
From: Gregg Dell < S 9 (2) (a) >
Sent: 11 April 2018 15:58
To: code secretariat
Subject: Submission on Financial Advice Code of Conduct: Financial Planner Qualification

Dear Sir / Madam, I am a director and adviser at Stellar Financial Services Group Limited.

We are an RFA advisory group providing individuals with advice on mortgages, advice on life insurance, general (asset) insurance referrals and KiwiSaver information only / class advice services. More information on our services, perspectives and the biographies for our directors / advisers can be found at stellaradvice.co.nz. As you will see the key individuals involved in our organisation have a broad perspective on the industry having worked in senior roles in New Zealand's biggest financial institutions as well as having had face to face interactions with their individual clients.

The area I would like to make a submission on is the qualification requirements for financial planners under the proposed new code.

My submissions are:

- The proposed approach of recognising the qualifications of AFA's under the code appears sensible. However, even existing AFA's should need to show competence in all areas on which they provide advice. For example, an AFA who does not currently meet a transitioning RFA standard for providing, financial planning services in a particular area should be required to meet at least the same requirements. Otherwise it is possible that an investment adviser qualified AFA could be providing life insurance advice without the same level of qualification etc. that will be required of a transitioned RFA adviser advising on the same insurance product.
- I endorse the notion that there should be a minimum level of relevant underlying qualification for financial planners. This can only help with building greater expertise and trust in the industry.
- That minimum level should, in my view, include individuals who hold a specialist (at least Level 5) diploma / certificate in the advisory services they are undertaking or, alternatively, a university degree in a relevant field (e.g. a Bachelors degree in Accountancy or Finance).
- All previously recognised individual AFA qualification papers passed prior to the new code should continue to be recognised for qualification purposes under the new regime – whether or not the person who passed a particular paper also progressed the other papers required to become a full AFA or not. For example, there are a number of RFA's who have completed Standard Set D – investment advice - around five or more years ago who should not have to resit the new equivalent paper (as AFA's won't have to resit / update their qualifying core papers in the same areas). Any potential knowledge 'gaps' in these circumstances should be addressed in the same way that AFA's

may be required to do so or through future CPD requirements. It would not seem right that papers passed by RFA's in these areas should be disregarded for them – but allowed as the appropriate standard for existing AFA's that are transitioning to the new regime.

- Some product manufacturing organisations currently run comprehensive RFA adviser training courses. For example, Partners Life provide a lengthy and comprehensive course (with accreditation tests involved) before a Partners agency is given – their course (in my opinion) was as comprehensive and practical as one of the Strategi run Level 5 courses, and should be able to be retrospectively qualified, as the equivalent of one of the Current Level 5 AFA qualification papers run by Strategi (and others), for future advisers wishing to advise of life risk products.
- In some (mostly rare) cases there are individuals who have gained advanced skill levels through their work experience and this could be recognised as the equivalent to having completed the specific knowledge qualifications I've submitted should apply above. For example, in roles I have undertaken, I have had key involvement in the design, manufacture and distribution of five KiwiSaver Schemes. It would therefore be of little benefit for me to have to complete a course on KiwiSaver in order to be able to advise clients on it. In these circumstances, I wonder if there could be a 'review committee' established where individuals could seek approval to practise in a particular area in lieu of completing a relevant paper to qualify as having a sufficient level of knowledge in that area.

I hope that you found my submissions helpful and I'm very happy to discuss them with anyone if that would be of further assistance.

Best regards

Gregg Dell

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