

9 November 2015

AFA Authorisation Renewal Guide

A quick guide for authorised financial
advisers (AFAs) who want to renew
their authorisation

It gives guidance on
how to renew AFA authorisation

About FMA guidance

Our guidance:

- explains when and how we will exercise specific powers under legislation
 - explains how we interpret the law
 - describes the principles underlying our approach
 - gives practical examples about how to meet obligations.
-

Guidance notes: provide guidance on a topic or topic theme. Typically we will seek industry feedback via a public consultation paper, or more targeted consultation before we release a guidance note.

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

You might also like to check the reports and papers on our website. For example, our monitoring reports describe actual practice we are seeing and our comments on this.

Document history

This is the first version of this document.

www.fma.govt.nz

AUCKLAND OFFICE | Level 5, Ernst & Young Building | 2 Takutai Square, Britomart | PO Box 106 672 | Auckland 1143
WELLINGTON OFFICE | Level 2 | 1 Grey Street | PO Box 1179 | Wellington 6140

FMA document reference code 2670284

Contents

Background	4
Summary	5
How to apply	6
The application form	6
The application fee	6
What you will need to provide in your renewal application	6
To change your financial adviser services (FAS) scope	7
Conditions for renewal	8
If your renewal is declined	8
If your authorisation expires before you send in your renewal application	8
FAQs	9

Background

In 2010, an authorisation regime was introduced under the [Financial Advisers Act 2008 \(FA Act\)](#) to regulate individuals and businesses providing financial adviser services. As these authorisations were generally granted for a period of five years, they will soon be due for renewal. Under section 58 of the FA Act, existing Authorised Financial Advisers (AFAs) can renew their authorisation for a further five years.

If you are an AFA and would like to continue providing advice, you will need to renew your authorisation. We encourage you to make a note of your expiry date.

If you choose not to renew your authorisation you must stop offering financial advice upon the expiry of your authorisation. An individual may be fined up to \$10,000, for offering financial adviser services without an authorisation.¹

¹ Refer to section 114 of the FA Act.

Summary

You can apply to renew your authorisation from up to six weeks before your expiry date, but no later than your authorisation expiry date. If you fail to renew by your authorisation expiry date, your authorisation will lapse, so we encourage you to make a note of your expiry date.

You will be able to continue to provide advice to your clients while we process your application for renewal, even if your expiry date passes during this time.

You can apply to renew your authorisation from up to six weeks before your expiry date, but no later than your authorisation expiry date.

We have made the renewal application process as simple as possible and will be requesting less information than for your initial authorisation. Much of the information we will require will be in the form of confirmation of your continued good character, competence as an AFA and compliance with the code, the standard conditions and the legislation. You will also need to make a declaration that the information you provided in the application is true and correct. When we receive your application we may also seek information from third parties, for example the Ministry of Justice and the Ministry of Business, Innovation and Employment (MBIE).

The criteria for authorisation renewal will include:

- registration as a financial service provider
- continued good character
- competency, knowledge and skills as per the Code of Professional Conduct for AFAs (the Code)
- not being debarred from authorisation under section 59 (2)(b) of the FA Act
- having no criminal convictions punishable by imprisonment of six months or more
- compliance with the FA Act, the standard conditions of authorisation and Code of Professional Conduct for AFAs.

If you want to add to your FAS scope(s) you will need to provide evidence that you meet the competency requirements for the new FAS scope, as per the Code.

Once we have granted your renewal we will notify you and the Registrar of Financial Service Providers, and may publish renewed authorisations on our website. We will also send you a new Certificate of Authorisation with the renewal details.

How to apply

The application form

The renewal application form will be published on the [licensing forms and resources](#) page of our website. The completed form, together with any additional required information, must be returned to the FMA by email to renewals@fma.govt.nz before your AFA status expires. We can accept your application from up to six weeks before your expiry date.

The application fee

You will need to pay the FMA a fee of \$572.44 (inclusive of GST) to renew your authorisation. This fee is set by regulation 4(2) of the Financial Advisers (Fees) Regulations 2010 and by section 53(b) of the FA Act. Payment instructions are included in the application form and you must pay the fee when you submit your application.

What you will need to provide in your renewal application

Eligibility criteria	What you need to provide
Registered as a financial service provider (FSP) under s13(a) of the FSP Act	Confirmation that you remain registered on the FSPR and are not disqualified from registration (in terms of section 14 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008).
Is a person of good character	Confirmation that you have no criminal convictions, no Dispute Resolution Scheme (DRS) complaints, and no disciplinary matters, in New Zealand or overseas, that may have an adverse impact on the FMA's view of your character (as detailed in the AFA Authorisation Guide).
Meet the levels of competency, knowledge and skills in the Code	N/A (information from your initial authorisation continues to apply)
Not debarred from applying for authorisation under s59 (2) (b) FA Act	Confirmation that you have not been barred from applying for authorisation.
Compliance with the FA Act, standard conditions of authorisation and the Code	Confirmation that you have, during the period of authorisation, complied with: <ul style="list-style-type: none">• the FA Act• the standard conditions of authorisation• the minimum professional standards for AFAs in the Code

-
- the terms of your authorisation (if any).

We may also ask you for details of the provider(s) you have used for continued professional training over the preceding period of authorisation.

To change your financial adviser services (FAS) scope

To add a service

- Select the additional FAS scope(s) from the dropdown list in the application form
- If required provide evidence of your qualifications or designations for those services, as specified in the Code

Note: there are no additional fees charged for changes to your FAS scope.

To remove a service

- Email us to request the removal of the relevant FAS scope(s) at AFAapplications@fma.govt.nz

Conditions for renewal

Your authorisation was issued subject to the standard terms and conditions for AFAs. Your renewed authorisation will also be issued subject to the standard conditions for AFAs. We may add new conditions when we renew your authorisation; if we do, we will let you know beforehand.

When your renewed authorisation will take effect

Your renewed authorisation will take effect from your expiry date. For example, if your authorisation expires on 1 December, your renewal takes effect the same day.

Any additional FAS scope approved also takes effect on the same date. Any service you applied to remove will also take effect on the same date.

If your renewal is declined

If there is likelihood that we will not renew your authorisation, we will let you know. You will have an opportunity to make submissions to support your application. You may also be given an opportunity to meet with us to discuss your submissions.

If your authorisation expires before you send in your renewal application

If your authorisation expires before you submit your renewal application, you cannot continue to provide financial adviser services after the (expiry) date.

We will let you and the Registrar of Financial Service Providers know in writing that your authorisation has expired. The registrar will then remove your authorisation from the FSP Register.

If you want to continue as an AFA but your authorisation has expired, you need to submit a new application. You will need to meet the authorisation requirements for new applicants. The AFA Authorisation Guide is available on the [licensing forms and resources](#) page of our website.

Our helpline

To talk to someone about your application renewal, phone 0800 434 567 (+64 3 943 4222 for overseas callers)

FAQs

Questions	Answers
Can I apply online, and return to the application if I can't finish it in one go?	<p>No, there is no online application available. You need to fill out the downloadable form, print it, sign it and email it back to us at renewals@fma.govt.nz</p> <p>When we receive your application we will send you an 'acknowledgement of receipt' email. Please contact us if you have not received this email from us within five working days after sending us your application.</p>
When can I start to renew my authorisation?	You can start your renewal up to six weeks before your expiry date. The application form will be available on our website.
How do I pay the renewal fees?	You can bank your renewal fees directly into our account, or post a cheque to us. Payment details will be in the application form.
Can I continue to provide AFA service while waiting for my authorisation to be renewed?	Yes, provided you have applied for renewal before your authorisation expiry date.
Who do I submit the renewal form to?	You submit the form to the FMA by email to: renewals@fma.govt.nz
How long will my authorisation be valid for?	Five years, usually. Under certain circumstances we may offer a longer or shorter period.
Do I need to resubmit an adviser business statement (ABS) with my renewal application?	No, you don't. Your ABS is not required for the renewal.
What if I miss the deadline for renewing my authorisation?	If your authorisation has expired and you have not submitted a renewal application, you are no longer authorised to provide financial adviser services. Once your authorisation has expired, you can't apply for renewal but must reapply for authorisation.
What if my renewal hasn't come through and my authorisation has expired?	If you submitted your application for renewal before your authorisation expired, you will remain authorised while we process your application.

AUCKLAND OFFICE
Level 5, Ernst & Young Building
2 Takutai Square, Britomart
PO Box 106 672
Auckland 1143

WELLINGTON OFFICE
Level 2
1 Grey Street
PO Box 1179
Wellington 6140

