



IFA Submission on the Code of Professional Conduct For Authorised Financial Advisers

Introduction

The Institute of Financial Advisers (IFA) appreciates the final opportunity to formally comment on the revised draft Code of Professional Conduct for Authorised Financial Advisers.

Overall view

IFA is relatively comfortable with the revised Code of Professional Conduct on most areas. There are several points that we believe still need be re-looked at by the Code Committee.

C. MINIMUM STANDARDS OF ETHICAL BEHAVIOUR

Code Standard 15

“For the purposes of the Competence Alternatives Schedule, a designation previously attained that has not been retained at the time an AFA seeks authorisation will still be recognised for the purposes of this Schedule, provided the AFA has maintained membership of a professional body for a continuous period of at least 12 months immediately before first becoming authorised”

Our first submission made the point that we felt an adviser should have maintained membership of the IFA to be able to claim that they hold either CFP or CLU and that if they have ceased membership, then they cease to hold the designations. We understand the reasons the Code Committee have chosen to take with this latest proviso on having to maintain membership of a professional body for the 12 months prior to authorisation, however we feel that the adviser must also be able to prove that they have achieved a minimum CPD requirement over that 12 month period.

We would like to see the definition of a professional body include not only the need for continuing professional development but also for the requirement of professional standards for its members and enforcement of those standards through a robust disciplinary process.

G. COMPETENCE ALTERNATIVES SCHEDULE

Standard Set D

No relief has been given for Standard Set D for those advisers who have attained their qualifications and CFP^{CM} designation in another country, and have therefore not gained the NZ diplomas – however they have met stringent international requirements and achieved equivalent or higher qualifications to achieve the designation in their country of origin. These CFP^{CM} practitioners should be given relief for this Standard Set as they have proved their experience and qualifications via the IFA certification process which includes territorialising the previous qualification to meet our internationally accepted CFP^{CM} Certification requirements.

Standard Set E

The Adviserlink Certificate in Financial Services has been recognised under Standard Set C however it has not been recognised for relief under Sets D and E. We would suggest that it should be listed as an alternative Qualification for Standard set E – as it includes the same personal risk component.

F. MINIMUM STANDARDS OF CONTINUING PROFESSIONAL TRAINING

Code Standard 17

We would like to have consistency across the whole Code with regard to the definition of “Professional Body”. The definition given in the Definitions Schedule does not provide for the requirement for a *professional body* to have practise standards, code of ethics or any disciplinary process and we consider that these are or at least should be prerequisites to any professional body.

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