

# Guide to Financial Advice Provider licence requirements and application kit

**This guide is for businesses and individuals intending to apply for a Financial Advice Provider (FAP) licence.**

It explains our expectations as a regulator, the policies and processes you need to have in place to comply with the FMC Act and regulations, and the criteria you'll need to meet to be eligible to apply for a licence. We encourage you to work your way through the questions and identify and address any gaps before you apply.

Examples in this guide are only for illustration, they are not exhaustive and are not intended to impose or imply particular rules or requirements. This guide does not constitute legal advice. We encourage you to seek your own professional advice, as it is your responsibility to determine your obligations.

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# Document history

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**Version 9 update:**

Removed references to licence application target dates and the 'competency safe harbour' as these are no longer applicable as of March 2023.

**Version 8 update:**

Additional guidance provided for completing answers in the online application form.

**Version 7 update:**

Additional guidance provided for completing answers in the online application form.

**Version 6 updates:**

Added subheads throughout to match table of contents.

Recommended target dates for applications added on page 8.

Additional guidance provided when engaging financial advisers.

Where applicable, reference to directors and senior managers of Authorised Bodies has been amended to "key personnel" of Authorised Bodies.

Appendix: Full set of 'fit and proper' questions: An additional question asked in respect of any other information that is material and relevant to our assessment of fit and proper". For organisations this is asked of directors and senior managers of the applicant and any "key personnel" of each Authorised Body included in the application. For individuals, this is asked of you as the applicant.

**Version 5 updates:**

Provided generic wording changes that simplified and provided greater clarity in the questions asked.

Appendix: Full set of 'fit and proper' questions: Additional question asked of directors and senior managers in respect of a position of trust, fiduciary appointment or similar.

## Do you need a licence?

If you provide regulated financial advice to retail clients you will either need a FAP licence, or to operate under another FAP's licence. To help determine whether you will need a licence, refer to [our website](#).

If you are providing advice to wholesale clients only, you will not need a licence but certain duties will still apply. These include the duty to give priority to your client's interests when there is a conflict, and the duty to exercise care, diligence and skill when giving advice.

You will not need a licence if you fall within one of the exclusions set out in clause 8 to 18 in Part 2 of Schedule 5 of Financial Markets Conduct Act 2013 (FMC Act). At present you can find this new schedule in [Schedule 2 of the Financial Services Legislation Amendment Act 2019](#).

## Before you apply

Use the checklist below to ensure you have all the information you need to complete your application.

### ☐ **Do you have a RealMe login?**

You need a RealMe login to use our online application form. If you don't already have one, go to [Create your RealMe login](#) and follow the instructions provided. You should allow at least five days for your login to be set up.

Your RealMe login belongs to you. It is a personal and individual login, not a shared login. If you are the person designated to manage business applications and filings for your company, other people should not log in as you. Refer to <https://www.realme.govt.nz/>

### ☐ **Are you correctly registered on the Financial Service Providers Register?**

All FAP licence applicants and authorised bodies must register on the Financial Service Providers Register (FSPR) before applying for a licence. Even if you had a transitional licence, you will need to select the relevant service on the FSFR for your licence. You will need to enter your Financial Service Provider (FSP) number and the FSP number of any authorised bodies on your licence application.

[Visit the FSFR website for more information.](#)

The Ministry of Business, Innovation and Employment (MBIE) advises that it can take two to five working days to process your FSFR registration. Once your registration is approved it will take up to 24 hours before you can use it in your licence application. Please ensure you have allowed enough time to register correctly on the FSFR.

While updating your FSPR records, it's a good idea to check your directors and senior managers are listed correctly.

☐ **Do you know which services and products you will provide regulated financial advice on to retail clients?**

We ask what types of services and products you plan to provide advice on under your licence.

☐ **Do you know which class of licence you are applying for?**

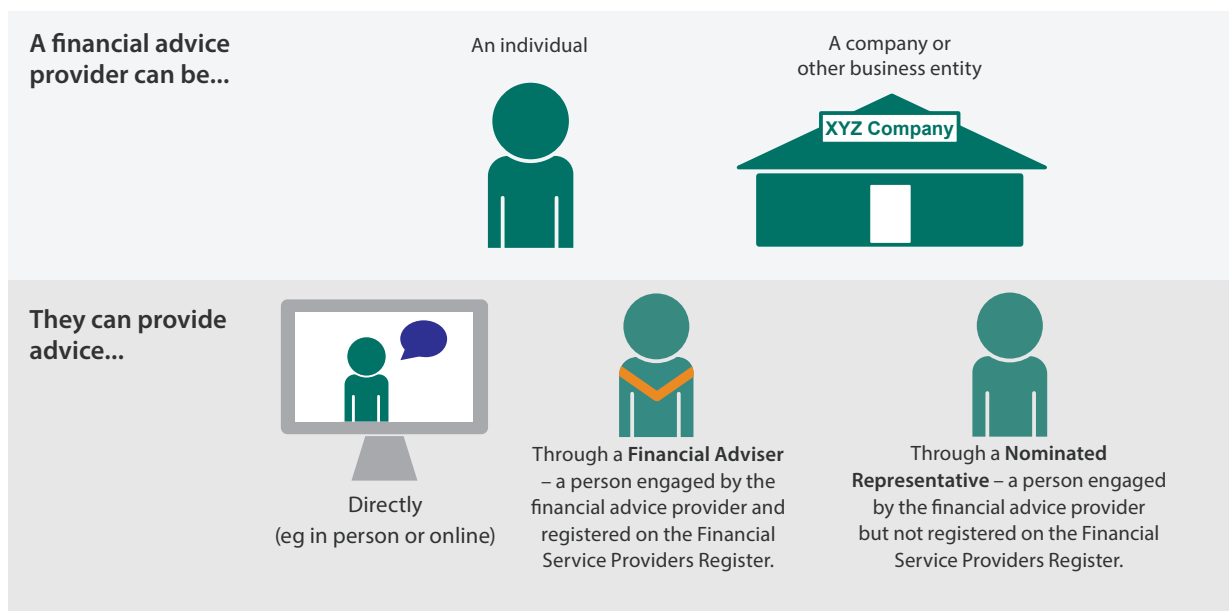
There are three classes of FAP licence: Class 1, Class 2, and Class 3. The licence classes relate to the manner in which regulated financial advice is provided under the licence, but do not limit the types of financial advice that may be provided. Licence classes are incremental from 1 to 3.

Licence class	How regulated financial advice can be provided
1	The licence holder can provide regulated financial advice to retail clients on the licence holder's own account and/or through a 'sole adviser practice' (which is an entity engaging only one financial adviser, who must be engaged directly, and who is and must remain either the sole director, or one of two directors, of the licence holder). A Class 1 licence does not permit the use of Interposed Persons, Authorised Bodies, multiple financial advisers, or Nominated Representatives. A Class 1 licence does allow the use of a Locum when the licence holder is unable to perform their own duties.
2	The licence holder (and any Authorised Body) can provide regulated financial advice to retail clients on the FAP's own account and/or through one or more Financial Advisers. The licence holder and any Authorised Bodies may engage any number of financial advisers, but cannot engage Nominated Representatives. Advisers may be directly or indirectly engaged. No person can use an Interposed Person arrangement without specific approval from the FMA. A Class 2 licence also covers all of the services covered by a Class 1 licence.
3	The licence holder can provide regulated financial advice to retail clients in any manner, subject to the limitations in the FMC Act. This includes through an Engaged Entity (if permitted by a specific licence condition). If a FAP wishes to engage Nominated Representatives, it must hold, or be an Authorised Body under, a Class 3 licence. Financial Advisers or Nominated Representatives may be directly or indirectly engaged. No person can use an Interposed Person arrangement without specific approval from the FMA. A Class 3 licence also covers all of the services covered by a Class 1 and Class 2 licence.

A licence holder and any Authorised Body may only provide the class of service to which the licence class relates. This means you need to choose the class that accommodates the way you, and each of your Authorised Bodies, intend to provide regulated financial advice to retail clients. For example, if an Authorised Body wishes to have Nominated Representatives, then the licence holder needs a Class 3 licence, even if the licence holder itself does not intend to have Nominated Representatives.

You must stay within the limitations of the licence class. If you or any Authorised Body wish to alter the manner in which advice is provided under the licence, the licence holder will need to apply for a new class of licence. To avoid unnecessary licence costs, applicants should give consideration to their future plans, and those of any Authorised Bodies, and select the appropriate licence class of service at the outset.

More information about FAP licence classes is available [on our website](#).



☐ **Do you know how many Financial Advisers or Nominated Representatives you will engage, either directly or indirectly, to provide regulated financial advice to retail clients on your behalf?**

We ask for the number of Financial Advisers and Nominated Representatives that will be covered by your licence application.

If you will engage Nominated Representatives we ask additional questions specific to these.

☐ **Do you have details for any Authorised Bodies on your licence?**

We need to know:

- their FSP number
- the type of advice they will offer
- the products and services they will provide advice on
- how many Financial Advisers and/or Nominated Representatives they will engage.

☐ **Do you have details of any criminal convictions or regulatory action relating to your application?**

We need to know about any criminal convictions, regulatory action or proceedings relating to you, your senior managers or directors, and any Authorised Bodies on your licence.



## The FMA will be collecting personal information as part of this process

### Privacy Notice

1. The purpose of the collection is to enable the FMA to issue a FAP licence pursuant to the Financial Markets Conduct Act 2013 (FMC Act).
2. The collection is authorised under the FMC Act and Financial Market Conduct Regulations, which require that prior to issuing a licence the FMA must:
  - be satisfied that directors and senior managers of FAP licence holders and authorised bodies are fit and proper persons to hold their respective positions; and
  - have regard to the compliance history of relevant parties prior to issuing a licence.
3. The FMA will use the personal information that we collect to carry out probity checks with the Ministry of Justice, and may carry out checks across our systems, with other domestic regulatory and law enforcement agencies, and overseas regulatory agencies.
4. The personal information that we collect will be:
  - retained and used for the FMA's functions, duties and powers;
  - used in accordance with the Privacy Act 2020 and all relevant FMA policies; and
  - will be stored and protected with relevant technical and process controls.
5. If the personal information is not provided, we will be unable to issue the licence.
6. Individuals have a right to request access to the personal information that the FMA holds about them and can request to have any information that we hold about them corrected. If individuals wish to request access to their information or to have it corrected, they should contact us at [questions@fma.govt.nz](mailto:questions@fma.govt.nz), or 0800 434 566, or Financial Markets Authority, PO Box 106 672, Auckland 1143, New Zealand.
7. For more information about how the FMA collects, stores and discloses information, and how we use it, see the FMA's [Privacy Statement](#) and [Transparency Statement](#).

## Completing your application

### How to apply

Licence applications must be made online via the [FMA website](#).

If you had a transitional licence and your application for a full FAP licence wasn't processed before the expiry of transitional licences in March 2023, you will need to wait for approval of your full licence before continuing to provide regulated financial advice to retail clients, unless you operate under another FAP's licence.

### Licence application fees and payment options

All amounts include GST.

Class 1	\$703.80
Class 2	\$882.05
Class 3	\$1,060.30
Plus for each Authorised Body	\$178.25

You must pay when you submit your application, otherwise we cannot process it. Payment can be made either by credit/debit card or via real time debit through BNZ or Westpac. Please ensure you have sufficient funds available. This payment is to apply for a licence; it does not include any annual levies, or fees to register on the Financial Service Providers Register.

Additional fees may apply if the application assessment exceeds the allocated hours. We will inform you if additional fees are likely to be charged. Please refer to the [FMC \(Fees\) Regulations 2014](#) and the FMA's [information on licence fees](#).

Bank transfers are available if you bank with Westpac NZ or BNZ. Bank transfers are not the same as internet banking. More banks will be included as the bank transfer service becomes available through the banking system. We also accept credit cards and debit cards. We do not charge a surcharge on credit card payments.

Once you have submitted your application we are unable to issue a refund, even if you withdraw your application. It is therefore important that you apply for the correct class of licence.



## How to change or update your application

If you wish to make any changes to your application during the assessment process before your licence is assessed or granted, please contact [licensing@fma.govt.nz](mailto:licensing@fma.govt.nz) for further information.

## How we confirm your licence

You will receive an email notification acknowledging receipt of your online application. As we assess your application, we may contact you for clarification on any matter, or to request further information.

After processing your application we will email you to confirm whether your licence has been approved, declined, or requires specific conditions.

Approved licences will appear on the Financial Service Providers Register from the date your licence takes effect.

If we have concerns with your licence application, we will give you an opportunity to respond to those concerns before we reach a decision. If your application is not successful and you wish to reapply, we recommend you email [questions@fma.govt.nz](mailto:questions@fma.govt.nz) or call 0800 434 566.

## Your licence application will include details of your FAP business and details of how you will comply with:

- Financial Markets Conduct Act 2013 ([FMC Act](#))
- Financial Markets Conduct Regulations 2014 ([FMC Regulations](#))
- [Code of Professional Conduct for Financial Advice Services](#)
- Conditions imposed by FMA ([standard conditions](#))

## Licence conditions

If we grant you a FAP licence, it will be subject to:

- conditions imposed by the FMC Act or regulations
- conditions imposed by the FMA (standard conditions)
- and any specific conditions if applied.

Any **specific conditions** will be notified to you prior to granting your licence.

Information on the standard conditions applicable to licences is available [on our website](#).

## Engaging financial advisers

When you engage a financial adviser under your licence, you must record details of the engagement on the Financial Service Providers Register (FSPR).

You'll need to do this within three months, or the financial adviser may be deregistered if they offer no other services.

Remember that you may need to link to yourself on the FSPR if your company will engage you, personally, as a financial adviser under its licence.

## What we ask

This section explains what we ask in the online application. You won't need to provide any supporting documentation at the time you apply, but we may ask for further clarification and/or documentation before we make a decision on your licence application.

**Important note:** This guide includes all questions that may be asked as part of the application process. However, when completing your application you will only see questions relevant to the licence class you're applying for and your intended operating structure under that licence class. For example, if you don't indicate you will be providing a digital advice facility, you won't see the questions relating to digital advice. Generally, where a question is worded "Do you ..." the response is either yes/no, which may require an explanation; if the question states "I confirm ..." there is a checkbox. Where we ask for an explanation, there is a 4000 character limit to the free text boxes.

All the responses you provide should take into account the size and complexity of your business that will operate under your FAP licence. Our expectations of capability will vary depending on the business's size and complexity. Licence holders must be able to demonstrate compliance with their obligations. Where relevant, we provide additional guidance explaining how different organisational structures can achieve this.

Where we ask if the FAP has "approved, documented" arrangements/processes, our expectation is that those are formally reviewed and approved by you, in accordance with your governance structure.

### Full question sets

See the links below for the full sets of current application questions for each licence type:

- [Class 1](#)
- [Class 2](#)
- [Class 3](#)

What we ask	What we mean
<b>Before you begin</b> The questions in this section relate to the FAP that will be the licence holder. The information gathered in this section will be used to confirm the validity of the application and to tailor the application process. When you are completing the application form, it will be automatically populated with relevant names and details for each question.	
What is your Financial Service Provider (FSP) number?	This is the number associated with your registration on the Financial Service Providers Register.  If you have more than one FSP number (e.g. one as a Financial Adviser and one for a business), it's important you enter the FSP number specific to the licence.  The licence is not transferable between FSP numbers. If you subsequently wish to operate under a different FSP number, you will need to apply for a new licence.
Are you (the person completing this application) applying for a licence on behalf of the FAP and do you have authorisation to apply on their behalf?	Only asked when the FSP type is an entity, to ensure the person completing the application attests to having authorisation to apply on behalf of the entity.

What we ask	What we mean
<b>Business structure</b>	
<p>Entities will be asked:</p> <p>Will the FAP have any Authorised Bodies on this licence? (Not applicable to Class 1 licences)</p>	<p>Only asked when the applicant's FSP type is an entity. An Authorised Body is an entity named on your licence that can provide the licensed service without needing its own licence. If you want Authorised Bodies under your licence, both you and these bodies must (collectively) meet the eligibility criteria set out in section 400(1A) of the FMC Act.</p> <p>All Authorised Bodies named on your licence must register on the <a href="#">Financial Service Providers Register</a> as a Financial Advice Provider.</p> <p>Both you and the Authorised Body are responsible for the Authorised Body's conduct, advice and actions, and for ensuring the Authorised Body meets all market service licensee obligations. If an Authorised Body contravenes any market services licensee obligation, you will be treated as also having contravened that market services licensee obligation.</p> <p>If you answer yes to this question you will be asked additional questions later in the application about the Authorised Bodies you intend to name on your licence.</p>
<p>What class of Financial Advice Provider licence is the FAP applying for?</p>	<p>Ensure the class of licence you are applying for will meet your intended operating structure. Refer to page 3 of this guide for more information.</p>
<p>Under this class, please select the option that best describes how the FAP intends to operate for the life of the licence?</p>	<p>We ask you to identify the structure that best describes how you intend to operate, selecting <b>one</b> of the following options. You will only see options that apply to the licence class you have selected.</p> <p>If you are an individual you may be a:</p> <ul style="list-style-type: none"> <li>• FAP operating as an individual, providing advice directly with no engaged Financial Advisers, Nominated Representatives or other FAPs</li> <li>• FAP engaging Financial Advisers</li> <li>• FAP engaging both Financial Advisers and Nominated Representatives</li> </ul> <p>If you are an entity you may be a:</p> <ul style="list-style-type: none"> <li>• FAP sole adviser practice</li> <li>• FAP with no advisers. This is a FAP that provides advice directly only (either through digital or non-digital means) and does not engage Financial Advisers or Nominated Representatives</li> <li>• FAP engaging one or more Financial Advisers</li> <li>• FAP engaging one or more Nominated Representatives</li> <li>• FAP engaging both Financial Advisers and Nominated Representatives</li> </ul>

What we ask	What we mean
<b>Applicant and Authorised Body details</b> The questions in this section relate to FAPs and to any Authorised Bodies included on an application. We only ask questions that relate to your licence class and/or intended operating structure for the life of the licence. For the avoidance of doubt, 'FAP' is used below to refer to both the FAP applying to hold the licence and all FAPs named on the licence application as Authorised Bodies.	
Does the FAP offer financial advice in any jurisdiction outside of New Zealand? If YES: Select any overseas jurisdictions in which the FAP is licensed and/or regulated for Financial Advice Services.	
How long has the FAP been providing regulated financial advice in the New Zealand market? The options are: <ul style="list-style-type: none"> <li>• New to market</li> <li>• Less than 6 months</li> <li>• 6-12 months</li> <li>• 1-3 years</li> <li>• 3-5 years</li> <li>• Over 5 years</li> </ul>	We expect you to work this out from the date the FAP commenced providing regulated financial advice in New Zealand. For entities, this will be the date from which the entity began providing advice. For individuals, this will be the date you as an individual began providing advice.
Where applicable, please provide the web page URL that relates to your provision of financial advice.	If you have a website or a dedicated section/page of your website relating to the provision of financial advice, please provide the URL.
How many New Zealand financial advice customers/clients does the FAP currently have?	We ask you to detail the total number of clients, broken down by: <ul style="list-style-type: none"> <li>• Retail</li> <li>• Wholesale</li> </ul> If you do not currently have any New Zealand clients in a category, enter zero for that category. Count the number of policy owners rather than the number of policies. e.g. If a policy has 2 policy owners named on it, count as 2 clients.
Entities will be asked: Is the FAP proposing to appoint any new directors or senior managers who will need to be assessed as part of this licence application?	We ask if you are proposing or are in the process of appointing new directors or senior managers. If so, we need to know who they are, as application questions will also apply to them.
Does the FAP provide financial advice on any products that they or any other entity listed on this licence application, manufacture?	We ask if you or any person or entity related to the licence application provide financial advice on financial advice products designed or manufactured by you or by other entities listed on the application.

What we ask	What we mean
<p>Does the FAP intend to apply for another FMC licence?</p> <p>If YES:</p> <p>Please provide details of the other licence(s) the FAP intends to apply for. Please include the specific services that will be covered by the licence and an estimate of when the application will be submitted.</p>	<p>This question is posed to the licence applicant and does not apply to any Authorised Bodies.</p>
<b>Business continuity plan</b>	
<p>Does the FAP have professional indemnity insurance?</p>	<p>Although not required as a specific condition of holding a licence, we ask whether you have professional indemnity insurance.</p> <p>Having appropriate professional indemnity insurance is good business practice, facilitates ongoing business resilience if things go wrong, and contributes to supporting good conduct and culture.</p>
<p>Does the FAP have approved, documented business continuity arrangements?</p> <p>When were the FAP's documented arrangements last reviewed and tested?</p> <p>When are these arrangements next scheduled for review and testing?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure that they comply with the business continuity and technology systems licence condition.</p>	<p>We ask if you have a documented business continuity plan (BCP).</p> <p>Standard Condition 5 requires that <i>You must have and maintain a business continuity plan that is appropriate for the scale and scope of your financial advice service.</i></p> <p>You must notify us within 10 working days of you discovering any event that materially impacts the information security of your critical technology systems and provide details of the event, the impact on your financial advice service and clients, as well as your remediation activity.</p> <p>Your BCP should detail how you will protect client information and continue to provide financial advice services in the event of an IT-related or physical business disruption. An IT event could include a cyber-breach that impacts your internal or external data storage facilities. Physical disruption could include a flood or fire, or disease outbreak that restricts movement of personnel and access to physical premises.</p> <p><b>Additional comments</b></p> <p><b>What is a Business Continuity Plan (BCP)?</b></p> <p>A BCP is a detailed plan outlining the actions to take in the event of a disruption to the FAP's business, to ensure it can continue to operate. This plan may include the following:</p> <ul style="list-style-type: none"> <li>• The steps to restore operations – who does what, where to relocate to and how.</li> <li>• Identification of critical systems.</li> <li>• List of vendors that should be notified of the disruption.</li> <li>• Copies of licences and contracts held with third parties detailing maintenance and support.</li> <li>• The process to contact and advise clients of any loss of service.</li> <li>• The process for providing an alternative service to clients during any downtime. This may include provision of a 'locum' to act on the FAP's behalf by arrangement.</li> </ul> <p>A BCP should be appropriate to the size and complexity of the business, and should be regularly tested. It must include procedures for responding to, and recovering from, events that impact on cybersecurity and continuity, including remediation of clients.</p>



What we ask	What we mean
	<p>Businesses are increasingly reliant upon technology systems, and are under increasing threat from cyber-attacks. Testing to prevent loss of service and ensure file recovery is critical. For a small business, this may be a securely stored external drive or cloud-based back up. A larger business would be expected to have an appropriately comprehensive BCP in place that would include the following aspects.</p> <p><b>Safeguard processes:</b></p> <ul style="list-style-type: none"> <li>• To ensure cyber-resilience, data and system security, and prevent errors or system failure.</li> <li>• To take into account risk from human error, technical failure and malicious conduct.</li> <li>• To set out procedures for data backup, disaster recovery and cyber breach responses.</li> </ul> <p><b>Data security elements:</b></p> <ul style="list-style-type: none"> <li>• Computer information backed up on different servers.</li> <li>• Frequent and regular backups that are stored off-site or in the cloud.</li> <li>• Ensuring computers have up-to-date virus checking and cybersecurity protection software.</li> <li>• Processes and procedures to regularly test file recovery from an external backup system.</li> </ul>
<b>Cybersecurity</b>	
<p>Does the FAP have an approved documented cybersecurity policy?</p> <p>If YES:</p> <p>When was the FAP's documented policy last reviewed?</p> <p>When is this policy due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure that they comply with the business continuity and technology systems licence condition.</p>	<p>We ask if you have a documented cyber security policy. If you do not, you need to tell us how you protect the licensed services from cybersecurity risks.</p> <p>It is particularly important that the processes performed by your IT systems to deliver the licensed advice service are effective. This includes having adequate and effective IT systems to:</p> <ul style="list-style-type: none"> <li>• maintain cyber-resilience to detect, prevent and respond to cyber-risks</li> <li>• maintain client records</li> <li>• protect client data and confidential information.</li> </ul> <p>Standard Condition 5 states:</p> <p><i>If you use any technology systems, which if disrupted would materially affect the continued provision of your financial advice service (or any other market services licensee obligation), you must at all times ensure that information security for those systems – being the preservation of confidentiality, integrity and availability of information and/or information systems – is maintained.</i></p> <p>Standard Condition 5 also states:</p> <p><i>You must notify us within 10 working days of you discovering any event that materially impacts the information security of your critical technology systems and provide details of the event, the impact on your financial advice service and clients, as well as your remediation activity.</i></p> <p>Note that your business continuity plan must have predetermined procedures for responding to, and recovering from, events that impact on your cybersecurity.</p>

What we ask	What we mean
<p><b>Relevant parties</b></p> <p>For entities: The application form will pre-fill the names of the individuals and entities that Companies Office records show hold 25% or more shares in the FAP (the presumption being these are 'relevant parties').</p> <p>In addition to the pre-filled list, the FAP is required to add all other individuals and entities that meet the definition of a relevant party as per the description under regulation 189 of the Financial Markets Conduct Regulations 2014.</p> <p>For individuals: You will only be asked if there are any individuals and entities that meet the definition of a relevant party as per the description under regulation 189 of the Financial Markets Conduct Regulations 2014.</p>	<p>Under regulation 189 of the Financial Markets Conduct Regulations 2014, the FMA must have regard to the compliance history of relevant parties. A relevant party can be any person or organisation, including a legal entity, a trust or an individual.</p> <p>This includes a party who has the power, directly or indirectly, to exercise, or control the exercise of, the rights to vote attaching to 25% or more of the voting products of the FAP, and a party that is able, directly or indirectly, to exert a substantial degree of influence over the activities of the FAP. For a full description of relevant parties refer to <a href="#">regulation 189</a>.</p> <p>For each party we need to consider whether the nature of the association or connection is relevant to the carrying out of the service to which the licence application relates. We consider a relevant party to have an association or connection to the FAP if that party has a material influence over the carrying out of the financial advice service to which this application for a licence relates. A relevant party may be anyone, including a parent company, franchisor or subsidiary.</p>
<p><b>How advice will be provided</b></p> <p>There will be a section of the application form where you will be asked:</p> <ul style="list-style-type: none"> <li>• What types of financial advice will be provided</li> <li>• What products will that financial advice cover</li> <li>• How will financial advice be provided (directly, through Financial Advisers and/or through Nominated Representatives)</li> </ul>	<p>We first ask you to identify what type of advice you and any person engaged by you (this means any of your FAs, NRs or employees in general) provide to:</p> <ul style="list-style-type: none"> <li>• your own retail clients and</li> <li>• another FAP's retail clients.</li> </ul> <p>You will be asked to select yes or no for:</p> <ul style="list-style-type: none"> <li>• Financial advice on financial advice products</li> <li>• Investment planning services</li> <li>• Switching funds within a Managed Investment Scheme (including KiwiSaver)</li> </ul> <p>Select only the options you know apply. Do not select options simply because you may expand your offering in the future. If your financial advice offering does change in the future you must notify us, particularly if the service you intend to offer falls under a different licence class.</p> <p>If none of these options apply, we ask you to explain why a licence is required.</p> <p>If you do not provide advice to your own clients, but you (or any person engaged by you) provides advice to other FAP's retail clients, we ask you to explain your structure and business model. Please provide details of how you operate your FAP business and why you do not provide advice to any of your own retail clients.</p> <p>You will then be asked what financial advice products you provide advice on, from the following list:</p> <ul style="list-style-type: none"> <li>• KiwiSaver schemes</li> <li>• Managed funds and other Managed Investment Schemes</li> <li>• Debt securities</li> <li>• Discretionary investment management services</li> </ul>

What we ask	What we mean
	<ul style="list-style-type: none"> <li>• Equity securities</li> <li>• Derivatives</li> <li>• Personal risk insurances</li> <li>• Fire and general insurances</li> <li>• Other insurances</li> <li>• Mortgage products / consumer credit contracts</li> <li>• Other financial advice products</li> </ul> <p>Select only the options you know apply. Do not select options simply because you may expand your product offering in future.</p> <p>Now that you have confirmed what advice you provide and on what products, we need to know the number of <b>all</b> individuals you will engage directly under your FAP licence and/or <b>all</b> individuals you will engage indirectly through another business (an Interposed Person), such as another licensed FAP to provide advice to <b>your</b> clients.</p> <p>Please state the number, rather than an estimate, for each of the following categories. If none, enter zero.</p> <ul style="list-style-type: none"> <li>• Financial Advisers engaged directly</li> <li>• Financial Advisers intended to be engaged indirectly through an Interposed Person if permitted by licence conditions</li> <li>• Nominated Representatives engaged directly</li> <li>• Nominated Representatives intended to be engaged indirectly through an Interposed Person if permitted by licence conditions</li> <li>• Entities intended to be engaged directly (Engaged Entities), if permitted by licence conditions. We also ask for the FSP number (where one exists) or the legal name of these entities.</li> </ul> <p>Where you have indicated that you or any person engaged by you provides advice to another FAP's retail clients, we ask how many other FAPs will engage you (or any person engaged by you), to provide financial advice to clients on their behalf.</p> <p>We also ask additional questions to identify if you will be engaged by another FAP as an Interposed Person or an Engaged Entity..</p>
<b>Client money and client property service</b>	
<p>Will the FAP:</p> <ul style="list-style-type: none"> <li>• Provide client money services as part of the FAP's financial advice business?</li> <li>• Provide a client money service outside of the FAP's financial advice business?</li> <li>• Provide client property services as part of the FAP's financial advice business?</li> <li>• Provide a client property service outside of the FAP's financial advice business?</li> <li>• Use portfolio administration services for client investments and reporting?</li> </ul>	<p>We ask if you will provide client money or property services either as part of your licensed service or as part of a service offered through a related business. We also ask whether you will use a portfolio administration service such as a wrap platform to hold client funds.</p> <p><b>Additional comments</b></p> <p>Providing client money or property services (previously broking and custodial services under the Financial Advisers Act 2008) means that the FAP receives, holds, or transfers money or property on behalf of a client.</p> <p><b>Client money</b> means money received from or on account of a client in connection with acquiring, holding, or disposing of a financial advice product (or otherwise in connection with a financial advice product).</p> <p><b>Client property</b> means property that is a financial advice product, is a beneficial interest in a financial advice product, or is received in connection with a financial advice product, and is received from, or on account of, the client by a person.</p>

What we ask	What we mean
	<p>The mere transmission of a non-transferable instrument payable to another person is not a client money or property service. Client money or property services <b>include custodial services</b>. A 'custodial service' is provided if, under an agreement, the FAP holds client money or client property in trust for, or on behalf of, a client (or another person nominated by the client). Obligations relating to client money and property services are set out in subpart 5B of Part 6 of the FMC Act, specifically sections 431V to 431ZJ. These include disclosure and conduct obligations. If the FAP provides a client money or property service it must do so by exercising care, skill and diligence. Client money must be paid into a separate trust account and client property must be held on trust. The FAP must keep records and report to clients. The FAP will also need to be registered on the FSPR to provide these particular services.</p> <p><b>If the FAP uses a wrap platform</b> it may also have client money and property obligations (regardless of the wrap provider's own obligations and FSPR registration). The FAP's obligations will depend on the contractual arrangements with the portfolio administration service provider and structure of that service (in particular, consider section 431ZI).</p> <p>Disclosure obligations regarding client money or client property services provided to retail clients can be prescribed under section 431X. At present there are no disclosure requirements prescribed. However, sufficient information should be given to each client to enable them to make an informed decision about whether to use the FAP's services.</p> <p><b>AML-CFT obligations</b></p> <p>You will also need to have procedures in place to comply with obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.</p>
Competency	
<p>Does the FAP have an approved documented policy to ensure that all persons providing advice under this licence <b>meet</b> the competence knowledge and skill requirements of the Code?</p> <p>The question asked will vary depending on the FAP's business structure and whether a natural person or an entity will hold the licence. See below for three different questions that ask about the FAP's approach to meeting the competency standards in the Code.</p> <ol style="list-style-type: none"> <li>1. For individuals that hold a licence in their own name and will provide advice we ask how you meet the competency requirements in the Code.</li> <li>2. For single adviser businesses, we ask how that adviser will meet the competency requirements in the Code.</li> <li>3. For FAPs that will engage more than one adviser and/or Nominated Representative, we ask if the FAP has an approved documented policy to ensure that any person engaged to provide regulated financial advice on the FAP's behalf (whether a Financial Adviser or Nominated Representative engaged either directly or indirectly) meets the competence, knowledge and skill requirements of the Code.</li> </ol>	<p>We ask how you meet the competency requirements as specified in the Code of Professional Conduct for Financial Advice Services or ensure they are met by anyone providing regulated financial advice to retail clients on your behalf.</p> <p>For individual and single adviser FAPs, we ask how the person providing advice meets the competency requirements specified in the Code, by selecting from the following options (select all that apply):</p> <ul style="list-style-type: none"> <li>• The adviser has been awarded New Zealand Certificate Financial Services (Level 5), version 1</li> <li>• The adviser has been awarded New Zealand Certificate Financial Services (Level 5), version 2</li> <li>• The adviser has been awarded National Certificate in Financial Services (Financial Advice) (Level 5)</li> <li>• The adviser was an AFA immediately prior to commencement of the new Code</li> </ul> <p>Alternatively, the FAP or adviser may, in an objective, measurable and independently verifiable manner, demonstrate competence, knowledge and skill by reference to an alternative qualification or experience. The alternative options are:</p> <ul style="list-style-type: none"> <li>• Partially completed [select from: NCFS, NZCFS v1 or NZCFS v2]</li> <li>• Alternative qualification that has been independently verified by an NZQA third party as being equivalent</li> <li>• Alternative qualification that has not been independently verified by an NZQA third party as being equivalent</li> <li>• Experience that has been independently verified by an NZQA third party as being equivalent</li> <li>• Experience that has not been independently verified by an NZQA third party as being equivalent</li> <li>• Procedures, systems and expertise (you will be asked to provide an explanation)</li> <li>• Other (this includes if the adviser is relying on the transitional period competency safe harbour; you will be asked to provide an explanation).</li> </ul>

What we ask	What we mean
<p>If YES:</p> <p>We ask for information about what is covered by the FAP's policy.</p> <p>We also ask when the policy was last reviewed and when the next review of the policy is scheduled to occur.</p> <p>If NO:</p> <p>Please explain how you will ensure that the standards of competence, knowledge, and skill in the Code are complied with.</p>	<p>For FAPs engaging more than one adviser, we ask if you have a documented policy that ensures any advisers, entities and/or the individual responsible for supervision of digital advice meet the competence, knowledge and skill requirements of the <u>Code of Professional Conduct for Financial Advice Services</u>.</p> <p>If you do have a policy, we ask you to select what the policy covers. Select from:</p> <ul style="list-style-type: none"> <li>Individual competence. By this we mean: <ul style="list-style-type: none"> <li>Obtaining the relevant strands of version 1 or 2 of the New Zealand Certificate in Financial Services (Level 5), or</li> <li>Obtaining the relevant units of the National Certificate in Financial Services (Financial Advice) (Level 5),</li> <li>Being an authorised financial adviser, permitted to provide financial adviser services in relation to the financial advice product to which the financial advice relates, immediately before the commencement of the new regime (15 March 2021).</li> </ul> </li> <li>An independently assessed alternative qualification.</li> <li>Independently assessed experience.</li> <li>You will rely on your own procedures, systems, and expertise for advisers that are not competent by any other means You will be asked for an explanation and you must be able to demonstrate that your procedures, systems and expertise ensure persons providing advice have capabilities equivalent to the qualification outcomes as per the Code. (this could be met by in-house training in which case our expectation is that it be independently assessed).</li> <li>other means not listed above.</li> </ul> <p>The standards of competence, knowledge and skill advisers must meet are set out in standards 6, 7 and 8 of the <u>Code of Professional Conduct for Financial Advice Services</u>.</p> <p>To ensure your advisers meet the competency requirements we expect you to:</p> <ul style="list-style-type: none"> <li>define the scope of advice</li> <li>define the standard of expected competency required to deliver the scoped advice</li> <li>confirm whether advisers meet the standard</li> <li>detail any training requirements necessary to raise advisers' competency to the required standard.</li> </ul> <p><b>Additional comments</b></p> <ul style="list-style-type: none"> <li>FAPs must ensure anyone operating under their licence providing financial advice complies with their duties, including the duty to meet standards of competence, knowledge and skill.</li> <li>FAPs should have a clearly documented policy detailing how competency standards should or are to be met regarding the provision of regulated financial advice to retail clients on their behalf.</li> </ul>

What we ask	What we mean
	<ul style="list-style-type: none"> <li>FAPs should keep records of individual advisers' competency, and ensure any individuals relying on alternative qualifications or experience (as outlined above) are verified by an independent/authorised entity.</li> <li>Oversight of competency should be proportionate to the size and complexity of the FAP, and to the products and advice offered.</li> <li>Smaller entities should ensure that all advisers individually meet the Code competency standards. For Class 1, the adviser's competency is unlikely to be able to rely on the FAP's procedures, systems and expertise; the preferred approach is for Class 1 advisers to be 'individually competent' through one of the multiple pathways set out in the new Code.</li> <li>Larger entities that provide in-house training should have processes to verify that training meets Code requirements. FAPs should keep accurate records of all in-house training provided.</li> <li>Competence, knowledge and skill, can also be demonstrated by reference to the FAP's procedures, systems and expertise.</li> </ul> <p><b>Further references</b></p> <ul style="list-style-type: none"> <li><a href="#">Meeting your obligations under the new financial advice regime</a></li> <li><a href="#">Code of Professional Conduct for Financial Advice Services</a></li> <li><a href="#">NZQA website</a> – for information regarding NZQA and providers of the New Zealand Certificate in Financial Services (Level 5)</li> </ul>
<p>Does the FAP have an approved documented process to ensure that all persons providing advice under this licence maintain their competency?</p> <p>If YES:</p> <p>When was the FAP's documented policy last reviewed?</p> <p>When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure that the standard in the Code to keep competence, knowledge and skills up to date is complied with.</p>	<p>We expect you to have documented processes in place to ensure that accurate and full records of each individual's competency are kept and maintained.</p> <p>For each individual, the records must cover:</p> <ul style="list-style-type: none"> <li>the continuing professional development (CPD) plan</li> <li>how any study completed, learning activities or course attendance is relevant to the type of service and products the individual provides advice on</li> <li>evidence of the individual's eligibility for the competency exemption OR the qualifications held by the individual that meet the competency requirement.</li> </ul> <p>The <a href="#">Code</a> states that entities must, at least annually, review their procedures, systems and expertise to ensure they maintain the capabilities for the financial advice they provide.</p>



What we ask	What we mean
<p>Entities will be asked:</p> <p>Does the FAP have an approved documented policy to ensure that the FAP's directors and senior managers have the right skills and experience for their roles (both on commencement and ongoing)?</p> <p>This question does not apply to 'Sole Adviser Practices'.</p> <p>If YES:</p> <p>When was the FAP's documented policy last reviewed? When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure its directors and senior managers are capable of performing their roles to ensure good governance.</p>	<p>Your directors and senior managers (current or proposed) must have the right skills and experience to manage your entity effectively.</p> <p>You should have a documented policy in place that sets out the expectations for director and senior manager roles. If not, you must explain how you ensure your directors and senior managers are capable of performing their roles to ensure good governance.</p> <p><b>Additional comments</b></p> <p>The knowledge and skills of directors and senior managers must be maintained, and their combined skill set should provide sufficient capability to deliver and manage the FAP's licensed services. The impact of changes of directors and senior managers should also be considered.</p> <p>FAPs do not need a separate manager for each key position or area of responsibility but the actual structure will depend on the size and nature of the business.</p> <p>FAPs should have policies and processes in place to maintain and review the appropriate level of knowledge and skill required to meet licence obligations and manage the business. This could take the form of a skills matrix that records the required knowledge and skill against the actual knowledge and skill of directors and managers, and identifies any gaps.</p>
Oversight	
<p>What is included in the scope of the oversight and compliance function? Please tick all that apply.</p> <ul style="list-style-type: none"> <li>• Advice operations</li> <li>• Governance</li> <li>• Systems and procedures</li> <li>• Persons giving financial advice</li> <li>• Financial Advice Providers and Interposed Persons that engage others to give advice</li> <li>• Code of Conduct</li> <li>• Reporting and notifications to FMA</li> <li>• Standard conditions on the licence</li> </ul>	<p>Your oversight and compliance functions should cover all of the listed components, and have sufficient scope to be able to monitor the business effectively and ensure all licence obligations are met. We expect oversight and compliance functions to be fit for purpose and relevant to the licence class.</p> <p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• You must have an oversight body responsible for overseeing compliance with your market services licensee obligations. Exact arrangements will depend on the size and nature of your business.</li> <li>• For smaller FAPs with a simple structure (typically single adviser businesses), the oversight body may be the FAP, or a director.</li> <li>• For licensees with more diverse operations, the oversight function may be performed by a committee composed of senior managers and representatives from legal, risk and compliance areas, with the board providing a high level of oversight across the business.</li> <li>• We haven't restricted the types of arrangements considered acceptable, but you need to be able to demonstrate how your chosen arrangements ensure your business is governed effectively.</li> </ul> <p><b>Compliance assurance</b></p> <p>You need to have processes to test compliance, over and above the checks built into operational systems and oversight of staff. The extent and type of testing carried out depends on things like:</p> <ul style="list-style-type: none"> <li>• the nature and size of your business</li> <li>• how systems and processes are designed</li> </ul>

What we ask	What we mean
	<ul style="list-style-type: none"> <li>• the types and levels of risk in the business</li> <li>• how involved your directors/oversight body are in overseeing day-to-day functions.</li> </ul> <p>Your Compliance Assurance Programme can be sourced and managed internally or externally.</p> <p>Smaller FAPs with a simple structure may be able to rely more on knowledge of the business, and do less testing. You may be able to focus testing on areas where there are particular risks or where you have less frequent oversight, instead of comprehensively testing all areas of the business.</p> <p>Licensees with more diverse operations generally have more formal processes and greater separation between the governing body and staff, so you will need more extensive testing to ensure processes and controls are working as intended.</p> <p>For larger organisations we would expect to see a comprehensive Compliance Assurance Programme in place, which is maintained and reviewed on a regular basis.</p> <p>Further information on Compliance Assurance Programmes can be found <a href="#">here</a>.</p>
<b>Outsourcing</b>	
<p>What functions will be outsourced? Please select all that apply.</p> <ul style="list-style-type: none"> <li>• Oversight and compliance functions</li> <li>• Record keeping and IT services (e.g. digital CRM)</li> <li>• Training</li> <li>• Advice services (including digital advice)</li> <li>• None of these functions will be outsourced</li> </ul>	<p>You can outsource any aspect of your licensed business. However, Standard Condition 4 requires that <i>If you outsource a system or process necessary to the provision of your financial advice service you must be satisfied that the provider is capable of performing the service to the standard required to enable you to meet your market services obligations.</i></p> <p>If you indicate that you outsource any functions, we also ask you to confirm if you have contractual agreements in place with your outsource providers. Having contractual arrangements with each provider enables you to effectively monitor their performance and take appropriate action for non-performance. We will also ask if due diligence has been conducted on each outsource provider.</p> <p>With regards to 'Advice services (including digital advice)', please note this refers to outsourcing the provision of regulated financial advice to a third party which must hold its own FAP licence. Outsourcing the facilitation and execution of transactions, custodial services, cash management, investment research services are examples of services that are not considered advice services. Arrangements such as engaging multiple financial advisers, or nominated representatives are also not examples of outsourcing the advice service.</p> <p>If No, we ask you to explain how you will ensure that you comply with the outsourcing licensing condition.</p>

What we ask	What we mean
<p><b>Nominated representatives</b></p> <p>Does the FAP have approved documented processes and controls which <b>limit</b> the nature and scope of the financial advice given by Nominated Representatives on its behalf?</p> <p>If YES:</p> <p>Does the FAP ensure that all Nominated Representatives providing regulated financial advice on its behalf <b>understand</b> and <b>follow</b> processes that are specific to their role as a Nominated Representative and the controls and systems used to manage the advice they provide?</p> <p>When was the FAP's documented policy last reviewed?</p> <p>When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure they comply with its duties to engage Nominated Representatives.</p>	<p>If you engage Nominated Representatives to give regulated financial advice on your behalf, you must have in place processes and controls that:</p> <ul style="list-style-type: none"> <li>• limit the nature and scope of the advice given by the Nominated Representatives</li> <li>• allow you to regulate the type of advice given by the Nominated Representatives</li> <li>• ensure the Nominated Representatives have the correct competence, knowledge and skill needed for the advice being provided.</li> </ul> <p>We expect you to document these processes and controls, and explain how you ensure Nominated Representatives understand and adhere to these processes and controls.</p> <p>Processes and controls should include:</p> <ul style="list-style-type: none"> <li>• a definition of the nature and scope of all regulated financial advice provided</li> <li>• details of the controls to be applied and how Nominated Representatives' competence, knowledge and skill will be measured/graded against criteria that define what is sufficient/deficient</li> <li>• a defined schedule for testing any advice given. This could include what is actually tested, how often, and by whom.</li> </ul>
<p>Does the FAP have approved and documented processes and controls which allow the FAP to <b>regulate</b> the financial advice given, plus the circumstances in which it is given, by Nominated Representatives?</p> <p>If YES:</p> <ul style="list-style-type: none"> <li>• When were the FAP's documented processes last reviewed?</li> <li>• When are these processes due for their next review?</li> <li>• Do these processes monitor the advice provided by Nominated Representatives to ensure the FAP's advice processes are followed and the advice provided complies with your duties in relation to Nominated Representatives?</li> </ul> <p>If YES:</p> <p>How often do you monitor the advice provided by Nominated Representatives? Select from:</p> <ul style="list-style-type: none"> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half Yearly</li> <li>• Annually</li> </ul> <p>If NO:</p> <p>Please explain how the FAP will ensure it will comply with its duties to engage Nominated Representatives?</p>	<p>We ask whether you have documented processes and controls in place that allow you to regulate the advice by your Nominated Representatives and the circumstances in which it is given.</p> <p>If you do have these processes and controls in place, we ask you to explain how they are approved and how often the process is reviewed. Our expectation is that controls and processes would be regularly reviewed to ensure they reflect any changes to nature of the advice provided.</p> <p>We expect that:</p> <ul style="list-style-type: none"> <li>• you regularly monitor the advice provided by your Nominated Representatives, to ensure advice processes are followed.</li> <li>• monitoring should be proportionate, in terms of both frequency and sample size, to the volume and type of advice provided.</li> </ul> <p>The FMA has published <a href="#">findings from our monitoring reviews</a> of regulated entities, to provide insight into our expectations. If you do not have a documented process or controls in place, we ask you to explain how you comply with the <a href="#">duties</a> in relation to Nominated Representatives.</p>

What we ask	What we mean
<p><b>Customer care and handling conflicts</b></p> <p>Does the FAP have an approved documented process on how to handle conflicts of interest?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure that the interests of clients are prioritised.</p>	<p>We ask if you have a documented process which defines conflicts of interest and explains how they are managed.</p> <p><b>Additional comments</b></p> <ul style="list-style-type: none"> <li>• All FAPs, regardless of their licence class, should identify and monitor their conflicts of interest.</li> <li>• Policies and processes for managing conflicts of interest should be embedded through staff training, adequate supervision and independent compliance assurance.</li> <li>• The FAP should clearly communicate its conduct expectations to staff, for example through a code of conduct or code of ethics.</li> <li>• FAPs should have processes to identify and manage conflicts of interest, noting the duty to give priority to client interests. Any issues should be resolved quickly in a way that is fair to clients.</li> <li>• Conflicts should be listed in a register and reviewed regularly. Conflicts should be disclosed to clients in accordance with Schedule 21A of the Financial Markets Conduct Regulations 2014.</li> </ul>
<p>Does the FAP have an approved documented process that explains how financial advice should be provided?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>Identify from the following list all aspects covered by the documented process:</p> <ul style="list-style-type: none"> <li>• On-boarding</li> <li>• Customer Due Diligence (CDD) – if an AML reporting entity</li> <li>• Steps taken to deliver financial advice</li> <li>• How to select a financial product from an approved or recommended list</li> <li>• Disclosure obligations</li> <li>• Explaining the nature and scope of advice and testing clients' understanding of it</li> <li>• Initial client suitability assessment</li> <li>• Ongoing client suitability assessment</li> </ul> <p>If NO:</p> <p>Please explain how the FAP will ensure it will comply with their legislative obligations relating to the provision of financial advice.</p>	<p>This question applies irrespective of how financial advice is provided.</p> <p>We expect your processes to detail all the procedural steps necessary to the provision of financial advice. This should include a checklist of all forms and information to be provided to clients throughout the advice process. The FMA has published <a href="#">findings from our monitoring reviews of regulated entities</a>, to provide insight into our expectations.</p> <p>You should also consider the <a href="#">disclosure requirements</a> of the new financial advice regime.</p>

What we ask	What we mean
<p><b>Code compliance processes</b></p> <p>Does the FAP have an approved documented process to ensure that the advice provided under this licence complies with the Code?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure it will comply with the standards set in the Code.</p>	<p>We ask how you will comply with the <a href="#">Code of Professional Conduct for Financial Advice Services</a>.</p>
<p><b>Complaints handling</b></p> <p>Does the FAP have an approved documented process detailing how complaints will be handled?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure it will comply with the complaints handling licence condition.</p>	<p>Standard Condition 2 requires that <i>You must have an internal process for resolving client complaints relating to your financial advice service that provides for:</i></p> <ul style="list-style-type: none"> <li><i>a. complaints to be dealt with in a fair, timely and transparent manner; and</i></li> <li><i>b. records to be kept of all complaints and any action taken in relation to them including the dates on which:</i> <ul style="list-style-type: none"> <li><i>i. each complaint was received; and</i></li> <li><i>ii. any action was taken in relation to that complaint.</i></li> </ul> </li> </ul> <p><b>Additional comments</b></p> <p>Complaints should be monitored to ensure they are dealt with fairly and in the best interests of the client. The FAP's complaints-handling process should include:</p> <ul style="list-style-type: none"> <li>• the FAP's definition of a complaint</li> <li>• clear explanations of escalation thresholds for reporting to the oversight committee, and details of the controls to ensure this reporting happens</li> <li>• how trends in complaints are identified, including the systems and procedures used</li> <li>• how the FAP investigates and addresses any issues identified</li> <li>• how the client is provided with an acknowledgement as soon as reasonably practical after making the complaint</li> <li>• how information about the FAP's internal complaints-handling process is recorded</li> <li>• how the FAP informs the FMA and any applicable external dispute resolution scheme about complaints received</li> <li>• the register that is kept to record all complaints and the action taken towards resolving those complaints.</li> </ul>

What we ask	What we mean
<p><b>Record keeping</b></p> <p>Does the FAP have an approved documented process on record keeping?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure it will comply with the record keeping licence condition.</p>	<p>We ask if you have a documented process for record keeping and if so, whether it has been approved and when its next review is due.</p> <p>Standard Condition 1 requires that <i>You must create in a timely manner and maintain adequate records in relation to your financial advice service.</i></p> <p><i>Your records:</i></p> <ol style="list-style-type: none"> <li><i>must be kept in a form (which may be electronic) and manner that ensures the integrity of the information and enables it to be conveniently inspected and reviewed by us;</i></li> <li><i>may be in any language, providing that for records kept in a language other than English, if required by us, you provide in a timely manner a full translation of the record into English by a translator approved by us;</i></li> <li><i>must be available for inspection by us at all reasonable times;</i></li> <li><i>must be readily available to you, and in any event within 10 working days or as otherwise agreed by us when requested; and</i></li> <li><i>must be kept for a period of at least 7 years from the later of:</i> <ol style="list-style-type: none"> <li><i>the date the record is made; and</i></li> <li><i>the date the financial advice to which the record relates is given; and</i></li> <li><i>the date any later record is made that refers to or relies upon information in the record; and</i></li> <li><i>the date of the conclusion of the life of the financial advice product that the financial advice relates to.</i></li> </ol> </li> </ol> <p><b>Additional comments</b></p> <p>FAPs' records should include a record of all regulated financial advice given to identifiable retail clients by the FAP or on its behalf. The types of records that should be kept to demonstrate how the FAP has met its obligations include, but are not limited to:</p> <ul style="list-style-type: none"> <li>disclosures provided to clients</li> <li>complaints resolution information</li> <li>details of the engagement of Nominated Representatives</li> <li>continuing professional development</li> <li>advice reviews.</li> </ul> <p>Records may be kept by another person on the FAP's behalf, providing the FAP ensure that person complies with this condition. If records are to be kept in the cloud, processes should detail how records will be secured and maintained. This applies even in the event of insolvency of the storage provider or if the FAP no longer retains the provider's storage service.</p> <p>Where the FAP has purchased a book of clients from another business, we expect due diligence will ascertain the quality of the associated client advice records and that the FAP will take steps to ensure all associated client advice records are reviewed and updated within one year of purchase.</p> <p>The FAP must also ensure client agreements or other arrangements include client consent for the FMA to view their records.</p>



What we ask	What we mean
<p><b>Reviewing conduct</b></p> <p>Does the FAP have an approved documented process to review its conduct and the conduct all of persons providing financial advice under this licence?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>If NO:</p> <p>Please explain how the FAP will ensure that it reviews conduct.</p>	<p>We ask you to confirm that your documented process covers:</p> <ul style="list-style-type: none"> <li>• how to identify poor conduct</li> <li>• how to rectify poor conduct</li> <li>• how to apply lessons learned to improve conduct.</li> </ul> <p><b>Additional comments</b></p> <p>We expect FAPs to conduct themselves in a way that serves the needs of customers. This means a focus on their duties under the FMC Act, including but not limited to:</p> <ul style="list-style-type: none"> <li>• treating customers fairly in all interactions</li> <li>• recognising and prioritising customer interests and effectively managing conflicts of interest that arise</li> <li>• giving customers clear, concise and effective information</li> <li>• distributing products that are suitable, work as expected and as represented, and are targeted at appropriate customers</li> <li>• ensuring adequate after-sales care, including complaints and claims handling, and not imposing unnecessary barriers to switching or exiting product or services</li> <li>• effective monitoring of their own conduct, and where relevant, the conduct of suppliers and distributors, to ensure mistakes can be identified, rectified and learnt from.</li> </ul> <p>For further guidance on conduct expectations please refer to the <a href="#">FMA's Conduct Guide</a>. It provides details of what we will focus on when examining how licensed financial service providers demonstrate good conduct, and how they have met their governance and management responsibilities.</p>
<p><b>Digital advice</b></p> <p>Does the FAP have a digital advice facility?</p> <p>If YES:</p> <p>Does the FAP have an approved documented process to monitor and maintain the FAP's digital advice service?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>Which of the following aspects are covered by the documented process:</p> <ul style="list-style-type: none"> <li>• Disclosure obligations</li> <li>• Client suitability assessment</li> <li>• How and when a customer can or should talk to an adviser for advice</li> <li>• When and how to suspend the service</li> </ul> <p>If NO: Please explain how the FAP will ensure that they monitor and maintain the financial advice provided through its digital channel.</p>	<p><b>Additional comments</b></p> <p>Processes should document how the FAP:</p> <ul style="list-style-type: none"> <li>• ensures that the digital advice service clearly identifies the nature and scope of the service provided to the client</li> <li>• monitors and tests the algorithms used to deliver the digital advice service, including changes to them</li> <li>• reviews the advice provided to clients to test the quality of the advice and ensure it meets the standards required by the FMC Act and Regulations, and the Code</li> <li>• ensures that clients are identified and filtered out when the digital advice service is not suitable for them</li> <li>• suspends the digital advice service if necessary and remediates any impact to clients</li> <li>• reviews the cyber-resilience, data and system security specific to the digital advice service, to mitigate technical failure and malicious conduct</li> <li>• monitors and reviews the processes, including setting out the frequency of reviews.</li> </ul> <p>If any of the FAP's risk management processes are outsourced to a third-party provider, the FAP's documented process must cover the outsourced functions and how it will ensure they are performed adequately and effectively with regular monitoring, audit and review.</p>

What we ask	What we mean
	<p><b>Monitoring and testing algorithms</b></p> <ul style="list-style-type: none"> <li>• The FAP needs to be satisfied that the systems and processes used to monitor and test algorithms are adequate and effective. This should include the design process, where applicable, and any changes made to it. The FAP should have escalation and remediation processes where issues are identified.</li> <li>• The FAP needs to have processes to review and update the algorithms, for example to reflect market events or changes in regulation or product design.</li> </ul> <p><b>Monitoring and testing advice</b></p> <p>The FAP needs to be satisfied that its systems and processes for reviewing the advice provided to clients by the digital advice service are adequate and effective.</p> <p>The FAP should consider:</p> <ul style="list-style-type: none"> <li>• the role of its quality assurance function in reviewing the advice output</li> <li>• the timing, frequency, and level of review and approval</li> <li>• the processes for escalation and remediation where issues are identified</li> <li>• rigorous testing and monitoring in the design phase, or after changes to the algorithm</li> <li>• ongoing testing, which should occur during the business-as-usual operation of the service and should include regular quality assurance reviews of samples of the advice.</li> </ul> <p><b>Suspension of digital advice</b></p> <p>We expect the FAP's processes to include systems and controls to suspend the digital advice service, in whole or in part, if necessary – for example, if an error in the algorithm is detected that may result in unsuitable advice or poor client outcomes. Any errors resulting in a loss to the client must be rectified.</p>
Confirmations	
<p>I confirm that the applicant has processes in place to ensure that any person who gives financial advice under this licence complies with their duties and obligations.</p>	<p>We ask you to confirm you have documented processes in place to ensure all persons providing regulated financial advice to retail clients under the FAP licence comply with the duty provisions set out in sections 431I to 431P of the FMC Act.</p> <p>The duty provisions require persons giving advice to retail clients to:</p> <ul style="list-style-type: none"> <li>• meet competency requirements (primarily the Code of Professional Conduct for Financial Advice Services)</li> <li>• ensure clients understand the scope of advice</li> <li>• prioritise client interests</li> <li>• exercise care, skill and diligence</li> <li>• comply with the Code when giving advice</li> <li>• only recommend financial products that comply with the FMC Act</li> <li>• ensure prescribed information is made available, and is not false or misleading.</li> </ul> <p>The level of detail in your documented processes should be commensurate to the size, structure and complexity of your organisation and the services offered.</p>

What we ask	What we mean
	<p><b>Additional comments</b></p> <p>Smaller FAPs with a simple structure are expected to understand their duties and have systems and processes in place that ensure these duties are met. This could be as simple as having a checklist.</p> <p>Larger FAPs with a more complex structure are expected to have documented policies, and systems and processes in place to meet their obligations, i.e. to ensure that all persons providing financial advice under their licence comply with the duty provisions.</p> <p>A FAP may have an Interposed Person arrangement, where it engages individuals (Financial Advisers and/or Nominated Representatives) <b>indirectly</b> through one or more other entities (the 'Interposed Persons') to give advice on its behalf. Interposed Persons must also take all reasonable steps to ensure that the Financial Advisers and/or Nominated Representatives comply with the duty provisions.</p> <p>See the MBIE fact sheet <a href="#">Engaging individuals through 'interposed persons' to give financial advice</a> for more information.</p> <p>As a licensee, the FAP (or Authorised Body) needs to be 'authorised', via a specific condition on its licence, to enter into an Interposed Persons arrangement. That licence condition may require the Interposed Person to be registered on the FSPR and/or licensed by the FMA (either as an Authorised Body or in its own right). Both entities can be liable for contraventions of the duty provisions.</p> <p>An additional question will be posed to those FAPs with Nominated Representatives to confirm they comply with their duty provisions regarding engaging Nominated Representatives.</p>

What we ask	What we mean
<p><b>Authorised Bodies' details</b></p> <p>These questions will only appear if you have indicated that you want to include Authorised Bodies on the licence application. All, or a subset, of the questions in the 'Applicant Details' section of this guide will be asked about each Authorised Body.</p> <p>In order to authorise a named entity on the licence we must be satisfied that you, as the licensee, have arrangements in place to maintain appropriate control or supervision over the provision of that service by the Authorised Body. If your Authorised Body contravenes any licensee obligation, you will be treated as also having contravened that obligation (section 400(3) of the FMC Act).</p> <p>We must be satisfied that the proposed Authorised Body is capable of effectively providing the relevant financial advice service. For each Authorised Body we ask the same questions about capability that we ask you as the licensed FAP.</p> <p>The executive directors of the Authorised Body, as well as senior managers performing duties in connection with the financial adviser services, must be fit and proper persons to hold their respective positions. Refer to the appendix of this document for more information.</p>	
<p>What is the Authorised Body's FSP number?</p>	<p>This is the number associated with the Authorised Body's registration on the Financial Service Providers Register. An Authorised Body cannot be an individual.</p>
<p>Please select the option that best describes how the Authorised Body intends to operate for the life of the licence.</p>	<p>The options for an Authorised Body are:</p> <ul style="list-style-type: none"> <li>• FAP single adviser business. A single financial adviser business must be a Financial Adviser, not a Nominated Representative</li> <li>• FAP with no advisers, i.e. a FAP that only provides advice on its own account (and does not engage any other person to provide advice on its behalf), such as those providing digital advice</li> <li>• FAP engaging more than one Financial Adviser</li> <li>• FAP engaging both Financial Advisers and Nominated Representatives</li> </ul> <p>We ask you to select <b>one</b> of these options.</p> <p>A specific condition will be included on your licence that restricts the Authorised Body to providing the same class of financial adviser services as the licensed FAP. You therefore cannot select an option for your Authorised Bodies that exceeds the class limitations of your licence.</p>

What we ask	What we mean
<p><b>Processes and procedures for Authorised Bodies</b></p> <p>Does the applicant have an approved documented process in place to ensure that every Authorised Body's key personnel are, and remain, fit and proper persons to hold their respective position?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>Does the applicant have an approved documented process in place to ensure that each Authorised Body understands and complies with its obligations under the FAP's licence?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p> <p>Does the applicant have an approved documented process in place enabling oversight (via reporting and timely remediation) of the provision of financial adviser services by and on behalf of, every Authorised Body?</p> <p>If YES:</p> <p>When was the FAP's documented process last reviewed?</p> <p>When is this process due for its next review?</p>	<p>To meet the fit and proper requirements, we expect all directors and senior managers to be suitably qualified/experienced individuals who have no history of adverse conduct.</p> <p>Processes and procedures that can help to provide this assurance may include:</p> <ul style="list-style-type: none"> <li>• setting out expectations of your Authorised Bodies' key personnel (as defined in <a href="#">Regulation 188 of the Financial Markets Conduct Regulations 2014</a>)</li> <li>• controls to ensure Authorised Bodies maintain standards on an ongoing basis</li> <li>• monitoring conduct to ensure your Authorised Bodies' directors and senior managers do not cause detriment to clients, gain improper advantage, or make improper use of their position</li> <li>• ensuring individuals have the right skills and experience to manage the Authorised Body effectively</li> <li>• ensuring the combined skill set of the Authorised Body's directors and senior managers provides sufficient capability to deliver and manage the licensed services. The impact resulting from changes of directors or senior managers should also be considered.</li> </ul> <p>If you do not have documented processes and procedures in place, you must explain how you ensure that all directors and senior managers of your Authorised Bodies are capable of performing their roles to ensure good governance.</p> <p>You need to document how you will oversee the licensed activities and ensure your Authorised Bodies:</p> <ul style="list-style-type: none"> <li>• comply with the market service licensee obligations</li> <li>• manage risks appropriately and treat clients fairly</li> <li>• deliver and perform the market service/s effectively</li> </ul> <p>For Authorised Bodies under your licence, you need to ensure that arrangements are or will be in place to ensure you maintain appropriate control or supervision over the provision of the financial advice service by the Authorised Body under the licence (refer to section 400(1)(a) of the FMC Act). You will also need to be satisfied there are processes and procedures in place for the Authorised Body to provide appropriate reporting (e.g. compliance/management reporting) to you at regular intervals.</p>
<p>What mechanisms does the FAP have in place to require the Authorised Body to make changes to its processes to ensure it complies with the licence obligations?</p>	<p>As the licence holder, you must have arrangements to maintain appropriate control or supervision over the provision of the financial advice service by the Authorised Body under the licence.</p> <p>We ask you to identify whether:</p> <ul style="list-style-type: none"> <li>• the Authorised Body is a related body corporate</li> <li>• you have a contractual agreement with the Authorised Body to monitor and ensure ongoing compliance.</li> </ul> <p>If neither option applies we ask you to explain how you are able to ensure the Authorised Body meets the licence obligations.</p>

What we ask	What we mean
<b>Fit and proper</b> The questions in this section pertain to all FAPs named on the licence, e.g. the FAP applying to hold the licence in their own name and all FAPs named as an Authorised Body under the licence.	
I confirm that all current directors and senior managers of the applicant and the key personnel of each Authorised Body included in this application are correctly listed on the FSPR.	We ask if your details held on the FSPR are up to date with all directors and senior managers correctly listed. If you include Authorised Bodies we also ask if details of their key personnel (as defined in <a href="#">Regulation 188 of the Financial Markets Conduct Regulations 2014</a> ) are correctly listed on the FSPR.
<b>Relevant parties</b> Do any of the FAP's relevant parties have any conviction, order made, or successful disciplinary action taken under a relevant proceeding or action?	We must consider whether your owners and any other relevant parties have had any convictions or successful disciplinary actions taken against them (in New Zealand or overseas). We ask if: <ul style="list-style-type: none"> <li>Any person or organisation has the power, directly or indirectly, to exercise or control the exercise of, the rights to vote attaching to 25% or more of the voting products of the FAP?</li> <li>The FAP acts jointly or in concert with any other person or organisation?</li> <li>The FAP acts or is accustomed to acting in accordance with the wishes of another person or organisation?</li> <li>Any person or organisation is able to, directly or indirectly, exert a substantial degree of influence over your activities?</li> </ul> You answer yes to any of these, we will ask for further details. Refer to regulation 189 of the <a href="#">Financial Markets Conduct Regulations 2014</a> for the section covering procedural matters for relevant parties.
<b>For entities</b> We ask for details about: <ul style="list-style-type: none"> <li>criminal convictions relating to your senior managers or directors</li> <li>regulatory action relating to you or your Authorised Bodies.</li> </ul> If you are an individual applicant, you won't see this section as it only applies to incorporated companies.	Refer to the appendix for the full set of 'fit and proper' questions There are questions that relate to both current and proposed directors and senior managers. If any proposed directors are not yet listed on your FSPR record, we ask you to provide their full legal name, date of birth and, if relevant, their individual FSP number and New Zealand Business Number (NZBN). You do not need to include any conviction that is eligible for concealment under the Criminal Records (clean slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand. For example, you do not need to tell us about any minor traffic infringements, such as speeding tickets and drink-driving charges. If you answer yes to any of the fit and proper attestation questions, you can provide this information in the free text boxes.
<b>For individuals</b> We ask for details about any criminal convictions and regulatory action relating to you as the applicant. If you are an incorporated company, you won't see this section as it only applies to individual applicants.	We also ask whether key personnel of your Authorised Bodies are fit and proper persons to hold their respective positions (regulation 188(1A) of the FMC Regs). 'Key personnel' are executive directors of the Authorised Body, as well as any senior managers who will perform duties in connection with providing the licensed service.



What we ask	What we mean
<b>Contact details</b>	
We ask for key contact details for the applicant.	This is the person we will contact if we have any questions or need further information to support the application, and who will be the ongoing contact person if the FAP licence is granted (unless another individual is specified).
We ask for the contact details for the FAP licence if different from the contact for the application.	This is the person to whom we will direct all correspondence relating to the licensed service if the FAP licence is granted.
<b>Declarations</b>	
We ask the FAP (or the person authorised to complete the form on behalf of the FAP) to complete a declaration confirming all the information is true and correct.	<p>It's important you review the application carefully and make sure your answers are correct before you submit. Once you've submitted the application form you won't be able to change your answers.</p> <p>It's a criminal offence to make false or misleading statements in your application.</p>

### Help and information

If you have questions about the licensing process please email [questions@fma.govt.nz](mailto:questions@fma.govt.nz).

You can also call us on 0800 434 566 (or +64 3 962 2698 if you're calling from overseas).

Our lines are open Monday to Friday, 8.30am to 5pm.

## Appendix

### Full set of 'fit and proper' questions

#### For entities

If you are an individual applicant, you won't see this section.

Have any of the FAP's current or proposed directors or senior managers, or any key personnel of each Authorised Body ever been convicted for a criminal offence relating to:

- dishonesty
- fraud, or
- misleading or deceptive conduct?

You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

Have any of the FAP's current or proposed directors or senior managers, or any key personnel of each Authorised Body ever been the subject of a civil or criminal proceeding, or any action or decision taken or made by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

which resulted in their:

- being found guilty or liable, or having a penalty or order imposed against them\*, or having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

Have any of the FAP's current or proposed directors or senior managers, or any key personnel of each Authorised Body ever been a director or senior manager for an entity at a time the entity was the subject of a civil or criminal proceeding, action or decision taken or made by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

which resulted in the entity:

- being found guilty or liable, or having a penalty or order imposed against it, or
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

Has the

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

ever issued a warning about or to:

- any of the FAP's current or proposed directors or senior managers, or
- an entity where any of the FAP's current or proposed directors or senior managers were also employed as directors or senior managers at the time the warning was issued or when any event relating to the issue or warning occurred?

Are any of the FAP's current or proposed directors or senior managers, or any key personnel of each Authorised Body currently the subject of any investigation (or charges) for criminal offending relating to:

- dishonesty
- fraud, or
- misleading or deceptive conduct?

Are any of the FAP's current or proposed directors or senior managers, or any key personnel of each Authorised Body currently the subject of any investigation or proceeding started (or decided) by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited
- New Zealand Police
- Inland Revenue, or
- any of their predecessors, successors or overseas equivalents?

Has the FAP or any of its Authorised Bodies ever been the subject of a civil or criminal proceeding, or any action or decision taken or made by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

which resulted in the entity:

- being found guilty or liable, or having a penalty or order imposed against it, or
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

Has the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

ever issued a warning about or to:

- the FAP
- any Authorised Body on the licence application?

Is the FAP or any of its Authorised Bodies currently the subject of any investigation or proceeding started (or decided) by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited
- New Zealand Police
- Inland Revenue, or
- any of their predecessors, successors or overseas equivalents?

Have any of the FAP's current or proposed directors or senior managers, or any key personnel of each Authorised Body ever been:

- dismissed;
- asked to resign;
- subject to disciplinary proceedings,

resulting from, or in respect of, a position of trust, fiduciary appointment, or similar (in New Zealand or overseas)?

Is there any other information that is material and relevant to our assessment of the current or proposed directors or senior managers, or any key personnel of each Authorised Body being fit and proper? For example, any previous conduct involving dishonesty, fraud, or that was misleading or deceptive, that you have not already disclosed in this application.

### For individuals

We ask for details about any criminal convictions and regulatory action relating to you as the applicant.

If you are an incorporated company, you won't see this section.

Have you ever been convicted for a criminal offence relating to:

- dishonesty
- fraud, or
- misleading or deceptive conduct?

Have you ever been the subject of a civil or criminal proceeding, or any action or decision taken or made by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

which resulted in you:

- being found guilty or liable, or having a penalty or order imposed against you, or
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

Have you ever been a director or senior manager for an entity at a time the entity was the subject of a civil or criminal proceeding, action or decision taken or made by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

which resulted in the entity:

- being found guilty or liable, or having a penalty or order imposed against it, or
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

Has the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

ever issued a warning about or to:

- you, or
- an entity where you were employed as director or senior manager at the time the warning was issued or when any event relating to the issue or warning occurred?



Are you currently the subject of any investigation (or charges) for criminal offending relating to:

- dishonesty
- fraud, or
- misleading or deceptive conduct?

Are you currently the subject of any investigation or proceeding started (or decided) by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited
- New Zealand Police
- Inland Revenue, or
- any of their predecessors, successors or overseas equivalents?

Have you ever been:

- dismissed
- asked to resign,
- subject to disciplinary proceedings

resulting from, or in respect of, a position of trust, fiduciary appointment, or similar (in New Zealand or overseas)?

Is there any other information that is material and relevant to our assessment of you being fit and proper? For example, any previous conduct involving dishonesty, fraud, or that was misleading or deceptive, that you have not already disclosed in this application.