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### **NEW ZEALAND FINANCIAL ADVISERS WELL PLACED ON GLOBAL SCALE**

New Zealand regulators are reacting well to the global crisis compared with other countries and in terms of implementing stricter legislation, according to the Institute of Financial Advisers president, Lyn McMorran who has just returned from its biannual Financial Planning Standards Board (FPSB) series of meetings in Tokyo.

McMorran says New Zealand is also well placed in terms of its best practice standards with financial advisers. "During the meetings it became clear that regulators in some other countries have had a knee jerk reaction to the financial meltdown, implementing onerous standards that are not beneficial for anyone," McMorran says.

"Hong Kong for example is considering a requirement for all financial advisers to tape every conversation they have with their clients to ensure the advice is in line with the professional standards. This raises issues regarding confidentiality and client privacy and could result in many investors choosing not to take advice and this is of no benefit to them."

By comparison, McMorran says New Zealand regulators are taking a considered approach despite the financial crisis and putting in place practical professional guidelines for advisers which will benefit consumers. "There have been no knee jerk reactions from our regulators and the professional standards for financial advisers that will be implemented here will remain in the best interests of the consumers and will ensure that they do still want to seek advice."

McMorran says New Zealand is well positioned in terms of best practice standards for financial advisers. "The IFA has worked hard for a long time to raise the standards for its members and the FPSB meetings confirmed we are on the right track."

On Day Two of the meetings, members also determined a strategy to include two new key best practices as international requirements for CFP professionals, namely supervised mentoring and continuing professional development.

McMorran says the discussion focussed on how to implement them, verify that the CFP professional was participating in those practices and determine standards that are relevant and applicable across all 23 member countries.

“Our IFA members in New Zealand have had a two year supervised mentoring programme and continued professional development practices as a requirement of their membership for many years now, so we were able to meaningfully contribute to the discussion and advise the council on best practice standards in those areas that could be effectively implemented,” says McMorran. “Our IFA financial advisers are already working at the level of international best practice standards.”

The group also shared information about how members were addressing the ongoing uncertainty caused by the global recession.

The FPSB authorized Stichting Register Masters in Financial Planning (RMFP) to administer the CFP certification program and oversee development, enforcement and promotion of local financial planning standards in the Netherlands.

The global number of CFP professionals reached 118,506 by December 2008. “With an average six percent global growth rate, the number of CFP professionals roughly doubled in the past eight years to its current all-time high and the CFP certification has emerged as the global symbol of excellence for financial planning,” McMorran says.

According to Hiroshi Kato, president of Japan Association for Financial Planner, the promotion of CFP certification is more critical than ever before, Kato, who welcomed FPSB to Tokyo during the opening reception of the FPSB Council meeting, called upon FPSB Affiliates to work together to promote CFP certification as the global standard of excellence in financial planning. “For the first time in 100 years, the global economy is facing an enormous challenge. Most consumers are fearful in this unsettled environment. I believe that it is now that the true value of financial planners who place their clients’ interest first will be evaluated and valued,” Kato said.

New Zealand has solid representation on the board of FBSP with previous ex-president of the IFA, Steven O’Connor, being the Chairman.

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### **About FPSB**

FPSB is a non-profit association that develops, promotes and enforces rigorous competency, ethics and practice standards that support enhanced professionalism and client-centric behaviour by financial planners globally. FPSB demonstrates its commitment to excellence with the marks of professional distinction – CFP, CERTIFIED FINANCIAL PLANNER and CFP (logo).

A nine-member Board of Directors governs FPSB. The Board of Directors receives support from the FPSB Council, an advisory group representing 23 organizations that manage CFP certification programs in their respective territories. Territories where FPSB has a nonprofit member organization include: Australia, Austria, Brazil, Canada, Chinese Taipei, France, Germany, Hong Kong, India, Indonesia, Ireland, Japan, Malaysia, New Zealand, the Netherlands, the People's Republic of China, the Republic of Korea, Singapore, South Africa, Switzerland, Thailand, the United Kingdom and the United States.