

Terms of Reference

Financial Advice Regulatory Panel, Financial Markets Authority

Purpose

The purpose of the Financial Advice Regulatory Panel (Panel) is to provide industry and consumer perspectives to the FMA on issues related to financial advice in New Zealand. The Panel will be a sounding board for how we go about our role, including supporting good practices and reducing the risk of poor outcomes for financial advice.

Document Ownership and Control

The FMA is responsible for the development, implementation and maintenance of the Panel's Terms of Reference.

The Terms of Reference have been reviewed and approved on the following dates:

Version	Approval Name	Comments	Date
1	FMA	N/A	12 May 2025

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1. Role and Responsibilities of the Panel

- 1.1. The Panel provides expertise and market knowledge to the FMA, to assist the FMA in gaining a deeper understanding of the impacts of regulation, market developments and systemic risks with the financial advice industry. This will assist the FMA in meeting its statutory objective to promote and facilitate the development of fair, efficient, and transparent financial markets, and working towards achieving the outcomes for consumers and markets set out in the FMA's Outcomes-Focused Regulation publication.

1.2. The Panel will assist the FMA in meeting its objectives by:

- 1.2.1. testing new ideas or approaches to regulating financial advice to assess their acceptability or viability.
- 1.2.2. providing input and feedback on new developments, approaches and harms *known* to the FMA; or
- 1.2.3. providing insights into new developments, approaches and harms *unknown* to the FMA.

1.3. The Panel is a consultative and an advisory body only and, as such, has no decision-making authority.

2. Composition of the Panel

2.1. The Panel will be comprised of the Chair, the Deputy Chair, FMA Staff members and Industry Representative members.

2.2. The actual number of the members comprising the Panel will be determined by the Chair.

2.3. Industry Representative members will come from diverse backgrounds so that the Panel gains maximum benefit from the diversity of thought that comes from different backgrounds, skills, experience and perspectives.

3. Chair and Deputy Chair

3.1. The Chair is the FMA Director, Deposit Taking, Insurance and Advice.

3.2. The Deputy Chair is FMA Head of Financial Advice.

3.3. The Chair and Deputy Chair are appointed for an indefinite period by agreement of the parties concerned.

3.4. The Chair must preside at all Panel meetings. If the Chair is not present, and the Deputy Chair is present, the Deputy Chair must preside. If neither the Chair nor the Deputy Chair are present, the Panel Chair will elect one of the FMA staff members to preside.

3.5. When the Chair is absent, the Deputy Chair may carry out the Chair's responsibilities under these Terms of Reference.

4. FMA Staff Panel members

4.1. The following FMA staff have a standing invitation to the meetings of the Panel:

- 4.1.1. FMA Board Chair
- 4.1.2. Chief Executive Officer
- 4.1.3. Executive Director, Regulatory Delivery
- 4.1.4. Executive Director, Strategy
- 4.1.5. Manager, Financial Advice
- 4.1.6. Principal Adviser, Financial Advice
- 4.1.7. Head of Strategy and Planning

- 4.1.8. Technical Specialist, Deposit Taking, Insurance and Advice
- 4.1.9. Manager, Strategy
- 4.1.10. Executive Adviser, Regulatory Delivery
- 4.1.11. Head of Regulatory Policy

4.2. The Chair may appoint additional FMA Staff as Panel Members from time to time.

5. Appointment of Industry Representative members and review of composition of the Panel

5.1. The Chair appoints Industry Representative members to the Panel.

5.2. Members of the Panel serve in their personal capacity as an industry practitioner (not as a representative of an organization or firm) for a term generally not exceeding 2 years with approximately half of the Panel membership retiring each year (if any).

5.3. The term of the Industry Representative members may exceed 2 years to enable Industry Representative member numbers and experience to be maintained.

5.4. The Chair may at any time remove a Panel member due to inappropriate conduct, failure to attend multiple Panel meetings, or any other reason(s) the Chair deems appropriate substantiate the removal of a Panel member.

6. Member Responsibilities

6.1. The Industry Representative members will provide insights, intelligence, and recommendations to the FMA based on their industry perspectives.

6.2. Industry Representative members will give guidance to the FMA, and the Panel will be a testing ground for new ideas.

6.3. The Panel will not discuss any current FMA regulatory actions concerning identifiable entities, including any legal proceedings, or any ongoing investigations concerning identifiable entities.

6.4. The Panel members must comply with all applicable laws in connection with their participation in the Panel including but not limited to insider dealing and market manipulation prohibitions under Part 5 of the Financial Markets Conduct Act 2013 and restrictive trade practices provisions in Part 2 of the Commerce Act 1986.

7. Meeting Proceedings and Administration

7.1. Frequency of meetings

- 7.1.1. The Panel meets three times per annum (every four months).
- 7.1.2. The Chair may convene further meetings of the Panel if considered necessary.

7.2. Conduct of meetings

- 7.2.1. Panel members can attend the Panel meetings virtually or in person.
- 7.2.2. The FMA will not cover any costs relating to travelling or attendance by Panel members.

7.3. Conflicts of interest protocol

- 7.3.1. Panel members must declare any actual, potential, or perceived conflicts of interest that may arise during their appointment.
- 7.3.2. At or prior to the beginning of each meeting, each member must disclose to the Chair of the meeting any conflicts of interest, actual or potential, they may have in relation to any agenda item.
- 7.3.3. Members must also notify the Chair of the meeting of any conflicts of interest that arise during the meeting.
- 7.3.4. Unless the Chair of the meeting decides otherwise, the member disclosing any conflict of interest should exclude themselves from the meeting for each relevant agenda item and not take part in Panel discussions relating to that matter.

7.4. Confidentiality

- 7.4.1. Members must keep all information and discussions related to the Panel confidential and members of the Panel must not disclose any such information or discussions to any other person or make use of that information for any purpose other than participation as a member of the Panel. This includes any documents or information provided to the Panel, as well as the discussions and advice provided by the Panel.
- 7.4.2. The Panel will be subject to the provisions of the Privacy Act 2020, the Official Information Act 1982, and all other relevant legislation or regulations governing the handling of personal, official or confidential information.
- 7.4.3. The FMA will consider risks before each meeting to identify any potential risks associated with the discussion topics and the disclosure of information. The FMA will take appropriate measures to mitigate these risks, including limiting the provision of personal, official, confidential or commercially sensitive information provided to the Panel, and ensuring that discussions are held in an appropriate environment.

8. Secretariat

- 8.1. The Secretariat will provide services to the Panel, including circulating the agenda and relevant papers to the Panel members prior to each Panel meeting, taking and maintaining minutes from the Panel meetings.

9. Public communication

- 9.1. Panel members are prohibited from disclosing any information or discussions held during meetings with the Panel to any other person, including via social media.
- 9.2. The FMA will be responsible for all public communications related to the Panel's work.

10. Review of the Terms of Reference

- 10.1. The FMA will review the Panel's Terms of Reference every two years, or as considered required by the FMA.