

Financial Services News Alert

17 August 2010

Financial Advisers & Financial Service Providers - New Securities Commission guidance and new regulations

New Securities Commission guidance

The Securities Commission has today released new information on financial adviser regulation under the Financial Advisers Act 2008 (**FAA**), including:

- new information for prospective authorised financial advisers (**AFAs**) including a revised AFA Authorisation Guide and testimonial templates and guidelines ([here](#));
- new information for prospective qualifying financial entities (QFEs) ([here](#)); and
- updated Frequently Asked Questions ([here](#)).

New regulations

New regulations also came into effect yesterday setting out further detail of the implementation process for the FAA and the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (**FSPA**).

Financial Service Providers (Registration and Dispute Resolution) Act Commencement Order 2010 - The Financial Service Providers (Registration and Dispute Resolution) Act Commencement Order 2010 ([here](#)) brings part 2 and section 48 of the FSPA into force in stages, opening the Register on **16 August 2010** and providing for mandatory registration in most cases by **1 December 2010**. Financial advisers, however, must register by **1 April 2011** – accordingly, for anyone wanting to rely on QFE adviser status, the QFE itself must be authorised by this date.

Financial Advisers Act Commencement Order 2010 - The Financial Advisers Act Commencement Order 2010 ([here](#)) brings most of the provisions of the FAA into force on **1 December 2010** and provides that the remaining sections (concerning primarily AFAs) are to come into effect on **1 July 2011**.

Financial Service Providers (Fees and Levy) Regulations 2010 - The Financial Service Providers (Fees and Levy) Regulations 2010 ([here](#)) prescribe the fees and the levy under the FSPA.

Financial Service Providers (Registration) Regulations 2010 - The Financial Service Providers (Registration) Regulations 2010 ([here](#)) set out:

- the information which must be included in an application for registration on the Financial Service Providers Register (**FSPR**);
- the information which must be contained on the FSPR;
- the information which must be contained in the annual confirmation a registered financial service provider must give the registrar of the FSPR; and
- prescribed reasons under section 25(3)(b) of the FSPA for which the Registrar may suspend the operation of the financial service provider.

Financial Service Providers and Financial Advisers Transitional Regulations 2010 - The Financial Service Providers and Financial Advisers Transitional Regulations 2010 ([here](#)) deal with the timing issue which arises from the need to register under the FSPA earlier than the 1 July 2011 date for AFAs. We will provide more detail on the timing of these matters in a subsequent newsletter.

Financial Advisers (Fees) Regulations 2010 - The Financial Advisers (Fees) Regulations (Fees Regulations) ([here](#)) set the fees for applications to be AFAs and QFEs under the FAA and for the renewal of QFE status.

How we can help

We can talk to you about how the Act and Code may affect your business and what steps you should be taking now to ensure you are ready for the new regime.

Further information



Lloyd Kavanagh

T +64 9 353 9976

M +64 21 786 172

E lloyd.kavanagh@minterellison.co.nz



Chris O'Brien

T +64 4 498 5133

M +64 21 888 739

E chris.obrien@minterellison.co.nz



Jeremy Muir

T +64 9 353 9819

M +64 21 625 319

E jeremy.muir@minterellison.co.nz



Karen Mace

T +64 4 498 5106

M +64 21 221 7513

E karen.mace@minterellison.co.nz

*Disclaimer - The information contained in this update is intended as a guide only. Professional advice should be sought before applying any of the information to particular circumstances. While every reasonable care has been taken in the preparation of this update, Minter Ellison Rudd Watts does not accept liability for any errors it may contain.