

Who will need a licence to provide financial advice?

The changes to how we regulate financial advice in New Zealand mean only those operating under licensed financial advice providers can give advice to retail clients.

This advice can be provided in various ways, including directly through online facilities such as digital advice, or through financial advisers or nominated representatives.

If you're currently an authorised or registered financial adviser, you can choose whether you would like your business to become a licensed financial advice provider or if you would rather work on behalf of someone else who holds a licence.

You will need your own licence if...

You want to be a financial advice provider and continue providing advice on your own account to your own clients – for example, you run your own business now and want to continue doing this.

As a financial advice provider, you can invite other advisers to operate under your licence.

Your licence can be in your business name (if you're a company or a partnership) or your individual name. If the licence is in your individual name you must refer to yourself as a financial advice provider – not a financial adviser.

You won't need your own licence if...

You want to be a financial adviser or nominated representative who provides advice on behalf of another financial advice provider – for example, you work for a financial advice firm or bank. In this case, the person or business you are working for must hold a licence.

You only want to provide advice to wholesale clients. If that is the case you won't need a licence but certain duties will still apply – such as the duty to give priority to your client's interest when there is a conflict, and to exercise care, diligence and skill when giving advice. Refer to the [legislation](#) to learn which duties apply.

About licensing

To help you transition to the new regime, there will be two phases to the licensing process – transitional and full. This will make the changes smoother and more manageable, particularly in relation to competency requirements.

Transitional licensing

Transitional licensing provides us with a better sense of who is operating in the market – enabling us to anticipate the number of full licence applications and resources needed for ongoing monitoring and supervision.

As part of the application process, we will ask you to provide initial details about your business, such as the types of services and products you will provide advice about, and who will be providing advice under your licence.

You can apply for your transitional licence online from Monday 25 November 2019. We recommend you submit your application as soon as possible (ideally, before the end of 2020), to ensure we have time to process it before the start of the new regime.

All transitional licences approved during the licence application window will take effect from 15 March 2021 (even if we approve your application earlier) and will be in force for two years.

For more information read our [transitional licensing application guide](#).

Full licensing

You will need to obtain a full licence by the time your transitional licence expires in early 2023 – unless you've decided instead to operate under another financial advice provider's licence or no longer provide financial advice to retail clients.

The process of applying for a full licence will be more comprehensive than transitional licensing and the information you need to provide will vary depending on factors such as:

- the nature and size of your business and the services you provide
- whether you're a single adviser business, or engage financial advisers and nominated representatives.

We will provide more details about full licensing, including how and when to apply, later this year.

What you can do now

- Decide how you want to operate in the new regime – under your own licence or someone else's. Our [Explore your options](#) tool is a good place to start, but we also recommend you seek professional advice to ensure you choose an approach that is right for your business and clients.
- Learn about your [duties under the new regime](#).
- Read more about [liability and enforcement](#) in the new regime.
- Read the [code of professional conduct](#) to find out the standards of conduct and client care, and competence, knowledge and skill you must meet. Understand how the competency safe harbour might apply to you, and start to think about how to meet any skills or knowledge gaps.
- Visit the MBIE website for information on [fees and levies](#).
- Read the [standard conditions](#) that will apply to all transitional licence holders from the start of the new regime in early 2021.
- Make sure you're [registered correctly on the FSPR](#) and that your contact details are up to date.

Where to get more information

Contact us

Email questions@fma.govt.nz or call us on 0800 434 567 (+64 3 962 2698 if calling from overseas) to ask us a question or give us feedback.

Keep an eye on our website

We regularly post updates on [our webpage](#). You'll also find answers to frequently asked questions and definitions of technical terms used to describe the new regime.

Subscribe to our news and alerts

By [subscribing to our alerts](#) you can ensure you are up to date with the latest news on financial advice changes, including upcoming events.