



# GET IN SHAPE

WEBINAR SERIES

# GET SHAPE

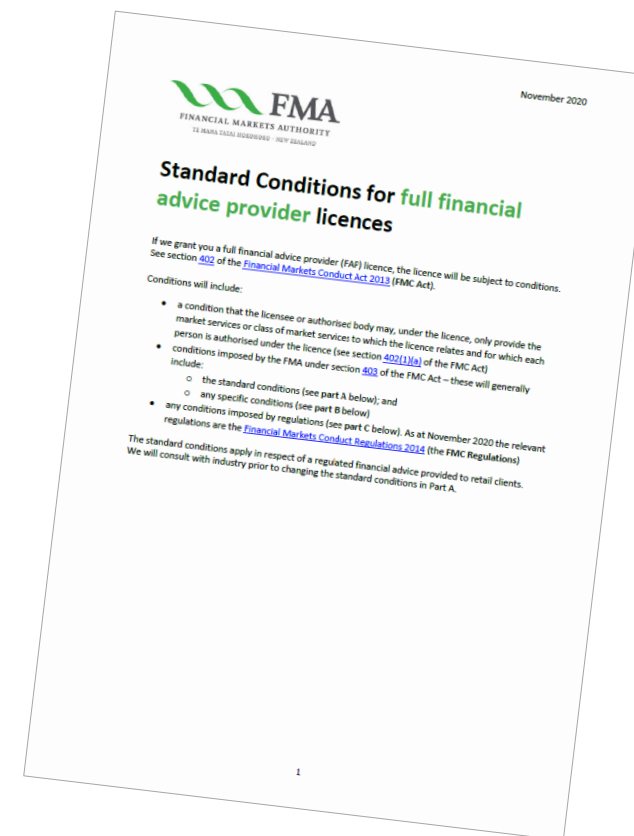
Being a FAP Licensee:  
- the journey is just beginning!

Steve Burgess, Compliance Refinery  
David Ireland, Dentons Kensington Swan

23 April 2021

# What Standard Conditions must be met?

1. Record Keeping
2. Internal Complaints Process
3. Regulatory Returns
4. Outsourcing
5. Business Continuity and technology systems
6. Ongoing requirements
7. Notification of material changes



# What does the FAP Licensing Guide ask for?

- Competence (code)
- Compliance Assurance
- Nominated Representatives (if applicable)
- Regulated Financial Advice
- Conflicts of Interest
- Advice Process
- Code of Conduct
- Conduct





# Operationalising disclosure

- What format should disclosure be provided in?
- What triggers require updating disclosure?
- What is your version control system?
- How do you ensure your FAP has adequate document controls in place?
- Are your systems sufficient to ensure you maintain an adequate record of disclosures made?
- What should you disclose when you are not providing regulated financial advice?

# Level 5, CPD and the competence exemption

- What is the 2-year competence exemption?
- Do you need to take the 31858 'Closing the Gaps' course?
- What educational requirements do new advisers require?
- What does competency look like at an entity advice level?
  - Directors, employees and support staff should be considered
- How are you approaching CPD in this flexible regime?

# When to apply for your license

- When you are ready!
- Do you have policies that meet the requirements?
  - Are those policies operationalised?
  - How are you evidencing that operationalisation?
- Is your business structure set in stone?



# FSPR – engaging advisers to FAPs & applying for a full FAP licence

## View FSP Details

[FSP (Entity)] Registered

Refresh Maintain Authority -

General Details Addresses Directors Controlling Owners Senior Managers **Financial Services** Filings

### Financial Services

This FSP is registered to provide the following financial services:

#### Financial advice service (including financial advisers)

<b>Additional Information</b>	Financial advice provider - licensee - transitional licence
<b>Authorisation Status</b>	Licensed
<b>Date of Authorisation</b>	15-Mar-2021
<b>Expiry of Authorisation</b>	16-Mar-2023
<b>Licensing Authority</b>	Financial Markets Authority (FMA) Level 2, 1 Grey Street, Wellington 6011, New Zealand <a href="http://www.fma.govt.nz">http://www.fma.govt.nz</a>
<b>Standard Conditions</b>	You may find the relevant Standard Conditions by role at <a href="http://www.fma.govt.nz">fma.govt.nz</a>
<b>Authorised Bodies</b>	There are no Authorised Bodies operating under this license
<b>Financial Advisers</b>	Not currently engaging any Financial Advisers

Keeping, investing, administering, or managing money, securities, or investment portfolios on behalf of other persons

**Start Date** 06-Feb-2020

Maintain Financial Services

- Custodian of a registered scheme or DIMS
- Derivatives issuer - licensed
- Derivatives issuer - wholesale service/relying on exemption from licensing
- DIMS provider - licensed
- DIMS provider - wholesale service/relying on exemption from licensing

#### Additional Information \*

- Financial advice provider - licensee - transitional licence

<b>Authorisation Status</b>	Licensed
<b>Date of Authorisation</b>	15-Mar-2021
<b>Expiry of Authorisation</b>	16-Mar-2023
<b>Licensing Authority</b>	Financial Markets Authority (FMA)
<b>Authorised Bodies</b>	There are no Authorised Bodies operating under this license
<b>Financial Advisers</b>	Not currently engaging any Financial Advisers

- Financial advice provider - licensee - full licence
- Financial advice provider - licensed - Authorised body under transitional licence
- Financial advice provider - licensed - Authorised body under full licence
- Financial advice provider - wholesale service
- Financial advice provider - Relying on exemption from licensing

- Giving financial guarantees
- Independent trustee of a restricted scheme - licensed
- Insurer
- Investment manager under an FMC offer

Add Financial Adviser



# Writing business policies

- What policies does a FAP really need?
- What is in a policy?
- How do you write a policy?
- KISS and tailor it to your business
- Don't write it unless you (will) do it!



# Governance – tips & trips for overseeing your business

- KISS – keep it SIMPLE and appropriate to your business size and complexity
- Don't over promise, but at least meet the minimum standard
- Consider education and a skills assessment for Directors
- Assess the skills, capability and resource allocation of the people doing the work
- It must be a top priority
- How are evidencing that you are focused on good customer outcomes?

# Managing your Compliance Assurance Program (CAP)

- As a Director, do you understand your obligations?
- How are you assigning tasks, testing and reporting?
- How is the business documenting evidence of implementing your CAP?
- Are you meeting your Record Keeping requirements?
- What steps are you taking to keep your CAP a living document?

# Directors' responsibilities

## Multiple director businesses

- Hold Board and director meetings, take minutes and actions
- Get training!
- Decide what you have the expertise and skills to do yourself, and what you will need to outsource
- Consider appointing an Advisory Board

## Class 1 business (or 1 director)

- It is great practice to formalise your governance with meetings
- Sort out your locum/BCP arrangements
- Decide what you have the expertise and skills to do yourself, and what you will need to outsource
- Make sure you consider the costs of running your business

# Summary

- KISS – Keep it simple and right size it for your business
- Apply when you are ready
- Don't wait until you have your full licence to put everything in place
- The application is the easy part. Putting all that is required into practice is what counts!



# Get in Shape webinars 2021

More great content to come:

- Compliant advice process and documents
- Navigating the education obligations
- The customer experience
- Business Continuity Plans and cybersecurity
- Financial management
- Designing and implementing a compliance framework



# Useful links

- FSC Professional Advice Hub, <http://advice.fsc.org.nz/>
- Resources all Directors should review now in the context of their FAP:
  - [Introductory-guide-to-full-licence-requirements.pdf \(fma.govt.nz\)](#)
  - [Standard-Conditions-for-full-FAP-licences.pdf \(fma.govt.nz\)](#)