

FAP success roadmap for 2022

Requirement	Explanation	All done	To do
Full FAP licence	Apply for full FAP licence by 30 September (Class 1 &2) or before 30 June (Class 3).		
Documented policies, processes & controls	Have in place fit for purpose, compliant and effective documentation to obtain and retain 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 2022 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 new software and templates rolled out in 2022. 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		

The big picture: 3-year plan

* **2021-transition and Covid:** This was the year we transitioned into the new advice regime, engaged advisers/authorised bodies to service clients, obtained our transitional FAP licence, plus implemented policies, processes and controls to meet our new obligations. Covid fatigue slowed down much of our implementation.

2022- Productivity and compliance: This is the year to catch up. We will apply for our full FAP licence before mid-year, roll out new advice processes and ensure we are compliant. We will expand adviser numbers and ensure we can prove they meet the competence, knowledge and skill requirements. Governance, compliance, adviser training, advice processes and cyber-security will be our four key focus areas.

2023- Embracing the new normal: This is the year where we recruit more advisers to service our growing client base. We build a sustainable operating rhythm and build business value. We put in place an effective governance structure to ensure we meet all our licence obligations.

Strategi resources

- FAP licensing Kit
- Licence application reviews
- AML/CFT manual and templates
- AML/CFT audit
- Licence consultancy
- 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
- Closing the Gaps course
- AML/CFT training modules and webinars
- Radar- online education platform and CPD modules
- CPD pathway for 2022 (published early December 2021)