

REGULATORY UPDATE

January To March 2021



THIS IS A QUARTERLY UPDATE DESIGNED TO KEEP STRATEGI CLIENTS UP TO DATE WITH THE ON-GOING CHANGES TO THE REGULATORY LANDSCAPE PLUS ACTIONS STRATEGI GROUP IS UNDERTAKING TO ASSIST THE INDUSTRY.



Directors

Can use this update as one of the tools to monitor potential key regulatory risks facing the business. Excerpts can be included in board papers.



Compliance managers/ Compliance officers

Can use this update to identify potential new regulatory risks facing the business, and ensure the business has robust policies, procedures, and controls in place to remain compliant, at all times, with the applicable legislation, regulation, and the Code.



Financial advisers

Can use this as a trigger to update professional development plans and undertake training to familiarise themselves with the changes in the regulatory space affecting them.

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ACTIVITY

FMA review finds NZX failed to meet technology obligations

Financial Advisers Disciplinary Committee publishes decision on alleged Code breaches by an authorised financial adviser

Guidance on 'green' and 'responsible' investment products published by FMA (December 2020)

FMA issues warning to an individual for market manipulation (December 2020)

Financial Markets Conduct (Australian Licensees) Exemption Notice 2020 issued by FMA (December 2020)

Review of the Wholesale Investor Exclusion - \$750,000 Minimum Investment Exemption: consultation paper released by FMA

Audit Quality Monitoring Report issued by FMA (December 2020)

FMA releases ASX 24 derivatives market review

FMA's 2020 annual report published (December 2020)

February 2021

ACTIVITY

Strategi releases new guidance note: *Providing regulated financial advice if you are a sole adviser operation*

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ANZ admits breaching Financial Markets Conduct Act for misleading representations around credit card insurance charges

Regulatory guide for the financial services industry (Edition 5) published in A5 by Strategi

FMA fears Chinese New Zealanders are under-reporting investment scams – launches new Chinese language scams webpage

Strategi releases *New disclosure requirements for financial advice providers V2* guidance note, along with detailed templates

FMA publishes *WorkSafe guidelines for financial services businesses and staff under COVID-19 Alert Level 3*

Strategi publishes the *Preparing for 15 March 2021 Checklist* and report card for firms to gauge readiness

Government announces list of life-shortening conditions that qualify KiwiSaver policyholders for early access to their funds

March 2021

ACTIVITY

New advice regime commenced 15 March 2021

Strategi publishes Guidance Note on *Wholesale Clients & Eligible Investors*

FMA announces CEO will leave FMA at end of 2021

ANZ ordered to pay \$280,000 penalty for misleading representations over credit card insurance charges

The Financial Advisers Disciplinary Committee (FADC) censures AFA for breach of the Code of Professional Conduct for AFAs

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Roger Gannon receives public warning from FMA for advice given to clients relating to KiwiSaver and other investments following Covid-19 market volatility

Michael Reys of Pegasus Markets Ltd sentenced to two months' community detention and 90 hours community work for breaches to the FSP Act

FMA issued a direction order to Rockfort Markets to remove or amend misleading advertising on its social media channels and website

FMA releases consultation paper on content of regulatory returns for DI, MIS, and DIMS licence holders