any additional information?

No and yes

Q11: Are there any particular issues with the regulation of RFA entities that we should consider?

Level of education, knowledge and disclosure

Q12: Are the costs of maintaining an adviser business statement justified by its benefits? If not, what changes should be considered?

This is a general statement. Advisers feel that they are cash cows for a Plethora of money grabbing regulatory groups (harsh I know, but true. Most certainly not value for money

Q13: Is the distinction between an investment planning service and financial advice well understood by advisers and their clients? Are any changes needed to the way that an investment planning service is regulated?

Respondent skipped this question

Q14: To what extent do advisers need to exercise some degree of discretion in relation to their clients' investments as part of their normal role?

Respondent skipped this question

Q15: Should any changes be considered to reduce the costs on advisers who exercise some discretion, but are not offering a funds management-type service?

Most certainly. The majority of advisers do not offer a funds management -type service and yet they pay the same costs

Q16: Are the current disclosure requirements for Authorised Financial Advisers (AFAs) adequate and useful for consumers?

I do not have any concerns with level of disclosure However Make it one document

Q17: Should any changes be considered to improve the relevance of these documents to consumers and to reduce the costs of producing them?

Respondent skipped this question

Q18: Do you think that the process for the development and approval of the Code of Professional Conduct works well?

Respondent skipped this question

Q19: Should any changes to the role or composition of the Code Committee be considered?

There is a major emphasis on investments (which I agree have the higher rate of offending) Higher representation for the pure risk advisers.

Q20: Is the Financial Advisers Disciplinary Committee an effective mechanism to discipline misconduct against AFAs?

An interesting question -- from the outside looking in it would seem there is considerable inconsistency regarding misconduct.

Q21: Should the jurisdiction of this Committee be expanded?

Respondent skipped this question

Q22: Does the limited public transparency around the obligations of Qualifying Financial Entities (QFEs) undermine public confidence and understanding of this part of the regulatory regime?

This is totally misunderstood by the public. And I quote: I went to a bank and they sold me some insurance. They didn't need to waste my time like you wanted to by having an appointment and writing a report. A true story.

Q23: Should any changes be considered to promote transparency of QFE obligations?

A person with half a days training on product and process can be deemed competent. This does require transparency it requires a considerable rethink?

Q24: Are the current disclosure requirements for QFE advisers adequate and useful for consumers?

Respondent skipped this question

Q25: Should any changes be considered to improve the relevance of these documents to consumers or to reduce the costs of producing them?

Respondent skipped this question

Q26: How well understood are the broker requirements in the FA Act? How could understanding be improved?

By the public not at all and I don't believe it would be successful trying to inform the public about a subject that has far too much complexity, which is barely understood by the financial services industry. Simplify the model.

Q27: Are these requirements necessary and/or adequate to protect client assets? If not, why not?

Respondent skipped this question

Q28: Should consideration be given to introducing disclosure requirements for brokers? If so, what would need to be disclosed and why?

Respondent skipped this question

Q29: What would be the costs and benefits of applying the broker requirements in the FA Act to insurance intermediaries?

Respondent skipped this question

Q30: Are the requirements on custodians effective in reducing the risk of client losses due to misappropriation or mismanagement?

Respondent skipped this question

Q31: Should any changes to these requirements be considered?

Respondent skipped this question

Q32: Is the scope of the FA Act exemptions appropriate? What changes should be considered and why?

Respondent skipped this question

Q33: Does the FA Act provide the Financial Markets Authority (FMA) with appropriate enforcement powers? If not, what changes should be considered?

Respondent skipped this question

Q34: How accessible and useful is the guidance issued by the FMA? Are there any improvements you would like to see?

I most certainly find the regular FMA publications of considerable interest and use

PAGE 3: Key FA Act questions for the review

Q35: What changes should be considered to make the current regulatory regime simpler and easier for consumers to understand? For example, removing or clarifying the distinction between AFAs and RFAs.

I said it already there do not need to be two

Q36: To what extent do consumers understand that some financial advisers' primary roles may be selling financial products, rather than solely acting as an unbiased adviser to their clients?

No understanding what so ever

Q37: Should there be a clearer distinction between sales, information provision, and advice? How should such a distinction be drawn? What should or should not be included in the definition of financial advice?

They should be one

Q38: Do you think that current AFA disclosure requirements are effective in overcoming problems associated with commissions and other conflicts of interest?

Yes I do. However I believe this information should be one document

Q39: How do you think that AFA information disclosure requirements could be improved to better assist consumer decision making?

One simple factual plain English document

Q40: Do you support commission and conflict of interest disclosure requirements being applied to all financial advisers? If so, what requirements are appropriate for different adviser types?

Yes I do No exceptions

Q41: Do you think that commissions should be restricted or banned in relation to financial advice, and if so, in what way? What would be the costs and benefits of such an approach?

This is complex question that has an easy answer. That answer is no. I think that this view is being promoted by a number of individuals and groups who have a vested interest. This along with commentators who have little knowledge. I am well aware that commission is branded the demon creator of all ills in the financial services industry. A question I ask of people who hold a contrary view to me is this. If this industry is so well remunerated, why are there not people lining up to join??? Quote: you can be well remunerated for what is one of the worlds most difficult occupations.

Q42: Has the right balance been struck between ensuring advisers meet minimum quality standards and ensuring there is competition from a wide range of providers (and potential providers)?

I don't understand the reason for asking this question? The result is the highest level of advice for a customer who comes before all else and who cares whether the product providers are competing amongst them selves. If they don't fit the requirement's of the client they don't get the business.

Q43: What changes could be made to increase the levels of competition between advisers?

Once again I don't understand the question. We do not run corner stores who in general compete completely on price with the other corner store. Why in Gods name would you want professional adviser acting like street hawkers. The question I ask the author of this question is do they have any idea of how the industry operates ??

Q44: Do you think that the Code of Professional Conduct for AFAs strikes the right balance between requiring them to understand their clients and ensuring that consumers can get advice on discrete issues?

Yes I think the AFA have got this very close to 100% correct --- customer first philosophy should be the under laying ethos

Q45: To what extent do you think that the categorisation of types of advice and advisers is distorting the types of advice and information that is provided?

I have aired my views on this earlier. I believe the level of required compliance, skill and knowledge has a direct correlation of the quality of advice received by a client

Q46: Are there specific compliance requirements from the FA Act regulation that have affected the cost and availability of independent financial advice?

Respondent skipped this question

Q47: How can regulatory requirements be made less onerous without reducing the quality and availability of financial advice?

ie one disclosure doc for AFA

Q48: What impact has the Anti-Money Laundering and Countering Finance of Terrorism Act had on compliance costs for advisers? How could these costs be minimised?

Respondent skipped this question

Q49: What impact do you expect that KiwiSaver decumulation will have on the market for financial advice in New Zealand? Are any specific changes to regulation needed to specifically promote the availability of KiwiSaver advice?

Respondent skipped this question

Q50: What impact do you expect that the introduction of the Financial Markets Conduct Act (FMC Act) will have on the market for financial advice in New Zealand? Should any changes to the regulation of advice be considered in response to these changes?

Respondent skipped this question

Q51: Do you think that international financial advice is likely to increase? Is the FA Act set up appropriately to facilitate and regulate this?

Respondent skipped this question

Q52: How beneficial are the current arrangements for trans-Tasman mutual recognition of qualifications? Should further arrangements be considered?

Respondent skipped this question

Q53: In what ways do you expect new technologies will change the market for financial advice?

Respondent skipped this question

Q54: How can government keep pace with technological developments to ensure that quality standards for advice are maintained, without inhibiting innovation?

Keep abreast of requires (ie appropriate legislation)

Q55: Are the minimum ethical standards for AFAs appropriate and have they succeeded in fostering the ethical behaviour of AFAs?

Yes ---however there will be the odd exception

Q56: Should the same or similar ethical standards apply to all types of financial advisers?

Yes --- I agree 100% Plus no exceptions ie Lawyers accountants

Q57: What is an appropriate minimum qualification level for AFAs?

I would like to think Level 5 min However the level and strands must be appropriate to the services provided

Q58: Do you think that RFAs (for example insurance or mortgage brokers) should be required to meet a minimum qualification relevant to the area of advice they specialise in? If so, what would be an appropriate minimum qualification?

Yes --Level 5 in the appropriate area of advice. The product providers have a role here in both the enforcement and providing of appropriate relevant education. Get them to passed the show an go product shows to education and relevant qualifications.

Q59: How much consideration should be given to aligning adviser qualifications with those applying in other countries, particularly Australia?

The markets differ so much in my field (personal risk) that the relevance of aligning is not a factor for consideration ---- and trying to do it just because you can will be an industry damaging exercise.

Q60: How effective have professional bodies been at fostering professionalism among advisers?

Very is the work I will use

Q61: Do you think that professional bodies should play a formal role in the regulation of financial advisers and if so, how?

This back to the past AFP,CFP etc We have moved pass this in my view. The product providers can take this space -- if you want to market my product your level of education should look like this. Note: as I stated earlier this education is NZQ level ?????

Q62: Should any changes be considered to the relative obligations of individual advisers and the businesses they represent? If so, what changes should be considered?

Yes If you are talking about QFE's

Q63: Is the QFE system achieving its goals in terms of consumer protection and reducing compliance costs for large entities? If not, what changes should be considered?

It may be lowering the providers costs but not the clients --- look at bank sold life cover low ratings high price

PAGE 4: Role of financial service provider registration and dispute resolution

Q64: Do you agree that the Register should seek to achieve the identified goals? If not, why not?

Respondent skipped this question

Q65: What goals do you consider should be more or less important in reviewing the operation of the Register?

Respondent skipped this question

Q66: Do you agree that the dispute resolution regime should seek to achieve the identified goals? If not, why not?

Respondent skipped this question

Q67: What goals do you consider should be more or less important in reviewing the dispute resolution regime?

Respondent skipped this question

PAGE 5: How the FSP Act works

Q68: Does the FMA need any other tools to encourage compliance with financial service provider (FSP) registration? If so, what tools would be appropriate?

Respondent skipped this question

Q69: What changes, if any, to the minimum registration requirements should be considered?

Respondent skipped this question

Q70: Does the requirement to belong to a dispute resolution scheme apply to the right types of financial service providers?

Respondent skipped this question

Q71: Is the current framework for the approval of dispute resolution schemes appropriate? What changes, if any, should be considered?

Respondent skipped this question

Q72: Is the current framework for monitoring dispute resolution schemes adequate? What changes, if any, should be considered?

Respondent skipped this question

Q73: Is the existence of multiple schemes and the incentive to retain and attract members sufficient to ensure that the schemes remain efficient and membership fees are controlled?

Respondent skipped this question

Q74: Should the \$200,000 jurisdictional limit on the size of claims that dispute resolution schemes can hear be raised in respect of other types of financial services, and if so, what would be an appropriate limit?

Respondent skipped this question

Q75: Should additional requirements to ensure that financial service providers are able to pay compensation to consumers be considered in New Zealand?

Respondent skipped this question

PAGE 6: Key FSP Act questions for the review

Q76: What features or information would make the Register more useful for consumers?

Respondent skipped this question

Q77: Would it be appropriate for the Register to include information on a financial adviser's qualifications or their disciplinary record?

Yes --- disciplinary should have a time

Q78: Do you consider misuse of the Register by offshore financial service providers is a significant risk to New Zealand's reputation as a well-regulated jurisdiction and/or to New Zealand businesses?

Respondent skipped this question

Q79: Are there any changes to the scope of the registration requirements or the powers of regulators that should be considered in response to this issue?

Respondent skipped this question

Q80: What are the effects of (positive and negative) competition between dispute resolution schemes on effective dispute resolution?

Respondent skipped this question

Q81: Are there ways to mitigate the issues identified without losing the benefits of a multiple scheme structure?

Respondent skipped this question

Q82: Are the current regulatory settings adequate in raising awareness of available dispute resolution options? How could awareness be improved?

Respondent skipped this question

PAGE 7: Demographics

Q83: Please provide your name and/or the name of the group of people, business, or organisation you are providing this submission on behalf of:

9(2)(a)

Q84: Please provide your contact details:

cell phone 9(2)(a)

Q85: Are you providing this submission:

-
- As an individual

Q86: If submitting on behalf of an organisation: How many people are in the organisation, or work in the organisation, that you are providing this submission on behalf of?

Respondent skipped this question

Q87: I would like my submission (or specified parts of my submission) to be kept confidential, and explain my reasons for this, for consideration by MBIE:

-
- Yes
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