



## Financial services news update

This afternoon the Financial Advisers Act Code Committee released the following statement in relation to the baseline assessment standard for financial adviser competency:

14 August 2009

### COMMITTEE DETERMINES BASELINE STANDARD ASSESSMENT FOR FINANCIAL ADVISER COMPETENCY

The financial advisers Code Committee today elected Ross Butler as its chairman. A Nelson- based professional director, he is the former chair of the Institute of Financial Advisers.

The Code Committee is responsible for preparing an Adviser Code of Professional Conduct. The Committee will be setting minimum standards of competence for all authorised financial advisers.

At its meeting today the Code Committee focussed on the issue of competency of advisers.

The Committee agreed to the use of the National Qualifications Framework (“NQF”) to articulate in generic, measurable terms the key components of competence required by authorised financial advisers. It is noted that use of the NQF will be incremental with full implementation taking several years.

As part of initial adviser assessment, the Committee agreed to the use of an NQF Level 5 “baseline” standard assessment, centrally administered by ETITO. The Committee will decide which applicants should be assessed against this baseline standard and what further competence requirements in addition to Level 5 might be imposed on them with the detail to be confirmed as part of the Committee’s ongoing work plan.

The Committee has endorsed the use of a centrally administered assessment system, operated by ETITO (the national standards-setting body for the financial services industry), for assessment of financial advisers. ETITO will be working with the New Zealand Qualifications Authority to effect the necessary changes to the quality system governing the assessment of these standards. The Committee is supporting a moratorium on training provider accreditation to these standards until changes to the quality system have been made.

”The Committee is committed to a contestable market for training provision in the financial services industry,” Mr Butler says. “ETITO will shortly commence discussions with training providers who have an interest in delivering courses of training and education to financial services competency standards on the national qualifications framework.”

The Code is scheduled to come into effect in late 2010 when the Financial Advisers Act is implemented.

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