

Submission: Code Committee review of the Code of Professional Conduct for AFAs – Consultation Paper October 2015

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Question number	Submission (comments)	Suggestion for improvement (if any)
1	Agree	
2	Agree	
3	<p>It is important to have an alternative to Unit 26360 in the Competence Alternatives Schedule. However, there is currently <u>no</u> alternative given in this draft (Competence Alternative Schedule to Unit 26360).</p> <p>The outcome and evidence requirements of Unit Standard 26360 (version 3) are not extra-ordinary. In principle they could be included specifically in say a level 7 qualification.</p> <p>The IFA can see likely student confusion; i.e. to have completed a degree-major or graduate diploma in Personal Financial Planning and still have to seek completion elsewhere for this one Unit Standard.</p> <p>The ‘explanatory notes’ for this Unit Standard state that The Skills Organisation (the financial services ITO) have the ‘only valid assessment tool’ for this unit standard.</p> <p>Although this assessment monopoly may be current and true for the vocational pathway – the NZ Certificate Level 5 – this constraint ought <u>not</u> extend to an academic pathway where achievement of the Unit Standard outcomes can be demonstrated. By way of note, such monopoly assessment situations (such as Skills Org) can only be unhelpful with regard to more qualified advisers.</p> <hr/>	<p>Any tertiary provider who can provide evidence, to the satisfaction of the Committee, that they can deliver the content of Unit 26360 within an academic pathway (e.g. Level 7 degree, diploma or the like) - this ought to be seriously considered for inclusion in the Alternative Schedule.</p>

	<p>The Committee may wish to look at rewording of Code Standard 15. Was the intent of Code Standard 15 that this only focus on <u>the attainment</u> of knowledge of the Act/Code/Laws etc (unit 26360) without the skills of how to apply them (unit 25653)?</p> <p><u>Both</u> these unit standards make up the graduate outcome 5 of the <i>financial advice strand</i>. The Committee’s approach to ‘deconstruct’ one graduate outcome within the strand may not meet the intent of the standard.</p>	<p>Consideration of the Committee to require under Code Standard 15 attainment of the full financial advice strand.</p>
<p>4</p>	<p>Code Standard 16 is now very hard to follow. What is the meaning of the word ‘relevant’ below?</p> <p><i>“the financial advice strand and the investment strand are always treated as being relevant to providing a personal service involving category 1 products”</i></p> <p>This statement appears superfluous given the next sentence that attaining the NZ Certificate with both strands provides no restrictions to the AFA’s range of services.</p> <p>The exceptions in parts (a) and (b) are very hard to follow.</p>	<p>Suggest clearer drafting of required attainment rules and exceptions to these.</p>
<p>5</p>	<p>Given NZ Certificate FS Level 5 is due for review by Skills Org/NZQA in 2017 (page 1 of the qualifications details) it is very generous to give reliance on the old National Certificate Level 5, to support AFA application, to December 31 2017. We will have by then possibly three versions to choose – National Certificate and NZ Certificate version one and presumably version two.</p>	<p>Review of cut-off date suggested.</p>

Question Number	Submission (comments)	Suggestion for improvement (if any)
6	<p>Agree – but with comments and solution re Unit Standard 26360 as per question 3 above.</p> <p>Massey Graduate Diploma in Business Studies endorsed in Personal Financial Planning <u>is not</u> recognised as an alternative for the Investment and Financial Advice strands – even though it would be likely the content of this qualification meets the graduate outcomes of these two strands.</p> <p>CPIT Graduate Diploma in Personal Financial Planning <u>is not</u> recognised as an alternative for the Investment and Financial Advice strands – even though it would be likely the content of this qualification meets the graduate outcomes of these two strands.</p>	<p>Any tertiary provider who can provide evidence, to the satisfaction of the Committee, that they can deliver the content of Unit 26360 within an academic pathway (e.g. Level 7 degree, diploma or the like) - ought to be seriously considered for inclusion in the Alternative Schedule.</p> <p>Any tertiary provider who can provide evidence, to the satisfaction of the Committee, that they can deliver the content of the strands of the NZ Certificate Level 5 in Financial Services within an academic pathway (e.g. Level 7 degree, diploma or the like) - ought to be seriously considered for inclusion in the Alternative Schedule.</p>
7	<p>Agree – defined majors or diplomas (as above) are easily recognised as ‘Alternatives’ to the NZ Certificate Level 5 <u>but not</u> specific paper sets.</p>	<p>It would be helpful if the Code Committee outlined and published its expectations, with regard to consideration of a degree, degree major or graduate diploma for the Competence Alternative Schedule (e.g. mapping of paper outcomes to those graduate outcomes in the NZ Certificate)</p>
8	<p>We do not consider that the new Code Standard 8(b) and the FMA guidance note on limited personalised advice are aligned.</p>	<p>We would suggest that there should be more consultation with the FMA, Code Committee and the Stakeholder Engagement Group to make the intended rules more explicit and workable.</p>
9	<p>No comment</p>	
10	<p>No comment</p>	