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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?

Women in Super agrees that the goals financial adviser regulation should seek to achieve are: -To ensure consumers have information to find and choose a financial adviser. -To ensure financial advice is accessible. -To promote public confidence in the professionalism of financial advisers. In our view however the initial goal should include consumers having sufficient information to understand any new financial adviser reform/regime. This was missing in the original introduction of the Financial Adviser Act and accordingly there was insufficient available information for consumers to understand the regime that was put in place, including important concepts such as the AFA/RFA distinction. Women in Super supports any measures taken which increase the quality and competence of financial advisers providing advice to women and which ensure the advice women receive takes into account the circumstances particular to their role in society.

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

Women in Super wishes to encourage measures which recognise the importance of financial awareness and planning to consumers, particularly women. The likelihood of women outliving their partners makes it essential that they are in a position to support themselves. Gaining a good understanding of financial matters will ensure they are adequately provided for in later years, which is key to establishing quality of life for women. Advisers must remain aware of the issues relevant to women, and any education for financial advisers should involve elements which focus on the particular needs of women. The true value of providing financial advice being in assessing and understanding an individual's complete financial and lifestyle picture. Women face numerous challenges when planning for their retirement, including: - they have a longer life-expectancy than men; - due to issues such as societal expectations, traditional views and pay equity, women often earn less during their careers and therefore take longer to repay debt; - women today are part of the "sandwich generation" (they are both paying off student loans and caring for young children, as well as looking after elderly parents); - due to a number of factors, including longevity, women are the predominant users of the health system, the costs of which continue to rise; - women are generally more likely to be risk-averse and less confident in respect of financial planning and require education to enable them to benefit from the risk/ return nature of investments. Advisers must understand the challenges facing women and tailor their advice in both superannuation and general investment advice. Women in Super is a strong advocate of processes which increase the availability of quality advice for women who, in their role as primary caregiver, are often responsible for the allocation of the household budget. While recent 2015 Mastercard research has found that New Zealand women have a very high level of basic financial literacy, they lack confidence and understanding of complex money management and investment issues. Many women are not as financially informed as men and often leave general family financial decision-making to their partners, resulting in a lower level of both general financial understanding amongst women, as well as a lack of knowledge of financial matters specific to their own households. The financial adviser regime requires simplification so it is easily understood by consumers, who are then encouraged to and understand the need to seek financial advice. Financial literacy and an understanding of any new reform needs to be a core component of the financial adviser regulation review. Women in Super would strongly recommend a public education programme as part of the introduction of any further change, which the Commission for Financial Capability could play a role in, including through the "Sorted" website. It is pleasing to see the initial public consultation that is currently taking place in respect of the review and we would hope this consumer focus continues. As part of the push for financial literacy, financial literacy must be part of the national education curriculum, with this introduced from primary school level. Financial literacy is an essential foundation skill.

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?

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?

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?

Respondent skipped this question

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

Respondent skipped this question

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

Respondent skipped this question

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?

Respondent skipped this question

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?

Respondent skipped this question

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

Respondent skipped this question

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:

Women in Super (NZ) Incorporated

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:** Women in Super (NZ) Incorporated, is a non-profit organisation with voluntary membership focused on voicing the superannuation needs of women in the community and industry and promoting the education for women to increase their knowledge of superannuation and the specific issues that fail women in savings for their retirement.

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?

-
- 1-5
 - 50-99

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