

**INTRODUCTION**

In order to ensure that Provisional Members (hereafter named Member/s) gain knowledge, in sufficient depth to enable them to discharge their duties to their clients to the highest professional standards, provision has been made in the Membership and Certification Bylaws for Members to work in association with a person who has attained the highest standard of professional qualification that a Financial Adviser can aspire to, a CERTIFIED FINANCIAL PLANNER<sup>CM</sup>, (CFP<sup>CM</sup>) Practitioner, Chartered Life Underwriter (CLU), or an independent person approved by the Committee. The Mentor's background should be appropriate to the types of advice being given by the member. The Mentor's role is more that of a "coach" rather than that of a "policeman".

The standards relating to approved experience are detailed in Clause 13 of the Membership and Certification Bylaws. All Mentors and Members should read this Section prior to committing to mentoring arrangements.

**INSTITUTE OF FINANCIAL ADVISERS' APPROVAL MUST BE OBTAINED**

Mentors and mentoring arrangements must be approved by the Institute. Members must arrange completion of the form (over page) and send it to the Institute for approval prior to commencement of the period of mentored practical experience.

**A FEE MAY BE CHARGED BY EXTERNAL MENTORS**

Members using Mentors external to the company which the Member works for, may expect to pay some form of fee for the service provided. This fee is a private matter negotiated between the Mentor and the Member.

**A MENTOR HAS THREE PRINCIPAL OBJECTIVES**

1. To ensure that the Member operates to the level of competence set out in the Institute's Code of Ethics and Practice Standards;
2. To be sufficiently conversant with the Member's progress to respond to any enquiries by the Certification Committee as to the level of competence attained by the Member;
3. To ensure, and confirm to the Certification Committee that the Member has met the required competence set out in the Code of Ethics and Practice Standards.

**MENTORS MUST NOT TAKE ON TOO MANY TRAINEES**

Mentors are expected to spend time in discussion and feedback with each Member that they are mentoring. Accordingly, Mentors must not undertake the mentoring of so many trainees that they cannot devote sufficient time to each trainee for an adequate level of personal discussion and feedback.

**MENTOR'S REPORTING RESPONSIBILITIES**

Mentors will be required to provide a brief report to the Certification Committee on the Member's progress at the following times:

- At six monthly intervals from the date of approval of the mentor arrangement.
- At other times as required by the Certification Committee.

**AREAS OF EXPERIENCE WHICH MENTOR WILL CONCENTRATE UPON****- Insurance Advising Members**

- **Variation in work exposure:** Members should be trained to be fully conversant with the following Products: life insurance, trauma cover, total permanent disability insurance, disability income protection insurance and health insurance. They should also understand superannuation products. Members should be able to prepare quotations for these products, complying with all industry regulations. Members should also be capable of preparing a comprehensive report for clients based on a detailed needs analysis.
- **Client Contact:** Members should be encouraged to discuss their prospecting techniques and their approach to clients. They need to be capable of obtaining all detail required for a full needs analysis. Where reports are to be completed for clients, they should initially be submitted to their Mentor for approval.
- **Sales Experience:** Members should be encouraged to understand the various parts of the buying and selling cycles, and their application to ensuring their client's needs are met.
- **Independent Research:** Members should be able to have access to research and should be encouraged to conduct and use independent research to the fullest extent possible.
- **Systems and Procedures:** Mentors should ensure that the Members have adequate systems and procedures in place.
- **Standards Compliance/Disclosure:** The Mentor will work with the member to ensure that the Institute's Code of Ethics and Practice Standards are met.

**- Financial Planning Members:**

- **Variation in work exposure:** Members should be exposed to assignments of varying natures in order that they can appreciate the finer points of dealing with differing practical situations and to gain the broad-based experience required to submit a sample of plans on a regular basis for assessment/consultation between the Member and the Mentor.
- **Client Contact:** Members should be encouraged to discuss their methods of approach to clients and their methods of developing plans and, where mutually agreed between Mentor and Member, there can be distinct benefits in submitting plans for a second opinion prior to submitting these to the client.  
Note: This does not absolve the Member from responsibility/accountability for the advice or plan.
- **Independent Research:** Members should be able to have access to research and should be encouraged to conduct and use independent research to the fullest extent possible.
- **Systems and Procedures:** Mentors should ensure that the Members have adequate systems and procedures in place.
- **Standards Compliance/Disclosure:** The Mentor will work with the member to ensure that the Institute's Code of Ethics and Practice Standards is met.

***PTO to complete the Mentor Arrangement Declaration Form***

## MENTOR ARRANGEMENT DECLARATION

The Mentor is to notify the Institute of Financial Advisers' Certification Committee of proposed mentoring arrangement.

The Institute acknowledges that the Mentor is acting as a coach for a provisional member of the Institute and has no personal responsibility for the acts or omissions of the member being mentored except where the act or omission is done or omitted on behalf of the Mentor and on the Mentor's express instructions.

NAME OF MENTOR: \_\_\_\_\_

NAME OF MEMBER: \_\_\_\_\_

NUMBER OF OTHER MEMBERS FOR WHOM I ACT AS MENTOR: \_\_\_\_\_

**NOTE:** The period of mentored practical experience does not commence until the Institute approves the proposed mentoring arrangement:

**I declare that:**

1. I am a financial member of the Institute of Financial Advisers.
2. I am a (tick appropriate)
  - CERTIFIED FINANCIAL PLANNER<sup>CM</sup> Practitioner
  - Chartered Life Underwriter
  - Broker Principal for (name of firm) \_\_\_\_\_
3. I am in a position to provide independent reports to the Institute and have experience relevant to mentoring this member. The member intends achieving senior membership level as **CFP<sup>CM</sup>/CLU (delete one)**
4. There are no close relationships or family ties between myself and the candidate which could affect my role as Mentor.
5. I have undertaken to act as Mentor for the Member named above from the date this Mentoring Arrangement is approved by the Institute.
6. The names of other Institute members I am currently mentoring for the Institute are as follows: (attach separate list if necessary)
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
  4. \_\_\_\_\_
7. I confirm that the appropriate resources are available to carry out my duties as an approved Mentor and I intend keeping my CPD credits up to date while acting as Mentor.
8. I undertake to provide **six monthly reports** to the Institute's Certification Committee with regard to the progress of the above-named Member and also undertake to provide the Institute's Certification Committee with any information concerning their assessment of the competence of the above-named member.
9. I will advise the Institute if I cease to act as mentor under arrangements approved by the Institute.

SIGNED (Mentor) \_\_\_\_\_

Declared at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ year

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