

# Regulatory Reporting Guide

July 2014



**Financial Markets Authority**

Website: [www.fma.govt.nz](http://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

July 2014



## Contents

Introduction.....	4
Importance of regulatory reporting .....	4
AFA Information Return.....	5
When to complete the Information Return .....	6
How to complete the Information Return .....	6

## Introduction

1. This guide is the Regulatory Reporting Guide for Authorised Financial Advisers (**Regulatory Reporting Guide**) referred to in Standard Condition 2 of the Standard Conditions for Authorised Financial Advisers (**Standard Conditions**):

### Standard Condition 2 - Reporting


**The AFA must report in accordance with the periodic and other reporting, accounting and notification requirements contained in the Regulatory Reporting Guide for AFAs.**

2. Regulatory reporting provides information which helps the Financial Markets Authority (**FMA**) to understand the profile, businesses and characteristics of AFAs in the profession and will enable FMA to focus its resources appropriately when monitoring AFAs.
3. This Regulatory Reporting Guide includes:
  - Reporting requirements that an Authorised Financial Adviser (**AFA**) must comply with to fulfil Standard Condition 2 of the Standard Conditions. These requirements are shown in the shaded boxes in **bold type**.
  - Guidance and explanatory material to assist AFAs in understanding the reporting requirements.
4. This Regulatory Reporting Guide contains the reporting requirement for an AFA to complete and submit an annual AFA Information Return (**Information Return**) to FMA. The Information Return is an online tool that each AFA must complete and submit annually. It consists of a series of [questions](#) about AFAs, their business, their compliance approach and their approach to continuing professional development.

## Importance of regulatory reporting

**In the Information Return, the AFA must provide information that is complete and accurate and the answer to each question should be true and correct.**

5. FMA will use information collected through regulatory reporting to inform its risk-based approach to monitoring AFAs. The information will help to prioritise our work and focus our thematic reviews. We will compare the information collected from AFAs. We may aggregate information about the AFA profession and may use this to inform our policy work.

- 
6. FMA respects the privacy rights of individuals whose personal information is held by FMA. Any personal information that is supplied to FMA in the Information Return will be held and used in accordance with the Privacy Act 1993. FMA is required to hold personal information in a secure manner and in doing so, ensure that there are reasonable safeguards against loss, misuse or disclosure.
  7. It is important that the information provided in the Information Return is complete and accurate (within the parameters provided by any available answers specified), and that the answers to the questions are true and correct. The Information Return asks you to confirm that this is the case before you submit it to FMA.
  8. FMA understands that you may need to give your best estimate where a question has not been asked before and you were not aware that you would need to collect data during the period to answer the question. In subsequent reporting periods, it is expected that you will implement systems to collect the data required by the Information Return.
  9. In some cases, FMA may contact you to ask you to explain the information you have provided, or to support your answers (for example, by providing evidence or your working papers).
  10. It is a breach of a condition of your authorisation if you do not report in accordance with the requirements contained in this Regulatory Reporting Guide. Under the Financial Advisers Act 2008 (the **Act**), FMA can take action against you for a breach of a term or condition of your authorisation, which could include suspending or cancelling your authorisation. Failure to comply with the terms and conditions of your authorisation is also an offence under the Act and carries a maximum penalty of \$5,000.

## AFA Information Return

**The AFA must answer the questions in the Information Return and make the confirmation required when the Information Return is submitted.**

11. The Information Return gathers factual information about you and your business, and information about your compliance approach and competence.
12. The [questions](#) in the Information Return will remain largely the same each year. However, we may need to update or add some questions in the Information Return as a result of new or significant changes to financial markets legislation. We may also from time to time add or remove questions to focus on areas of particular interest and may also move the answer ranges as we learn more about the profession. We may also change the reporting period of the Information Return and the date when the Information Return must be submitted by.

13. You are responsible for the information provided in your Information Return. This does not preclude you receiving assistance with collating and inputting the information, but you must ensure that you personally read and check the information before you submit the Information Return.

## When to complete the Information Return

**The AFA must complete the first Information Return relating to their business as at 30 June 2014 and submit it to FMA by 30 September 2014.**

**Thereafter, AFAs must complete an Information Return relating to their business as at 30 June annually and submit it to FMA by 30 September.**

14. The Information Return asks you to confirm that you have a current Adviser Business Statement (**ABS**). Answering this question fulfils your obligation under Standard Condition 1 of the Standard Conditions to provide annual confirmation to FMA that your ABS is current.

## How to complete the Information Return

**The AFA must complete and submit the Information Return online.**

15. The Information Return can be accessed via our website. You will need to use your RealMe login to access the Information Return.
16. You can save incomplete versions of the Information Return on the website, to complete at a later time.
17. For many questions, you must select an answer from those provided. The Information Return includes guidance on how to complete many questions and references to material in the [Act](#) and the [Code of Professional Conduct](#) for Authorised Financial Advisers to assist you.
18. If you need further help, you can contact the Financial Markets Authority Helpline on 0800 434 567 or contact us via our [online contact form](#).
19. We will use queries received to improve the guidance in the Information Return on an on-going basis, to help to clarify the questions and to assist AFAs in answering the questions.
20. FMA recommends you print a copy of your completed Information Return and keep it with your ABS for your records.

