

Your obligations as a licensed financial advice provider

Under the new financial advice regime, you can become a licensed financial advice provider yourself or provide advice under someone else's licence.

To help you consider your options, below we explain what it means for you to hold a licence.

Holding your own licence enables you, and anyone covered by your licence, to provide regulated financial advice to retail clients. As a licence-holder, you will be regulated under the Financial Markets Conduct Act 2013 (FMC Act), as amended by the Financial Services Legislation Amendment Bill (FSLAB), and you will need to meet certain duties and obligations.

We will assess you

When you apply for a transitional financial advice provider licence, we will consider whether:

- Your directors and senior managers are fit and proper for their roles
- There is any reason to believe you may not meet your obligations
- You will be registered on the Financial Service Providers Register

At the time of applying for a full licence, we will also consider whether you are capable of effectively performing the services you intend to provide.

You will need to meet certain duties and obligations

Once you've been granted a licence, you must comply with a number of legislative duties. Most of these duties apply to everyone giving advice, but there are a few additional duties for licensed financial advice providers.

Here's the list of duties that apply to everyone:

- You must ensure your clients understand the nature and scope of the advice being provided. For example, you must explain if you're only able to give advice about certain products
- Where there's a conflict of interest you must give priority to your client's interests
- At all times exercise care, diligence and skill

- You must comply with the new code of professional conduct for financial advice services including competence, knowledge and skill requirements as well as requirements for ethical behaviour, conduct and client care
- Only recommend financial products that comply with the FMC Act
- Ensure you follow the new disclosure regulations and make sure your client understands the information they are given
- You must tell the FMA if you materially contravene your obligations, and must also let us know if you change the legal structure of your businesses or make certain other changes, such as changes in directors or senior people.

In addition, as a financial advice provider you must also:

- Make sure anyone you authorise to give advice under your licence complies with all the duties listed above
- Have appropriate processes and controls in place when you engage nominated representatives. These should allow you to control the advice being given and the circumstances in which it is given
- Comply with any licence conditions we may include when granting your licence.

What you can do now

- Read [Meeting your obligations under the new financial advice regime](#) to learn more about the duties and what they mean.
- Read [our view of conduct](#) to learn what we mean by good conduct and why it matters

Where to get more information

Contact us

Email questions@fma.govt.nz or call us on 0800 434 567 (+64 3 962 2698 if calling from overseas) to ask us a question, give us feedback, or set up a free 45-minute session with us, by phone or in person.

Keep an eye on our website

We regularly post updates on [our webpage](#). You'll also find answers to frequently asked questions and definitions of technical terms used to describe the new regime.

Subscribe to our news and alerts

By [subscribing to our alerts](#) you can ensure you are up to date with the latest news on financial advice changes, including upcoming events.

Visit the Ministry of Business, Innovation and Employment website

This holds the [Financial Services Legislation Amendment Bill](#) and [Code of Conduct](#).