

Questions from FAP full licence application form – Class 3 licence

This document contains the questions you will be asked when applying for a Class 3 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 3: Providing advice to retail clients – full licence

- Class 3 Financial Advice Provider, engaging both Financial Advisers and Nominated Representatives
- These are the questions asked in an application to apply for a Class 3 licence to provide a financial advice service in New Zealand.
- There are 25 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 3 FAP is \$1060.30 plus each Authorised Body will cost \$178.25.

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

Do you want to include any Authorised Bodies on this licence application?

NOTE: Authorised Bodies are asked the same questions as the applicant.

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?

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, Record Keeping)
- 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? or

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

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

How will financial advice be provided to your clients?

Financial Advisers

How many Financial Advisers will you directly engage to provide financial advice to your clients?

How many Financial Advisers will you indirectly engage through an Interposed Person to provide financial advice to your clients?

How many Interposed Persons will you engage these Financial Advisers through?

For the questions in this section we want to know only about other Interposed Persons providing the applicant with Financial Advisers.

[Click here](#) for more information.

If more than one Interposed Person will provide the applicant with Financial Advisers, you will need to enter their details individually.

Details of Interposed Person providing Financial Advisers

For the questions in this section we want to know only about other Interposed Persons providing the applicant with financial advisers.

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

If an entity, enter the FSP/NZBN numbers as applicable, and full legal business name.)

FSP No. (if applicable)	NZBN (if applicable)	Legal Name, DoB and gender (as applicable)	Does the applicant have a contractual agreement with this Interposed Person who provides the applicant with Financial Advisers?
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Nominated Representatives

How many Nominated Representatives will you directly engage to provide financial advice to your clients?

How many Nominated Representatives will you indirectly engage through an Interposed Person, to provide financial advice to the applicant's clients?

How many Interposed Persons will you engage these Nominated Representatives through?

Details of Interposed Person providing Nominated Representatives

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

If an entity, enter the FSP/NZBN numbers as applicable, and full legal business name.)

FSP No. (if applicable)	NZBN (if applicable)	Legal Name, DoB and gender (as applicable)	Do you have a contractual agreement with this Interposed Person?
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Engaged Entities

How many entities will you engage to provide financial advice to your clients on your behalf?

For the questions in this section we want to know only about the Engaged Entities, providing FAPs on the applicant's behalf to the applicant's clients.

If more than one Engaged Entity will provide FAPs to the applicant's clients on the applicant's behalf, you need to enter their details individually.

Details of Engaged Entities, providing Financial Advice Providers, on the applicant's behalf, to the applicant's clients.

If an entity, enter the FSP/NZBN numbers as applicable, and full legal business name.)

FSP No. (if applicable)	NZBN (if applicable)	Legal Name	Does the applicant have a contractual agreement with this Engaged Entity?
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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 whom:

- 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

Do you have an approved, documented policy to ensure that all persons providing advice under this licence meet the competence, knowledge and skill requirements of the Code?

Under your policy, in which ways can a person meet the competency requirements? Please tick all that may apply:

- Completing the relevant strands of the level 5 certificate - NCFS, NZCFS v1 or NZCFS v2
- Was an Authorised Financial Adviser, (AFA), permitted to provide the relevant financial adviser services, immediately prior to commencement of the Code
- Using an alternative qualification that has been independently verified by a NZQA third party as being equivalent
- Using experience that has been independently verified by a NZQA third party as being equivalent
- Relying on the FAP's own procedures, systems and expertise
 - Please explain how a person will meet the competency requirements of the code using your own procedures, systems and expertise.
- Any other means not listed above
 - Please explain how a person will meet the competency requirements of the Code under your policy using other means.

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 the standards of competence knowledge and skill in the Code are complied with.

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.

Director & senior manager roles

Do you have an approved documented policy to ensure that your directors and senior managers have the right skills and experience for their roles, both on commencement and on-going?

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 your directors and senior managers are capable of performing their roles to ensure good governance.

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

Nominated representatives

Do you have approved, documented processes and controls which limit the nature and scope of the financial advice given by Nominated Representatives on your behalf?

If No

Please explain how you will ensure that you comply with your duties to engage Nominated Representatives?

If Yes

When were your approved, documented processes and controls last reviewed?

When are your approved, documented processes and controls due for their next review?

Do you ensure that your Nominated Representatives understand and follow processes that are specific to their role as a Nominated Representative and the controls and systems used to manage the advice they provide?

Do you have approved, documented processes and controls which allow you to regulate the financial advice given, plus the circumstances in which it is given, by Nominated Representatives?

If Yes

When were your approved, documented processes last reviewed?

When are your approved, documented processes due for their next review?

Do these processes monitor the financial advice provided by Nominated Representatives to ensure that your processes are being followed and the advice provided complies with your duties in relation to Nominated Representatives?

How often do you monitor the financial advice that is provided by your Nominated Representatives?

- Monthly
- Quarterly
- Half yearly
- Annually

If no, please explain how you will ensure that you comply with your duties to engage Nominated Representatives.

I confirm that the applicant has processes in place to ensure that they comply with their duty provisions regarding engaging Nominated Representatives.

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 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 the FAP will ensure that they monitor and maintain the financial advice provided through its 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.

Applicant's processes for authorised bodies

Does the applicant have an approved documented process in place to ensure that the Authorised Body's directors and senior managers are, and remain, fit and proper persons to hold their respective positions?

If yes

When was the applicant's approved documented process last reviewed?

When is the applicant's approved documented process due for its next review?

If no, please explain how the applicant will ensure that the Authorised Body's directors and senior managers are, and remain, fit and proper persons to hold their respective positions.

Does the applicant have an approved documented process in place to ensure that the Authorised Body understands and complies with their obligations under a Financial Advice Provider licence?

If yes

When was the applicant's approved documented process last reviewed?

When is the applicant's approved documented process due for its next review?

If no, please explain how the applicant will ensure that the Authorised Body understands their obligations under a Financial Advice Provider licence.

Does the applicant have an approved documented process in place enabling oversight (via reporting and timely remediation) of the provision of financial adviser services by, and on behalf of, the Authorised Body?

If yes

When was the applicant's approved documented process last reviewed?

When is the applicant's approved documented process due for its next review?

If no, please explain how the applicant will ensure that it has oversight of the Authorised Body.

What mechanisms does the applicant have in place to require the Authorised Body to make changes to their processes to ensure they comply with their licence obligations?

Please tick all that apply.

- the Authorised Body is a related body corporate
- the applicant has a contractual agreement with the Authorised Body to monitor and ensure ongoing compliance
- none of the above

If none of the above is selected, please explain how the applicant will ensure that the Authorised Body will meet their licence obligations.

Fit and proper

FIT AND PROPER: DIRECTORS AND SENIOR MANAGERS

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

I confirm that the current directors and senior managers of the applicant and each Authorised Body included in this licence application 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 AND AUTHORISED BODIES

These questions relate to you as the entity applying for this licence plus all Authorised Bodies named on this licence application. Responses must include matters in New Zealand and overseas.

Have you or any of your Authorised Bodies 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, or
- any Authorised Body on your licence application?

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

Are you or any of your Authorised Bodies 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