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?

NZFMA considers that the proposed goals are appropriate for financial adviser regulation but proposes an additional goal: "The financial advice received by consumers is high quality, and responsive to consumer needs and wants."

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

NZFMA considers the proposed goals to be of equal importance.

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

However, NZFMA is concerned that the proposed definition is a very wide definition, and that the FMA has read it in its widest sense. To address this concern, NZFMA suggests: (a) A new exemption for the expression of recommendations and opinions in circumstances in which it would not be reasonable for the recipient to rely on such recommendations and opinions. This is because, in the context of a business relationship, general conversation often involves the expression of opinions that are clearly not intended as formal advice. (b) A new exemption for warnings given by a person about the product they are offering. For example, a comment that "you shouldn't enter into this swap unless you're sure you understand it" is technically a recommendation, but a person that is not qualified to give financial advice should be able to make such a comment. This could be achieved by making a distinction in the legislation between "product advice" and "financial advice". Product advice would be defined, on this basis, as a recommendation or opinion about a financial product that did not take account of the individual circumstances of the customer. A recommendation or opinion that did the customer's circumstances into account, however, would be "financial advice". If this division were adopted then "product advice" could be largely excluded from the FA Act regime, subject to a prescribed disclosure statement or warning being given to the customer. (c) Greater clarity around the statutory exclusions currently in section 10 of the FA Act for providing information and making recommendations in respect of classes of financial products. The FMA has provided some limited guidance, but for the purposes of providing clarification as to what information can be given before a market participant is deemed to be giving advice, a tweaking of the legislation would be helpful.

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?

NZFMA considers that the distinction is appropriate, in particular with the recent amendments to ensure that it is more closely aligned with the Financial Markets Conduct Act 2013 (FMC Act) regime.

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?

Some NZFMA members have noted concerns with regards to the divide between personalised and class services. To a large extent if the distinction between "product advice" and "financial advice" as noted above in response to question 3 were to be adopted these problems would fall away, as the regulatory regime would be focused on individually targeted advice that consumers would understand had been prepared with their circumstances in mind, rather than more generic statements about the advantages and disadvantages of particular products. Under this proposal most, if not all, class advice would become "product advice" and thus largely fall outside the scope of the regime.

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

NZFMA considers that there may be scope for advisers to qualify on a product by product basis grouping different categories of product by type (for example, derivatives), but that considerable work will be needed to ensure consistency with other legislation, most importantly the FMC Act.

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?

As noted with the response to question 3 above, if the legislation could be revised to draw a distinction between "product advice" and "financial advice" much of the need for distinctions between different categories of financial product will be needed.

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?

NZFMA considers that there may be some element of confusion around the term RFA, as indeed with other categories of registered financial service providers, and there may be scope for a simpler "plain English" term – the distinction between a "registered" and an "authorised" financial adviser cannot be regarded as intuitive for the general public. In the alternative NZFMA considers that the appropriate response is to focus on better communication regarding the different categories of financial advisers.

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

NZFMA considers that the general conduct requirements set out in sections 33 to 35 of the FA Act are generally appropriate and adequate. One area where they could be added to is by imposing a general duty to act in the best interests of the client at all times. It should also be noted that these general obligations are backed by potential sanctions for QFEs under the FA Act, and by the general "fair dealing" provisions in Part 2 of the FMC Act.

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

NZFMA considers that the current requirements for RFA disclosure are appropriate. NZFMA further notes that its members, as licensed derivatives issuers under the FMC Act, will have extensive disclosure obligations under that legislation which will provide substantive additional information for clients.

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

The nature of the services provided by NZFMA's members (usually personalised services rather than class services) means that this particular issue (businesses registering as RFAs rather than individuals) has limited impact on our members and NZFMA has no comment to make.

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

NZFMA does not have a view on the costs for AFAs of maintaining their ABSs.

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?

As the provision of investment planning services falls outside the general remit of NZFMA's focus on derivatives we do not have any comments.

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?

No comments, for the reason noted above with question 13.

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?

No comments, for the reason noted above with question 13.

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

NZFMA considers that these are generally adequate and useful. The distinction between class and personalised advice however, with the FA Act only requiring disclosure when personalised advice is given, is potentially problematic. To a large extent this could be dealt with by distinguishing between "financial advice" and "product advice", as noted above in response to question 3, and broadly exempting "product advice" from the scope of the regime.

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

NZFMA does not propose any changes to the disclosure requirements for AFAs.

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

NZFMA does not have any general comments on the Code's development or operation, but does make more detailed recommendations on the qualifications for AFAs further down in this document.

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

NZFMA does not suggest any changes to the role or composition of the Code Committee at this time.

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

Due to the small number of matters that have proceeded to a hearing with the FADC NZFMA considers that it is difficult to form a view on its performance, but is not aware of any reasons to doubt its effectiveness.

Q21: Should the jurisdiction of this Committee be expanded?

NZFMA does not consider it clear that a case has been made to extend the FADC's jurisdiction in this manner.

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?

NZFMA does not consider that the protection of commercially sensitive information (through not making ABSs public) affects public confidence. The QFE approval process is demanding and thorough, and the FMA is always able to decline an application, or vary or terminate a grant of QFE status.

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

NZFMA does not see how further information could be provided without disclosing commercially sensitive information for limited benefit.

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

NZFMA considers that the current disclosure arrangements for QFEs are appropriate, but notes that if the distinction between "financial advice" and "product advice" noted above in response to question 3 were to be adopted much of the disclosure currently provided by QFE advisers could be dispensed with.

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

NZFMA has not identified any potential changes.

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

Broking services in relation to derivatives are generally excluded from the FA Act "broking service" regime by section 77C(1)(d) of the FA Act, so NZFMA does not offer any comment on these questions.

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

No comment, for the same reason as noted with question 26 above.

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

No comment, for the same reason as noted with question 26 above.

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

No comment, for the same reason as noted with question 26 above (and also that NZFMA is not concerned with matters related with insurance).

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

No comment, for the same reason as noted with question 26 above.

Q31: Should any changes to these requirements be considered?

No comment, for the same reason as noted with question 26 above.

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

As noted above derivatives issuers previously had the benefit of an exemption from the FA Act with the former section 14(1)(n). Given that persons who are licensed by the FMA as derivatives issuers are subject to stringent direct supervision NZFMA's view is that financial advice provided by a licensed derivatives issuer is better dealt with under the FMC Act as a conduct of business issue. On this basis it would be appropriate to reinstate the former exemption. Other changes to the exemptions are suggested in the response to question 3 above.

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

NZFMA considers that the FA Act provides appropriate enforcement powers, and notes also the additional powers under the FMC Act "fair dealing" provisions which apply to financial advice as a "financial service" for the purposes of the FMC Act.

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

NZFMA considers that the guidance material provided by the FMA is helpful, but notes the potential for "regulatory creep" – it is important for the FMA as regulator to continue to consult with marketplace participants when preparing guidance, and to avoid making substantive changes to regulatory requirements through the consultation process.

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.

NZFMA does not have any general comments to make on the industry wide provision of financial advice. With regard to its members' particular concern, of advising on and entering into derivatives contracts with clients (predominantly to assist those clients to manage various financial risks) NZFMA repeats the point it made in answer to 32. NZFMA considers that the licensing regime provided under the FMC Act, and the associated conduct of business supervisory provisions in that Act, are the more appropriate means to ensure that clients' needs are properly met. It would provide customers of derivatives issuers with a simpler framework to be aware of, rather than expecting them to be aware of their rights under both the derivatives regulation and financial advisers regulation. In addition, the changes proposed in response to question 3 would greatly assist public understanding of financial advice.

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?

NZFMA considers that its members' derivative customers are likely to be more financially sophisticated than the average consumer of financial services, and realise that its members have an interest in selling particular financial products to them.

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?

As noted above in response to question 3 we consider that there is a need for further clarity between information provision and advice provision. NZFMA does not consider, however, that an effective line can be drawn between "sales" and "advice", and that the disclosure requirements will struggle to make this distinction. In relation to the information provision, the main difficulty is in determining how much can be said about a product before it is considered to cross the line. For example, many descriptions of products will describe the way in which they are typically useful (such as for hedging), the risks associated with them, the pros and cons when compared with other instruments, and so on. It is often hard to determine whether such information crosses the line. NZFMA recognises that the distinction is not an easy one to describe. The examples in the legislation are helpful, and one suggestion is that more examples could be added, including examples of information that does not fall within the

exemption. Another suggestion is that an objective standard could also be added, such as "information that a reasonable person would perceive as a general description of a product, and not information that such a person would be expected to rely on when making an investment decision without further inquiry".

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

NZFMA members are generally entering into derivatives contracts directly as parties with their customers, and so this question does not directly apply to its members. Accordingly, NZFMA has no comment.

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

NZFMA considers that the current AFA disclosure requirements are satisfactory.

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?

NZFMA does not have any comments, for the same reason as noted in response to question 38.

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?

NZFMA does not have any comments, for the same reason as noted in response to question 38.

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)?

Given the rather specialised nature of its remit NZFMA is not in a position to comment on this point on a generalised industry wide level, but NZFMA considers that its own members are able to provide appropriate levels of financial advice for clients in respect of their derivatives business.

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

NZFMA does not have any suggestions.

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?

NZFMA does not have any suggestions on this point.

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?

Given the nature of NZFMA's services as explained above in response to question 5 we do not consider that this is a risk for NZFMA's members in respect of their derivatives businesses.

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

NZFMA's members have not identified specific areas of regulation in this regard in relation to NZFMA's key concerns, although clearly any increase in regulatory compliance requirements increase the costs ultimately borne by prospective consumers of financial advice, so there is always a balancing exercise between ensuring good quality advice and keeping it accessible.

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

As noted elsewhere in this submission NZFMA considers that overlap of regulatory obligations causes considerable additional cost for market participants and, where possible, should be avoided, as suggested with our proposal to reinstate the former FA Act exemption for derivatives issuers.

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?

Because NZFMA's members would be subject to AML legislation in respect of their derivatives business whether or not they also provide financial advice, NZFMA does not consider that this has had a measurable additional effect in respect of financial advice. As a general comment, however, NZFMA considers that many of its members find that the legislation imposes considerable obligations on them. In particular in many cases it is

difficult for participants in the financial markets to be able to reach a clear view on whether they are "reporting entities". NZFMA would be happy to provide more detailed comments on this point, although the AML legislation may also be subject to its own separate review process in future.

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?

NZFMA does not suggest any comments on this question as it is outside its remit of derivatives related issues.

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?

NZFMA considers that the FMC Act has been an overall positive step for New Zealand's financial markets. There have been some tensions regarding the integration of derivatives with other categories of financial product, but overall the legislation has been beneficial. One area of concern, as noted above in response to question 1 and at various other points is the loss of the previous exemption from the FA Act. As noted earlier in this submission NZFMA considers that the licensing regime under the FMC Act provides for more appropriate regulation of advice in the context of derivatives, given their different consumer profile.

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

NZFMA does not have a view on this topic.

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

NZFMA does not have a view on this topic. In general trans-Tasman mutual recognition is a good thing as it further harmonises the two markets, improving market access and service offerings and reducing compliance costs.

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

Given the rather specialised nature of advice in connection with derivatives, NZFMA does not consider that "robo-advice" is likely to have an immediate impact on the provision of financial advice for its members' derivatives businesses.

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

For the reason noted above in response to question 53 NZFMA does not have any detailed suggestions on this point. However, widening the exemptions in the manner suggested in question 3 will make it easier to include short and incidental language on electronic platforms without breaching the FA Act.

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

NZFMA considers that the ethical standards for AFAs are appropriate.

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

NZFMA considers that the case has not been made for all financial advisers to be held to AFA standards. Being individually authorised as an AFA creates a stand-alone relationship with the FMA as regulator, as opposed to the intermediary role of the QFE for QFE advisers. Placing all advisers on this common footing would not recognise these differing relationships. NZFMA notes as well that in the case of licensed derivatives issuers the additional supervisory provisions in Part 6 of the FMC Act will apply to the business as a whole, reinforcing the incentives for proper supervision.

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

NZFMA considers that the current qualification regime for AFAs is heavily skewed towards financial planning, and is not a good fit for derivatives issuers (the particular concern of NZFMA members). As noted above our preferred outcome would be to reinstate the statutory exclusion for financial advice provided in connection with licensed derivatives issuers. If this is not achievable, however, NZFMA would favour the AFA qualification regime having a limited common syllabus of core competencies, and then multiple options for industry specific competencies. On this basis members of the public could be aware of an AFA's particular industry knowledge and skill sets, and AFAs could focus more closely on those areas where they actually serve their clients. NZFMA would be happy to work with officials and provide further information in discussing the current qualifications regime, and how it could be developed to better suit advisers dealing with derivatives and FX products.

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?

NZFMA generally supports industry training and accreditation, as a provider of training to participants in the wholesale financial markets. NZFMA does not have a fixed view on whether subject specific training should be required as suggested, but would be happy to engage with officials in future to discuss training options with regard to wholesale financial markets.

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

As with other areas of financial markets regulation, NZFMA considers that there may be benefits in aligning with Australian practices, but that this is best assessed on a case by case basis, particularly given that the Australian approach can tend to involve more onerous compliance and overly complicated rules when compared with New Zealand.

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

NZFMA does not have a view on the relevant professional bodies.

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

NZFMA does not believe the professional bodies should play a formal role in the regulatory process. They should be required to promote their roles by adding value rather than being able to rely on a regulatory status.

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?

NZFMA considers that the QFE system strikes an appropriate balance, using the QFE entity as an intermediary, and that a shift in this approach would harm the current balance without delivering any apparent benefit.

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?

NZFMA considers that the QFE system is broadly achieving its intended goals.

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?

NZFMA agrees with the Register seeking to achieve the identified goals set out in the Issues Paper. In addition, however, NZFMA considers that an additional goal which should be prioritised for discussions around the Register is the prevention of financial services being provided in New Zealand by persons without the appropriate regulatory permissions. Recent legislation to amend the FSP Act has played a positive role in removing entities that have misrepresented their New Zealand status. NZFMA considers that similar efforts should be made with persons providing services in New Zealand.

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

NZFMA considers that all of the identified goals, and the additional goal referred to above, are all of approximately equal importance.

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

NZFMA agrees with the identified goals with the dispute resolution regime.

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

NZFMA considers that all of the goals identified are of approximately equal importance.

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?

NZFMA considers that identifying persons who are providing services without appropriate FSP Act registration is largely a matter of "leg-work", in terms of reacting to complaints (including information provided by NZFMA and other industry organisations) and undertaking proactive investigations. NZFMA notes that the FMA has taken an active approach with various recent regulatory reforms by contacting affected persons (for example, identifying potential reporting entities under the AML legislation), and that this will have helped considerably. NZFMA also notes the recent steps taken to deregister persons following the 2014 amendments to the FSP Act. NZFMA considers that the FMA should be applauded for this work, but considers there is an ongoing role to minimise the number of persons who are not appropriately registered under the FSP Act.

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

NZFMA does not consider that changes to the FSP Act registration criteria are warranted at the present time – to the extent that there are issues the emphasis should be on officials explaining the limited nature of FSP registration.

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

NZFMA has no further comments on the categories of persons who need to be registered as financial service providers.

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

NZFMA does not suggest any changes to the current framework for approving dispute resolution schemes.

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

NZFMA considers that the current framework is appropriate.

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?

NZFMA considers that the ability to change dispute resolution schemes provides an incentive to ensure that these schemes strike an appropriate balance between investor needs and those of financial service providers.

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?

NZFMA considers that the current thresholds are appropriate.

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

NZFMA does not consider that additional requirements are needed.

PAGE 6: Key FSP Act questions for the review

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

NZFMA considers links between relevant financial service providers would be of assistance, for example where an individual who is an authorised financial advisor and hence individually registered as a financial service provider is also linked to his or her employer. Also, more promotional / public information activity from the FMA regarding the Register would be helpful.

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

NZFMA agrees with this suggestion.

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?

NZFMA agrees with this concern relating to misuse of New Zealand's Register. NZFMA repeats the comments made above in response to question 68 about the work already done by the FMA, but wishes to emphasise that this is an ongoing task that represents a clear danger to the reputation of New Zealand's financial markets, and thus to New Zealand's economy as a whole. This is an area which continues to warrant a strong regulatory response, and a generous allocation of resources.

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?

NZFMA considers that the amendments to the FSP Act have considerably assisted. However, as noted above, NZFMA considers it a priority to address the business of entities that have not registered.

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

NZFMA has not identified any substantive effects on dispute resolution as a result of competition, but as noted above in response to question 73 considers that in principle competition between providers should have a beneficial effect.

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

NZFMA does not have any suggestions.

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

NZFMA considers that this may be an appropriate matter for public education, potentially by the FMA.

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:

New Zealand Financial Markets Association

Q84: Please provide your contact details:

18(d)

Q85: Are you providing this submission:

- On behalf of an organisation
- **Please describe the nature and size of the organisation:** NZFMA is New Zealand's professional body for wholesale banking and financial markets, and is a not-for-profit incorporated society. NZFMA membership is institutionally based, including registered banks and financial intermediary firms, with members providing a wide range of financial services such as corporate banking, trading in financial instruments, and trade finance. A list of NZFMA's members can be found online at our website, at http://www.nzfma.org/Site/membership/default.aspx. NZFMA promotes the efficient operation of the over the counter (OTC) markets, advocating high professional standards for financial markets organisations and their staff, and represents the interests of its members in advocating sensible and proportionate regulation of the wholesale financial markets. NZFMA's efforts are aimed at promoting best practice in the management of wholesale banking and financial markets to ensure the economic health of New Zealand. NZFMA also has important roles in areas such as: administering New Zealand's official market reference rates; providing industry training (including a recent request from the FMA to act as an industry training provider for derivatives issuers); and maintaining New Zealand's industry standard documentation for derivatives.

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?

- >500

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:

- No