

# Questions from FAP full licence application form – Class 1 licence

This document contains the questions you will be asked when applying for a Class 1 Financial Advice Provider full licence. It should be read alongside our [guide to full licensing](#). For more information about the new financial advice regime, [see our website](#).

**These questions are provided here for reference only – your answers must be submitted through the online application form.**

## Document history

---

**Version 2 updates:**

Provided generic wording changes that simplified and provided greater clarity in the questions asked.

Fit & Proper section: Additional question asked of directors and senior managers in respect of a position of trust, fiduciary appointment or similar.

## Class 1: Providing advice to retail clients – full licence

- Class 1 Financial Advice Provider, can provide advice directly only, or
- Class 1 Financial Advice Provider, Sole Adviser Practice
- These are the questions asked in an application to apply for a Class 1 licence to provide a financial advice service in New Zealand.
- There are 23 sections that need to be answered. The actual questions asked in the application form will depend on the structure of the applicant. E.g. If the applicant is an individual or an organisation, and if they have any relevant parties.
- We ask for your Financial Service Provider (FSP) number. The name linked to this number will appear on your licence so it's important you make sure it's correct.
- If you're a financial adviser applying for a financial advice provider licence, you should provide your business's FSP number unless you are applying for a licence as an individual under your own name, in which case you would enter your individual FSP number.
- The cost for a Class 1 FAP (single adviser) is \$703.80 including GST.

### Applicant details

#### **Name of Applicant:**

#### **What is your FSP Number?**

If you don't have an FSP number, you can apply at [FSP register](#)

#### **NZ business number (if applicable)**

- You must register as a financial service provider on the Financial Service Providers Register before completing an application form for a financial advice provider licence.
- For information on how to correctly register on the FSPR, see the Companies Office's website.
- Your selection here will not limit what you can do in the future.
- Providing financial advice on financial products is when a provider (either directly or through a financial adviser or nominated representative):
  - makes a recommendation or gives an opinion about buying or selling financial advice products

## Business structure

### Do you offer financial advice in any jurisdiction outside of New Zealand?

Answer: Yes/No

If yes, select all overseas jurisdictions in which you are licensed and/or regulated for Financial Advice Services. Each country must be entered individually.

### How long have you been providing financial advice in the New Zealand market?

- New to the market
- Less than 6 months
- 6 months to 1 year
- From 1 – 3 years
- From 3 – 5 years
- Over 5 years

Where applicable, please provide the Web page URL that relates to your provision of financial advice.

How many NZ retail financial advice customers/clients do you currently have?

How many NZ wholesale financial advice customers/clients do you currently have?

If an organisation, are you proposing to appoint any new directors or senior managers who will need to be assessed as part of this licence application?

Answer: Yes/No

Do you provide financial advice on any products that you, or any other entity listed on this licence application, manufacture?

Answer: Yes/No

Do you intend to apply for another FMC licence?

Answer: Yes/No

If yes, please provide details of the other licences you intend to apply for. Please include the specific services that will be covered by each licence plus an estimate of when those applications will be submitted.

## Outsourcing

**Which functions will you outsource? Please tick all that apply.**

- Oversight and compliance functions
- Record Keeping and IT services (e.g. Digital CRM)
- Training
- Advice services
- Digital advice
- None of the Above

If any outsourcing, have you conducted due diligence on each outsource provider and is a contractual agreement in place?

Answer: Yes/No

If no, please explain how you will ensure that you comply with the outsourcing licence condition.

## Business continuity

**Do you have Professional Indemnity Insurance?**

Answer: Yes/No

**Do you have approved, documented business continuity arrangements?**

Answer: Yes/No

If Yes,

When were your approved, documented arrangements last reviewed and tested?

When are your approved, documented arrangements scheduled for next review and test?

If No, please explain how you will ensure that you comply with the business continuity and technology systems licence condition.

## Cyber security

**Do you have an approved, documented cyber security policy?**

Answer: Yes/No

If Yes,

When was your approved, documented policy last reviewed?

When is your approved, documented policy due for its next review?

If no, please explain how you will ensure that you comply with the business continuity and technology systems licence condition.

## Relevant parties

**Do you act jointly or in concert with any individual or organisation?**

**Do you act, or are accustomed to acting in accordance with the wishes of another individual or organisation?**

**Is there any other individual or organisation who is able, directly or indirectly, to exert a substantial degree of influence over your activities?**

Answer: Yes/No

If yes, please provide details of each relevant party

*(If an individual, their full legal name, date of birth and gender*

*If an entity, their full legal business name.)*

FSP No. (if applicable)	NZBN (if applicable)	Legal Name	DoB (if applicable)	Gender (if applicable)

## Products and services

**Under this licence, what types of financial advice will be provided to your clients? Please tick all that apply.**

- Investment Planning Services
- Financial advice on financial products
- Switching funds within a Managed Investment Scheme (including KiwiSaver)

**In relation to the types of financial advice provided to your clients, what products will that financial advice cover? Please tick all that apply.**

- KiwiSaver Schemes
- Other Managed Investment Schemes
- DIMS
- Debt Securities
- Equity Securities
- Derivatives
- Personal Risk Insurances
- Fire and General Insurances
- Other Insurances
- Mortgage Products/Consumer Credit Contracts
- Other Financial Advice Products
- None of these financial advice services – this FAP, including any persons engaged by them, does not provide advice to their own clients.

**What types of financial advice will you (or any person you engage) provide on behalf of another FAP, to the clients of that other FAP? Please tick all that apply.**

- Investment Planning Services
- Financial advice on financial products
- Switching funds within a Managed Investment Scheme (including KiwiSaver)

**In relation to the types of financial advice provided on behalf of another FAP, to the other FAP's clients, what products will that financial advice cover? Please tick all that apply.**

- KiwiSaver Schemes
- Other Managed Investment Schemes
- DIMS
- Debt Securities
- Equity Securities
- Derivatives
- Personal Risk Insurances
- Fire and General Insurances
- Other Insurances
- Mortgage Products/Consumer Credit Contracts
- Other Financial Advice Products

If 'none of these financial advice services' is selected for both the above questions, based on your answers, you (and any persons you engage) do not provide any financial advice. Please explain why you require a licence.

## Engagement methods

(if providing advice to other FAP's clients)

### Providing Advice to Other FAP's Clients

#### How many other FAPs will engage you?

*Please note that after this licence application has been submitted, the FMA may ask for a further list of the other FAPs that:*

- 1. Engage you to provide financial advice to the other FAP's clients on the other FAP's behalf. Note also that the other FAP engaging the applicant, will require a condition on their licence.*
- 2. Indirectly engage Financial Advisers and or Nominated Representatives through you as an Interposed Person. Note also that the other FAP, engaging FAs and NRs through the applicant will require a condition on their licence.*
- 3. Engage the same Financial Advisers and or Nominated Representatives as you.*

#### Are you an Interposed Person for another FAP?

#### Are you an Engaged Entity for another FAP?

## Client money and client property service

**Will you provide client money services as part of your financial advice business?**

Answer: Yes/No

**Will you provide client money services outside of your financial advice business?**

Answer: Yes/No

**Do you use portfolio administration services for client investments and reporting?**

**Will you provide Client Property services as part of your financial advice business?**

Answer: Yes/No

**Will you provide Client Property services outside of your financial advice business?**

Answer: Yes/No

## Capabilities and qualifications

### Meeting Competency Requirements

**How does your sole adviser meet the competency requirements in the Code?**

Please tick all that may apply:

- Was an Authorised Financial Adviser, (AFA) immediately prior to commencement of the Code
- Awarded the NZ Certificate in Financial Services (Level 5), version 1
- Awarded the NZ Certificate in Financial Services (Level 5), version 2
- Awarded the National Certificate in Financial Services (Financial Advice) (Level 5)
- Partially completed the NZ Certificate in Financial Services (Level 5), version 1
- Partially completed the NZ Certificate in Financial Services (Level 5), version 2
- Partially completed the National Certificate in Financial Services (Financial Advice) (Level 5)
- Alternative qualification that has been independently verified by a NZQA third party as being equivalent
- Alternative qualification that has not been independently verified by a NZQA third party as being equivalent
- Has experience that has been independently verified by a NZQA third party as being equivalent
- Has experience that has not been independently verified by a NZQA third party as being equivalent
- Relying on their procedures, systems and expertise
  - Please explain how you will meet the competency requirements of the Code using your own procedures, systems and expertise.
- Any other means not listed above
  - Please explain how you will meet the competency requirements of the Code using other means.



## Maintaining competence

**Do you have an approved documented process to ensure that all persons providing advice under this licence maintain their competency?**

If Yes

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If No

Please explain how you will ensure that the standard in the Code to keep competence, knowledge and skills up to date is complied with.

## Oversight and compliance functions

**What is included in the scope of your oversight and compliance functions: Please tick all that apply.**

- Advice Operations
- Governance
- Systems & Procedures
- Persons giving financial advice
- FAP and Interposed Persons that engage others to give advice
- Code of Conduct
- Reporting and notification to the FMA
- Standard conditions on the licence

## Customer care and handling conflicts

### Conflicts of interest

#### Do you have an approved, documented process on how to handle conflicts of Interest?

If Yes

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If No, please explain how you will ensure that the interests of clients are prioritised.

### Provision of financial advice

#### Do you have an approved, documented process that explains how financial advice should be provided?

If Yes

What does your provision of financial advice process cover? Please tick all that apply.

- On-boarding
- Customer Due Diligence
- Steps to deliver financial advice
- How to select a financial product from an approved or recommended list of financial products
- Disclosure obligations
- Explaining nature and scope of advice and testing client understanding
- Client suitability assessment
- Monitoring and testing the advice with clients

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If No, please explain how you will ensure that you comply with your legislative obligations relating to the provision of financial advice.

## Code of conduct

### **Do you have an approved, documented process to ensure that the advice provided under this licence complies with the Code?**

If Yes

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If no, please explain how you will ensure that you comply with the standards set in the Code.

## Complaints handling

### **Do you have an approved, documented process detailing how complaints will be handled?**

If Yes

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If No, please explain how you will ensure that you comply with the complaints handling licence condition.

## Record keeping

### **Do you have an approved, documented process on record keeping?**

If Yes

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If No, please explain how you will ensure that you comply with the record keeping licence condition.

## Reviewing conduct

### **Do you have an approved, documented process to review your conduct and the conduct of all persons providing financial advice under this licence?**

If Yes

Does your process to review conduct cover how to identify and rectify poor conduct and how to apply lessons learned to improve conduct?

If Yes

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If No, please explain how you will ensure that you review conduct.

## Digital advice

### Do you have a digital advice facility?

Answer: Yes/No

If yes, do you have an approved, documented process to monitor and maintain your digital advice service?

If yes, what does your process to monitor and maintain your digital advice service cover. Please tick all that apply

- Disclosure obligations
- Client suitability assessment
- When and how a customer can and should talk to an adviser for advice
- When and how to suspend the service

When was your approved, documented process last reviewed?

When is your approved, documented process due for its next review?

If No, please explain how you will ensure that you monitor and maintain the financial advice provided through your digital advice facility.

## Applicant's sign off

**I confirm that the applicant has processes in place to ensure that any person, who gives financial advice under this licence complies with their duties and obligations.**

## Fit and proper

### **FIT AND PROPER: INDIVIDUALS**

These questions relate to you as an individual. Responses must include matters in New Zealand and overseas.

#### **Have you ever been convicted for a criminal offence relating to:**

- dishonesty
- fraud, or
- misleading or deceptive conduct?

You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

If yes, please provide full details of all relevant convictions.

#### **Have you ever been the subject of a civil or criminal proceeding, or any action or decision taken or made by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents,

#### **which resulted in your:**

- being found guilty or liable, or having a penalty or order imposed against them\*,
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

\*You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

If yes, please provide full details of all relevant proceedings, actions and decisions.

**Have you ever been a director or senior manager for an entity at a time the entity was the subject of a civil or criminal proceeding, action or decision taken or made by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents,

**which resulted in the entity:**

- being found guilty or liable, or having a penalty or order imposed against it,
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

If yes, please provide full details of all relevant proceedings, actions and decisions.

**Has the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents,

**ever issued a warning about or to:**

- you, or
- an entity where you were employed as a director or senior manager at the time the warning was issued or when any event relating to the issue or warning occurred?

If yes, please provide full details of all relevant warnings.

**Are you currently the subject of any investigation (or charges) for criminal offending relating to:**

- dishonesty,
- fraud, or
- misleading or deceptive conduct?

If yes, please provide full details of all relevant investigations and charges.

**Are you currently the subject of any investigation or proceeding started (or decided) by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited
- New Zealand Police
- Inland Revenue, or
- any of their predecessors, successors or overseas equivalents?

If yes, please provide full details of all relevant investigations and proceedings.

**Have you ever been:**

- dismissed
- asked to resign, or
- subject to disciplinary proceedings

**resulting from, or in respect of, a position of trust, fiduciary appointment, or similar (in New Zealand or overseas)?**

If yes, please provide full details of all relevant incidents.

**OR**

**ORGANISATIONS:**

**FIT & PROPER: DIRECTORS AND SENIOR MANAGERS**

These questions relate to the directors and senior managers of the applicant. Responses must include matters in New Zealand and overseas.

**I confirm that the current directors and senior managers of the applicant are correctly listed on the FSPR.**

**Have any of the directors or senior managers ever been convicted for a criminal offence relating to:**

- dishonesty
- fraud, or
- misleading or deceptive conduct?

You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

If yes, please provide full details of all relevant convictions:

**Have any of the directors or senior managers ever been the subject of a civil or criminal proceeding, or any action or decision taken or made by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

which resulted in their:

- being found guilty or liable, or having a penalty or order imposed against them\*,
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

\*You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

If yes, please provide full details of all relevant proceedings, actions and decisions:



**Have any of the directors or senior managers ever been a director or senior manager for an entity at a time the entity was the subject of a civil or criminal proceeding, action or decision taken or made by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

which resulted in the entity:

- being found guilty or liable, or having a penalty or order imposed against it,
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

If yes, please provide full details of all relevant proceedings, actions and decisions:

Has the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents

ever issued a warning about or to:

- any of the directors or senior managers, or
- an entity where any of the directors or senior managers, were also employed as directors or senior managers at the time the warning was issued or when any event relating to the issue or warning occurred?

If yes, please provide full details of all relevant warnings:

Are any of the directors or senior managers currently the subject of any investigation (or charges) for criminal offending relating to:

- dishonesty,
- fraud, or
- misleading or deceptive conduct?

If yes, please provide full details of all relevant investigations and charges:

Are any of the directors or senior managers currently the subject of any investigation or proceeding started (or decided) by the:

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited
- New Zealand Police
- Inland Revenue, or
- any of their predecessors, successors or overseas equivalents?

If yes, please provide full details of all relevant investigations and proceedings:

Have any of the directors or senior managers ever been:

- dismissed
- asked to resign, or
- subject to disciplinary proceedings

resulting from, or in respect of, a position of trust, fiduciary appointment, or similar (in New Zealand or overseas)?

If yes, please provide full details of all relevant incidents:

## **REGULATORY ACTION: APPLICANT - asked if the applicant is an entity**

These questions relate to you as the entity applying for this licence. Responses must include matters in New Zealand and overseas.

**Have you ever been the subject of a civil or criminal proceeding, or any action or decision taken or made by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents,

**which resulted in your (or their):**

- being found guilty or liable, or having a penalty or order imposed against you or them
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

If yes, please provide full details of all relevant proceedings, actions and decisions.

**Has the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents,

**ever issued a warning about or to you?**

If yes, please provide full details of all relevant warnings:

**Are you currently the subject of any investigation or proceeding started (or decided) by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- New Zealand Police
- Inland Revenue, or
- any of their predecessors, successors or overseas equivalents?

If yes, please provide full details of all relevant investigations and proceedings:

## REGULATORY ACTION: RELEVANT PARTIES

These questions relate to your relevant parties. Responses must include matters in New Zealand and overseas.

**Have any of your relevant parties ever been convicted for a criminal offence relating to:**

- dishonesty
- fraud, or
- misleading or deceptive conduct?

You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

If yes, please provide full details of all relevant convictions:

**Have any of your relevant parties ever been the subject of a civil or criminal proceeding, or had any action or decision taken or made by the:**

- FMA
- Commerce Commission
- Registrar of Companies
- Registrar of Financial Service Providers
- Reserve Bank of New Zealand
- Takeovers Panel
- Serious Fraud Office
- Department of Internal Affairs
- NZX Limited, or
- any of their predecessors, successors or overseas equivalents,

**which resulted in them:**

- being found guilty or liable, or having a penalty or order imposed against them\*,
- having a licence or authorisation declined, suspended or cancelled (in any profession, role or industry), or
- being banned from participating in, or refused entry to any profession, role or industry?

You do not need to answer yes if the conviction is eligible for concealment under the Criminal Records (Clean Slate) Act 2004. This includes convictions made overseas that would be eligible for concealment if made in New Zealand.

If yes, please provide full details of all relevant proceedings actions and decisions:

## Declarations – confirmation and consent

### Warning

If you knowingly provide false information you may commit an offence. You could also jeopardise your licence. For the purpose of verifying information provided in the application process, the Financial Markets Authority (FMA) may seek further information from the applicant or from a third party.

Under section 412 of the Financial Markets Conduct Act 2013 (FMC Act), a licensee must report to the FMA if a licensee believes that the information provided in applying for a licence under the FMC Act is false or misleading in a material way. The FMA may exercise powers under section 414 of the FMC Act, including the power to suspend or cancel a licence, if the information provided by a licensee in applying for a licence is false or misleading in a material way.

Under section 512 of the FMC Act, every person commits an offence who, with respect to a document required by or for the purposes of the FMC Act, makes, or authorises the making of, a statement in it that is false or misleading in a material particular knowing it to be false or misleading and is liable on conviction to imprisonment for a term not exceeding five years, a fine not exceeding \$200,000, or both.

Complete the relevant declaration according to your business structure (verifying that information provided is true and correct)

### Licensing contact

Full name

Position

Date