

Financial Advisers (Recognition of New Qualifications) Exemption Notice 2015

Pursuant to section 148 of the Financial Advisers Act 2008, the Financial Markets Authority, being satisfied of the matters set out in section 148(3) of that Act, gives the following notice.

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Notice

1 Title

This notice is the Financial Advisers (Recognition of New Qualifications) Exemption Notice 2015.

2 Commencement

This notice comes into force on 5 June 2015.

3 Revocation

This notice is revoked on the earlier of the following dates:

- (a) the close of 4 June 2020; or
- (b) the date on which a change to the code comes into force that has the effect of recognising the New Zealand Certificate in Financial Services (Level 5) as a means of meeting competency requirements of the code.

4 Interpretation

- (1) In this notice, unless the context otherwise requires,

Act means the Financial Advisers Act 2008

New Zealand Certificate in Financial Services (Level 5) means the qualification of that name that has been approved by the New Zealand Qualifications Authority (NZQA reference 2315).

- (2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

5 Application of exemption

This exemption applies to any person who has been awarded the New Zealand Certificate in Financial Services (Level 5), with both the financial advice strand and the investment strand.

6 Exemption from code standard 16

Every person to whom this notice applies is exempted from code standard 16 of the code.

Dated at Wellington this 29th day of May 2015.



Liam Mason
General Counsel
Financial Markets Authority

Statement of reasons

This notice comes into force on 5 June 2015 and is revoked on the close of 4 June 2020, or at an earlier date as discussed below.

The notice exempts any person who has who has been awarded the New Zealand Certificate in Financial Services (Level 5) with both the financial advice strand and the investment strand (**the new qualification**) from Code Standard 16 of the Code of Professional Conduct for Authorised Financial Advisers (**the Code**).

Code Standard 16 requires that authorised financial advisers (**AFAs**) must have completed Unit Standard Sets within the National Certificate in Financial Services (Financial Advice) (Level 5) (**old level 5**) that are relevant to the financial adviser services provided by the AFA.

This exemption has been requested by the Code Committee (which has responsibility for setting the Code) to address a technical and transitional issue. This issue has arisen because the New Zealand Qualifications Authority, the Code Committee and The Skills Organisation have developed, approved and offered the new qualification that they intend to phase in to replace the old qualification for AFAs in the future. The exemption will allow recognition of the new qualification as a pathway for financial advisers to meet the competency requirements of the Code on a transitional basis until the Code is changed to reflect the new qualification. When the Code is changed, the exemption will be revoked.

The Financial Markets Authority (the FMA), after satisfying itself as to the matters set out in section 148(3) of the Act considers it appropriate to grant the exemptions because:

- The FMA understands that the new qualification covers the same substantive content as the old qualification, plus additional content. As such, the FMA considers that any person holding the new qualification has obtained a comparable standard of qualification to that currently required by Code Standard 16 of the Code; and
- As the new qualification will raise qualification standards, it is in the interests of consumers for financial advisers to attain the new qualification and for the new qualification to be recognised as a pathway for financial advisers to meet the competency requirements of the Code as soon as possible. As such the FMA is satisfied that the exemption would not undermine consumer protection.