

# See which FAP full licence class is right for your business

## Why this matters

Before you apply for a Financial Advice Provider (FAP) full licence, you'll need to decide whether you want to be considered for a Class 1, Class 2, or Class 3 licence. Use this table as a general guide to help you determine the class of FAP full licence that is best suited to you and your plans for your business.

## What a Financial Advice Provider (FAP) licence can cover

	FAP can provide advice on own account (eg digital)	FAP can provide advice through one financial adviser	FAP can provide advice through a number of financial advisers	Licence holder can have authorised bodies under its licence	FAP can engage a financial adviser through an interposed person	FAP can engage any entity to provide advice on its behalf	FAP can engage nominated representatives to provide advice
Class 1	<b>Yes</b> If the licence is held in the name of an individual (and not under a sole adviser practice structure), the individual would be a FAP (not a financial adviser).	<b>Yes for a sole adviser practice structure</b> The financial adviser must be the director (or one of only two directors) of the entity (eg company) that holds the licence.	No	No	No	No	No
Class 2	Yes	Yes	Yes	<b>Yes</b> Subject to case-by-case approval from the FMA. A licence holder that is an individual cannot have authorised bodies on its licence	<b>Yes</b> Only financial advisers may be directly or indirectly engaged; however, no person can use an interposed person arrangement without specific, case-by-case approval from the FMA	No	No
Class 3	Yes	Yes	Yes	<b>Yes</b> Subject to case-by-case approval from the FMA. A licence holder that is an individual cannot have authorised bodies on its licence	<b>Yes</b> Subject to specific case-by-case approval from the FMA	<b>Yes</b> Subject to specific case-by-case approval from the FMA	Yes

**Note:** Licence classes are incremental from 1 to 3. Each incremental class of licence incorporates and permits the services in each licence class below it. That means a Class 2 licence also permits you to do everything in a Class 1 licence.

### Ready to take the next step?

See what questions you'll be asked when you apply for your licence. The questions are tailored to the class of licence you're applying for.

- [Download the Class 1 licence application question set](#)
- [Download the Class 2 licence application question set](#)
- [Download the Class 3 licence application question set](#)

Then [start your draft full licence application online on the FMA website](#). Remember, you don't have to complete your application in one sitting. Make a start, complete what you can, and then return to fill in any gaps.

### Need more help?

- [Download the fact sheet on the three licence classes](#)
- [Explore your licence options using our online tool](#)
- See [How to apply for a full licence on the FMA website](#)
- Contact us: 0800 434 566 or [questions@fma.govt.nz](mailto:questions@fma.govt.nz)

Please note that this class comparison table is designed to help you prepare to apply for your full licence. Use of this table does not provide any guarantee that you will be granted a full licence. To apply for a licence, you will need to complete the full licence application form on the [FMA website](#). Your application will then be assessed by our licensing team.