

FAP success roadmap for 2023

| Requirement | Explanation | All done | To do |
|--|--|----------|-------|
| Full FAP licence | Know what the FMA expectations are relating to holding a full FAP licence and have a mechanism in place to get updates on changes. | | |
| Documented policies, processes & controls | Have in place fit for purpose, compliant and effective documentation to obtain and retain our full FAP licence and meet regulatory and licence obligations. | | |
| Governance | Have put in place an effective governance structure to meet governance obligations under the Companies Act 1993 and licence obligations. Confirm this structure is meeting the required obligations. | | |
| Meeting duties when providing regulated financial advice | We have proof from a reputable third party that the FAP is meeting its duties under FMCA s431I-431R (Particular emphasis on s431Q & 431R). | | |
| Competence, knowledge & skill | Have proof that all those engaged to provide regulated financial advice have the competence, knowledge & skill to operate at the equivalent of the New Zealand Certificate in Financial Services (Level 5) v2. If advisers have an older qualification, have they undertaken 'Closing the Gaps' to update on regulatory knowledge. | | |
| Delivering compliant and suitable financial advice | The FAP has documented proof to confirm all regulated financial advice is compliant and suitable for the client. This includes new clients and existing clients. The advice is compliant with the legislation, regulation, code, good conduct, FAP policies and relevant product provider obligations. | | |
| Meeting good conduct expectations | The FAP can demonstrate it is meeting good conduct expectations. | | |
| Code Standard 9 and CPD | The FAP has determined what CPD advisers need to do in 2023 and has a robust solution in place to monitor the achievement of the CPD. | | |
| Productivity | All advisers are fully trained and competent to correctly use the software and templates within the business. Any new templates have been 'signed off' to confirm they are compliant. | | |
| AML/CFT obligations met | AML/CFT risk assessment and programme updated to meet new AML regulations. Booked AML/CFT three yearly audit. | | |

* Industry themes

Competence knowledge and skill: All advisers to have the competence knowledge and skill equivalent to the New Zealand Certificate in Financial Services (Level 5) version 2 with specialist strands in the areas in which they provide financial advice (e.g. investment, life disability health, residential property lending, and general insurance). We have upskilled them on our software and policies. We keep up to date with changes via a robust continuing professional development plan for both the business and each adviser.

Good conduct: This is the year to really get to grips with what good conduct is all about and how the business demonstrates this. Product providers and the FMA will be asking us how we prove good conduct.

Resilience: The stresses of providing financial advice will not lessen as staff shortages, rising costs, tight family budgets and increasing compliance make clients and our team grumpy. We need to provide the training and support for our advisers to cope with this new working environment, meet client expectations and be a profitable member of the team.

Advice process: Clients want to quickly and easily get the advice they need from us. 2023 is the year to overhaul our advice process and documents so they remain compliant but remove unnecessary duplication, are faster to produce, look more appealing and clients are more likely to read and understand them.

Compliance: The FMA will be checking to see that what we ticked in our FAP licence application is what we actually have in place. The business is responsible for all those providing financial advice meeting the advice duties and the Code of Professional Conduct for Financial Advice Services. We need to know our compliance status and be meeting our obligations.

Strategi resources

- FAP licensing Kit
- AML/CFT manual and templates
- AML/CFT audit
- Licence consultancy and remediation
- Annual compliance assurance review
- Virtual compliance officer service
- Compliance consultancy
- New Zealand Certificate in Financial Services (Level 5) v2
- Governance for Financial Advice Providers (Small Business) (Level 6) Microcredential
- Compliance officer course (Level 5) Microcredential
- Closing the Gaps course
- AML/CFT training modules and webinars
- Radar- online education platform and (PD modules
- (PD pathway for 2023 (published late January 2023)