

## INFORMATION FOR OVERSEAS ADVISERS

### Regulatory Environment in New Zealand – for Advisers

The financial planning and financial advice sector in New Zealand are regulated by the Financial Advisers Act 2008 (FA Act). The Financial Markets Authority (FMA) has authority for administration of the Act and compliance for financial services [www.fma.govt.nz](http://www.fma.govt.nz)

All advisers must be registered and have their names listed on a public register, called the Financial Service Providers Register <http://www.business.govt.nz/fsp/>

Advisers who want to advise on complex products including investments (“category 1 products”), or provide investment advice, must become licenced by the FMA and be “Authorised Financial Advisers” (AFAs).

Most overseas CFP practitioners will fall into this category. Specifically, advisers will need to become an AFA if they:

- give financial advice in relation to category 1 products
- provide an investment planning service
- provide a discretionary investment management (DIMS) service.

The minimum entry qualification for AFAs is set by the Code Committee. The Code Committee sets the Code of Professional Conduct which includes the minimum qualification requirements are set out in the *Code of Professional Conduct for AFAs*. <https://fma.govt.nz/compliance/role/afas/your-on-going-obligations/code-of-professional-conduct/>

The current minimum qualification for AFAs is the Level 5 New Zealand Certificate in Financial Services. This vocational qualification is delivered online by the IFA Learning Partner **Professional IQ College** in Auckland <http://professionaliq.co.nz/NZ-Fin-Serv-Cert-L5/10222/>

Advisers of “category 2 products” (simple products including mortgages, term deposits and life insurance) are known as “Registered Financial Advisers” (RFAs). They have significant restrictions on their services, and for instance cannot provide investment planning or advise on investment products. There is currently no qualification requirement for RFAs! However, the FA Act 2008 is under review in 2015-2017 and it is likely all advisers will have to meet minimum qualification levels.

## The Institute of Financial Advisers – your Professional Body

The Institute of Financial Advisers (IFA) provides a wide range of benefits to its members including technical guidelines and templates, online CPD log and Professional Development Plan, two free professional development days each year, an annual conference, seminars and IFA branch meetings, as well as access to a professional indemnity insurance scheme.

The IFA is made up of members who voluntarily undertake formal education, subscribe to a Code of Ethics, continuing education courses, and provide more comprehensive disclosure information than is legally required. This is used as a basis for marketing themselves as professional financial advisers.

The IFA is the licensing authority for CERTIFIED FINANCIAL PLANNER<sup>CM</sup> (CFP<sup>CM</sup>) mark through agreement with the international Financial Planning Standards Board (FPSB). The IFA also owns the CERTIFIED LIFE UNDERWRITER<sup>CM</sup> (CLU<sup>CM</sup>) mark for practitioner members in the area of personal risk management.

### Types of Membership

**Practitioner** membership of the Institute is open to those involved in the process of investment advising, insurance advising and/or financial planning, and who are ordinarily resident in New Zealand and who are authorised financial advisers (AFAs).

**Associate** membership is available for those involved in personal financial advice in insurance and who are registered financial advisers (RFAs) or advisers with a QFE. QFEs are 'qualifying financial entities' like a NZ bank, advice business or insurance company.

**Affiliate** membership is available to those associated with the industry, or involved in the process of providing advice (e.g. compliance managers) who are not practicing advisers.

**Student** membership is available free for NZ residents, studying for financial services qualifications and not employed in the sector.

Membership forms are online at: <http://ifa.org.nz/professionals/becomemember/applicforms.php>  
More membership information at [http://ifa.org.nz/consumers/findadviser/member\\_type.php](http://ifa.org.nz/consumers/findadviser/member_type.php)

The Institute runs a Complaints Process under which members of the public may have complaints against members investigated and adjudicated by a Professional Conduct Committee and/or a Disciplinary Committee, after the Regulator's Complaints process has been completed. The Institute process is for internal disciplinary purposes, and does not provide financial redress to the client. NZ requires all advisers to belong to an external complaints scheme.

## **Certified Financial Planner<sup>CM</sup> (CFP<sup>CM</sup>) Professionals**

The senior category of membership for financial planning members is the CERTIFIED FINANCIAL PLANNER<sup>CM</sup> Practitioner (CFP<sup>CM</sup>) designation.

Requirements for the CFP<sup>CM</sup> Practitioner designation in New Zealand are:

1. Completion of one year's approved experience as a member working with an approved supervisor with CFP<sup>CM</sup>, or provision of a portfolio of work experience (POE), with at least three years overall experience as a financial adviser.
2. Completion of an approved Diploma in Personal Financial Planning or equivalent. The Institute has approved the Christchurch Polytechnic Institute of Technology (CPIT) Bachelor of Applied Management (Personal Financial Planning PFP) and the CPIT Graduate Diploma in PFP.  
<http://www.cpit.ac.nz/study-options/qualifications-and-courses/programmes/Graduate-Diploma-in-Personal-Financial-Planning.xml>  
<http://www.cpit.ac.nz/study-options/qualifications-and-courses/programmes/Bachelor-of-Applied-Management-Personal-Financial-Planning.xml>  
and also approved Massey University's Graduate Diploma in Business Studies (PFP)  
[https://www.massey.ac.nz/massey/learning/programme-course-paper/programme.cfm?prog\\_id=92761&major\\_code=2130&tab=plan](https://www.massey.ac.nz/massey/learning/programme-course-paper/programme.cfm?prog_id=92761&major_code=2130&tab=plan)
3. Completion of a Comprehensive Financial Plan based on a case study set by the Institute. The Plan must be accepted by the Institute's Certification Committee. View a webinar on "How to Approach a Case Study" at <http://ifa.org.nz/consumers/events/eventdetail.php?eid=850>

## **Overseas CFP Practitioners who wish to practise in NZ**

CERTIFIED FINANCIAL PLANNER Practitioners from other countries who wish to practise in New Zealand as CFP<sup>CM</sup> Professionals must meet the requirements of the Institute for transfer of their CFP<sup>CM</sup> professional licence.

The Institute considers each case individually. After joining the Institute as Associate or Practitioner member the IFA would require as a minimum the completion of an approved NZ tertiary paper in Estate and Tax Planning. [https://www.massey.ac.nz/massey/learning/programme-course-paper/paper.cfm?paper\\_code=110.380](https://www.massey.ac.nz/massey/learning/programme-course-paper/paper.cfm?paper_code=110.380)

Also a one-year period of Supervision by a CFP<sup>CM</sup> or CLU<sub>CM</sub> member is required. In addition, a comprehensive financial plan needs to be submitted, acceptable to the Institute, based on a case-study set by the Institute.

The Institute requires evidence of the member holding their overseas CFP mark, and letter of good standing from the body which issued the overseas CFP designation. Past transfers have been from Australia, Canada, South Africa and UK.

## Overseas qualifications


When academic qualifications other than the approved New Zealand Diplomas have been accepted, the Institute has required completion of an approved New Zealand tertiary paper in Estate and Tax Planning as a minimum requirement. Examples of other qualifications accepted in the past are as follows:

- The Diploma of Financial Advising issued by the Securities Institute of Australia
- Graduate Diploma in Financial Planning issued by the Securities Institute of Australia
- Bachelor of Business (Financial Planning) from RMIT

Approval of the above followed evaluation by the New Zealand Qualifications Authority which may be contacted at PO Box 160, Wellington or [www.nzqa.govt.nz](http://www.nzqa.govt.nz) or telephone (64) 4 802 3000 if other qualifications are to be presented to the Institute.

I can be contacted in regard to this information at any time.

Regards



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