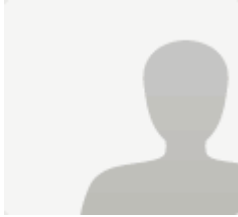


#8



## 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

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

Clarity of payment Clear declarations of conflict of interest

**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?**

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

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

Yes

**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?**

*Respondent skipped this question*

**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?**

No I think it is very unclear. A consumer would expect this person to fulfil the same role as an AFA. However, my experience of using a RFA from my bank was very disappointing, with the advisor being poorly knowledgeable and unreliable. This category needs to be renamed and essentially "downgraded" so the consumer can clearly identify that a RFA is NOT the same as an AFA.

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

No, strengthen those for RFAs

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

Disclose the commission they would get on any product they recommend to you.

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

*Respondent skipped this question*

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

### **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.**

*Respondent skipped this question*

**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?**

Limited understanding. People expect an advisor to act in their best interests.

**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?**

*Respondent skipped this question*

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

*Respondent skipped this question*

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

**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)?**

*Respondent skipped this question*

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

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

Should have to maintain the ethical standards of a CFA - ie. to act in the clients best interests above all.

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

Yes as per 55.

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

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

*Respondent skipped this question*

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

*Respondent skipped this question*

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

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

**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?**

*Respondent skipped this question*

#### **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?**

*Respondent skipped this question*

**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:**

Michelle Locke

**Q84: Please provide your contact details:**



9(2)

**Q85: Are you providing this submission:**

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- 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:**

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- No