



## Frequently Asked Questions (FAQs)

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### Searching

#### How do you search the register?

The FSPR is an electronic register so complete your search online.

To do a 'quick search' click on the **Search the register** tab in the top right hand corner of the screen. You can also complete an Advanced search where you enter more specific search criteria - from the **Online Services - Do It Now** menu choose **Advanced search**.

- [Read more about how to search the register](#)

## Registration - who?

### Who must register as a financial service provider?

Entities and individuals who:

- live or have a place of business in New Zealand; and
- are in the business of providing financial services (in New Zealand or overseas)

must register to provide that particular financial service on the FSPR.

Those entities and individuals will have to register as a financial service provider (FSP) by 1 December 2010, or 31 March 2011 for individuals and companies providing financial advice.

The meaning of 'financial service' is defined in section 5 of the [Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#). There are some exceptions set out in section 7 of the Act, such as lawyers and accountants who provide financial services as an incidental part of their business.

Common examples of financial service providers required to register are:

- Building Societies
- Credit Providers
- Credit Unions
- [Financial Advisers](#) (including financial planners)
- Finance Companies
- Foreign Currency Exchange Dealers
- Fund Managers
- Insurers
- Investment Portfolio Managers
- Issuers
- Money Changers
- Registered Banks
- Some professional trustees (such as trustees of debt securities or superannuation scheme trustees).

Some people will have to register regardless of the location of their place of business, because they provide a licensed financial service and their licensing authority requires them to register. Individuals or companies unsure as to whether or not they will be required to register should seek their own independent legal advice.

### Related links

- [What is a financial service?](#)

### Who does not have to register?

Some individuals and entities who provide a financial service may not have to register:

- certain types of financial advisers
- lawyers, chartered accountants, tax agents, or real estate agents who provide a financial service as a necessary incident of their practice

- a non-profit organisation providing free financial services
- a trustee of a family trust providing financial services to beneficiaries
- the directors of a company that promotes an offer of securities to the public (in their capacity as an individual promoter)
- anyone in respect to a financial service provided to a related body corporate
- sole financial adviser companies where the financial adviser providing financial advice or broking services (and other related financial services) on behalf of the company is the sole director (or one of two) and senior manager and he/she is registered on the FSPR in their own name for financial adviser or broking services
- individual trustees of a trust or a registered superannuation scheme
- persons whose only or principal business is the sale of goods and non-financial services but who provide credit to customers on an interim basis in order to facilitate a sale before assigning the credit contract to a third party within one working day
- persons providing a financial service in the course of running a loyalty scheme facility -where credits are allocated with the sole purpose of promoting the goods and/or services of a non-financial service business, where the credits can be used by the holder to obtain some benefit from the business but can't be converted to cash (see Regulation 8 of the Financial Service Providers (Exemptions) Regulations 2010)
- persons providing a financial service in the course of running a gift voucher service but only where the amount of the gift facility can't be withdrawn in cash (for more information see Regulation 9 of the Financial Service Providers (Exemptions) Regulations 2010)
- Individual members of an 'angel organisation' (established to facilitate investment in innovative or start-up businesses but not invest itself) in respect of financial advice provided to other members of it, or another angel organisation – but the angel organisation itself must be registered on the FSPR (for more information see Regulation 12 of the Financial Service Providers (Exemptions) Regulations 2010)
- Lloyd's underwriters in respect of their insurance business (although the requirement to join a consumer dispute resolution scheme remains)

The list of entities and people who do not have to register is set out in [section 7 of the Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#) and there are also further exemptions in the [Financial Service Providers \(Exemptions\) Regulations 2010](#).

## Related links

Not all financial advisers have to register as financial service providers – read the [Financial Markets Authority's information for Financial Advisers](#).

[Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#)

[Financial Service Providers \(Exemptions\) Regulations 2010](#)

## Who cannot register?

There are some people who cannot register on the Financial Service Providers Register.

People who have been convicted of crimes involving dishonesty under the Crimes Act 1961, in the last five years, such as fraud, as well as anyone convicted of a money laundering, or financing of terrorism offence, will be excluded from registering or from being involved in the management of a registered financial service provider

Undischarged bankrupts and banned directors will also not be able to register.

Other disqualifications are listed in [section 14 of the Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#).

## Who is a controlling owner?

A controlling owner of a financial service provider (FSP) is any person (including another company or entity) who beneficially owns 50% or more of the FSP.

For the purposes of the FSPR, the controlling owner is the person who enjoys the benefits of owning the majority interest in the FSP, not necessarily the person named in official documents - such as a company's share register - as the legal owner. The beneficial owner is not

always the registered owner (often otherwise known as the nominee owner).

We recommend you seek legal advice if you are unsure which person or entity to name as the controlling owner.

The name of the controlling owner will not be made public on the FSPR. It is collected by the Registrar for the purposes of disqualification checks.

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## Who is a senior manager?

A senior manager of a financial service provider is a person who is not a director but occupies a position that allows the person to exercise significant influence over the management or administration of that provider (for example, a chief executive or a chief financial officer).

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## Financial advisers operating through companies

**I am a financial adviser but I operate through my own limited liability company. Do I have to register both myself individually and the company as separate financial service providers on the FSPR?**

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Regulation 6 in the new Financial Service Providers (Exemptions) Regulations 2010 deals with 'sole adviser practices'.

Your company will not have to be registered on the FSPR in its own right as a financial service provider if:

- You provide the financial adviser services (or a relevant connected service) on behalf of the company and you are the only director, or one of only two directors, and senior manager of the company;
- You are personally registered (in your individual capacity) on the FSPR.

If you wish to rely on this exemption from the need to register your company on the FSPR, you must ensure that:

- Your company joins an approved consumer dispute resolution scheme or the Reserve Scheme (if section 48 of the FSPA would otherwise have required it to join as part of its own registration);
- You give the Registrar of Financial Service Providers the name of your company so you will be linked to it for the benefit of the public and the regulators who search the register. You do this by providing the name of the company as your 'trading name' when you are asked for this in your FSPR registration application. If you are already registered on the FSPR and did not name the company in your application, you must log back on to the FSPR and update your details as soon as you can.

If you do not register your company (relying on this exemption), the company will be restricted to only providing those financial services (listed in sections 5(a) to (n) of the FSPA) for which you are personally registered.

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## Promoters of securities offered to the public

**I am a director of a company that promotes offers of securities to the public and the Securities Act deems me to also be a promoter by virtue of me holding that position. Do I have to register on the FSPR as a financial service provider (a promoter) in my own name?**

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Regulation 4 of the new Financial Service Providers (Exemptions) Regulations 2010 exempts you from having to register as a financial service provider in your own name in respect of your "participation" as a promoter in an offer of securities by the company of which you are a director.

You must however consider whether you need to separately register on the FSPR in your own name for any other financial services in section 5 of the FSPA that you provide (if any).

## Companies (and others) providing a financial service to a related body corporate

### What if my company provides financial services to a related body corporate?

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Any body corporate providing a financial service to a related body corporate (or a Limited Partnership of which the General Partner and the Limited Partner are related) is exempt from the need to register in that respect by Regulation 5 of the Financial Service Providers (Exemption) Regulations 2010.

Consideration must however be given to the need to register on the FSPR for any financial services in section 5 of the FSPA that are provided to anyone else (if any).

## Individual trustees of a trust or registered superannuation scheme

### I am a trustee of a trust or a superannuation scheme and the FSPA says that I am providing a financial service. Do I have to register on the FSPR in my own name?

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Regulation 7 of the Financial Service Providers (Exemptions) Regulations 2010 exempts individual trustees from having to register on the FSPR in their own name as individual financial service providers BUT all trustees of the trust, or the superannuation scheme, must jointly register as an unincorporated body.

A Board of Trustees can register on the FSPR as 'The Trustees of the [name] Trust' or 'The Trustees of the [name] Superannuation Scheme' (as examples). To do this, you must choose your **ENTITY TYPE** as **OTHER ENTITY** when you start your registration application. Choosing this entity type will allow you to register the Trustees as a group as an unincorporated body.

All trustees must be named in the FSPR registration application as the equivalent of 'directors' so that they can be checked for disqualification purposes under section 14 (that is, they are not an un-discharged bankrupt for example). Those details will not be available for public view on the FSPR but will be held by the Registrar of Financial Service Providers and can be shared with other regulatory agencies on request.

## How do companies in a QFE group structure register on the FSPR?

The QFE should register on the FSPR and apply for QFE status. If two or more entities wish to join together to become a single QFE, then each entity should register and apply for QFE status on the FSPR separately. (They should have submitted one joint Adviser Business Statement to the Financial Markets Authority and the Authority will consider their application accordingly.)

Entities which will become associated entities of a QFE should register as financial service providers, as necessary in accordance with the requirements of the FSP Act.

For further information on QFEs and associated entities visit [www.fma.govt.nz](http://www.fma.govt.nz).

## Do I need to register as an individual if my employer is registered?

This will depend on the types of services you are providing. The FMA's position is that individual employed financial advisers providing only wholesale or class services (or both) do not need to register, provided that their employer is a registered financial service provider (not necessarily a QFE) and remains registered.

The FMA considers that this approach is consistent with the purpose of the Financial Advisers Act and Financial Service Providers (Registration and Dispute Resolution) Act, and will adopt it in its approach to enforcement of the registration provisions. Individuals who have voluntarily opted to be authorised for wholesale and class services will still need to register as individuals. Please contact the FMA

directly if you have any questions about your particular circumstances.

## Registration - what?

### What is a financial service?

Some examples of common financial services are:

- providing [financial advice](#) (including financial planning)
- mortgages, saving and cheque accounts, and loans – services your bank, building society or credit union may offer
- insurance – including life, health, home/contents, and vehicle
- money management and/or advice
- investment management and/or advice
- consumer loans and credit – such as a retailer selling an item on credit or providing a cash loan
- foreign currency exchanges – whether buying or selling
- money transfers.

The legal definition of financial services is provided in [section 5 of the Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#).

### Related links

- [Who must register as a financial service provider?](#)
- [Authorisation of financial advisers](#)
- [Code Committee for Financial Advisers](#)

### What are the prerequisites for registration?

In order to apply to be registered, all financial service providers who provide a service to retail clients must be a member of an approved consumer [dispute resolution scheme](#), or the Government's reserve scheme.

Applicants must also ensure they are not disqualified from registration. Individual applicants must not be undischarged bankrupts or banned directors. They must have a record clear of fraud and other criminal offences specified in the [Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#) (a criminal history check will be conducted as part of the registration process). All entity applicants must ensure that their directors, [senior managers](#) and [controlling owners](#) are not individually disqualified.

All providers must pay the appropriate [fees](#).

### Do I need to join a dispute resolution scheme?

The main purpose of dispute resolution schemes is to provide consumers access to redress, and promote confidence in financial service providers.

FSPs who offer to provide a financial service to retail clients must belong to a dispute resolution scheme before they begin the registration process, except some financial advisers who will be covered by their employer's scheme membership.

Membership for the purposes of the FSPA means the FSP may be the subject of a complaint to the scheme.

There are two options – you can join an approved scheme or the Government's reserve scheme. You will need to pay the membership and complaints fees of the scheme you join in addition to the consumer dispute resolution regime administration contribution

component of the registration fee.

The scheme you join will depend on what type of FSP you are and what types the approved schemes will accept as members. The reserve scheme will take applications from any type of FSP.

## Exemptions from the need to join a consumer dispute resolution scheme

Not every FSP has to join a dispute scheme in order to be registered on the FSPR.

### Issuers

The new section 48(3) of the FSPA exempts companies who are only providing a financial service because they are participating in the offer of investments to the public (issuers and promoters) but the offer of securities is not the company's only or principal business.

### Low value non-cash payment facilities

Regulation 15 of the Financial Service Providers (Exemptions) Regulations also provides that a financial service provider will not have to join a dispute scheme in respect of any financial service (set out in section 5 of the FSPA) – other than the provision of credit – provided in the course of providing a low-value cash payment facility to users (with a maximum cap of NZ\$1,000 for individuals or NZ\$15,000 for others).

## Related links

[Ministry of Consumer Affairs' website page on Dispute Resolution](#)

[Dispute Resolution Schemes](#)

## How does a dispute resolution scheme work?

Customers - individuals or small organisations with 19 or less full time equivalent employees (FTEs) - of a financial service provider (FSP) can access the dispute resolution scheme the FSP belongs to, free of charge. However, the complainant must take their complaint to the FSP first. FSPs need to have some internal procedures to deal with complaints.

As with approved dispute resolution schemes, the reserve dispute resolution scheme will have rules about the complaints process, what the FSP has to do, and what complaints are covered by the reserve scheme.

Dispute resolution schemes that have been approved can be found [here](#).

## Related links

[Ministry of Consumer Affairs' website page on Dispute Resolution](#)

[Dispute Resolution Schemes](#)

## What is required in the application for registration?

### Learn more about the information required in an application for registration

To register, applicants are required to provide the following information:

- Name and business address
- Trading name (if different)

- Name of the approved dispute resolution scheme, or the Government's reserve scheme, of which they are a member (unless they are a financial adviser in a Qualifying Financial Entity (QFE) and covered by their employer's membership)
- Confirmation of which financial services they provide
- Postal and email address for communication
- If an individual the following additional information must be supplied:
  - any other names formerly known by
  - current residential address
  - date of birth
  - gender
- If a business entity the following additional information must be supplied:
  - the name, gender, date of birth, and residential address of each director/s, [senior manager/s](#), and [controlling owner](#)
  - details of registration if incorporated outside New Zealand.

## How much does registration cost?

Refer to the [fees page](#) for information.

## What information will show on the register?

The Financial Service Providers Register (FSPR) will show the following information:

- name (including former names, aliases, and trading names)
- FSP registration number
- business address
- the name and address of the dispute resolution scheme to which the financial service provider belongs
- the financial services the FSP provides
- the name and address of the licensing authority, if the FSP provides a licensed service
- details of any overseas incorporation.

### What information will not show on the register?

Residential addresses, dates of birth and gender information for individuals and directors, senior managers, and controlling owners will not be publicly available on the FSPR. Those details are collected by the Registrar for criminal history checking purposes and not for public view.

## What is deregistration?

The Registrar must deregister a financial service provider after a 20 working day notice period if it:

- is no longer qualified to be registered;
- is not (after 3 months), or is no longer, in the business of providing a financial service;
- has been registered because of a false or misleading representation or omission;
- has paid an application fee, annual confirmation fee, or dispute resolution levy, that has been dishonoured, declined, or reversed; or
- has not filed its annual confirmation.

The financial service provider may object to deregistration within the 20 working day notice period under [section 20 of the Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#).

The Registrar must deregister a financial service provider if the provider voluntarily requests deregistration online.

If a financial service provider is deregistered, it can no longer legally provide financial services, and it should not hold itself out as being able to do so.

## What is the annual confirmation?

Each registered financial service provider must confirm or update their registered details every year. The annual confirmation must:

- be completed online
- confirm that the provider continues to be qualified to be registered
- be accompanied by the appropriate [fees](#).

If a registered financial service provider does not file their annual confirmation, the Registrar may assume that the provider is no longer in the business of providing a financial service and deregister it.

## Related links

- [How much does registration cost?](#)

## What happens if I don't register?

Financial service providers must be registered to legally provide financial services. If they provide, or offer to provide, financial services without current registration, they are in breach of [section 11 of the Financial Service Providers \(Registration and Dispute Resolution\) Act 2008](#).

If a financial service provider provides, or offers to provide, financial services while in breach of the Act:

- individuals face up to 12 months imprisonment or a fine not exceeding NZ\$100,000
- body corporates such as companies, building societies and credit unions face a fine not exceeding NZ\$300,000.

## What do the criminal history checks cover?

Criminal history checks are carried out on every individual FSP, and all individuals in the role of a director, [senior manager](#) or [controlling owner](#) of an FSP.

The checks look for convictions that disqualify a person from being an FSP, under sections 14(d), 14(e) and 14(f) of the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

Those convictions include any under sections 217 to 266 of the Crimes Act (within the past five years), as well as convictions for money laundering or offences relating to the financing of terrorism.

## I am completing two different registrations, do I need to pay for the criminal history check twice?

Only one criminal history check is required per person within a 36 month period. If you are required to complete more than one FSP application (for example, an individual registration, and as a director of a company), to avoid multiple charges for criminal history checks you should make one application and wait for the criminal history check to be completed before submitting your next application. This will take two - five working days.

Once you have received confirmation of your successful criminal history check from the Registrar you can submit any subsequent applications and you won't be charged again for the criminal history check.

**Note** | A new criminal history check may be required within this 36 month timeframe if deemed necessary by the Registrar.

## Registration - when?

### When does the Financial Service Providers Register open?

The Financial Service Providers Register (FSPR) opened for applications in August 2010. There was a transition (implementation) period for financial service providers to meet registration requirements before registration became compulsory for most FSPs on 1 December 2010.

Financial advisers have until 31 March 2011 to register and apply for authorisation (if required).

Any other financial service provider who was not registered by 1 December 2010 is not able to legally provide financial services. Any providers who are new to the industry will have to be registered before they can legally provide a financial service after that date.

### When do I have to register by?

The Financial Service Providers Register (FSPR) opened in August 2010, with a transition (implementation) period allowing time for financial service providers to become registered before registration becomes compulsory. The compulsory date for registration for most FSPs was 1 December 2010.

Financial Advisers have until 31 March 2011 to become registered. If they require authorisation, authorisation must be complete by 30 June 2011.

QFEs and other entities whose only financial service is to employ financial advisers must register by 31 March, or their employees or nominated representatives will be required to register individually by that date. However, any such companies that also provide other financial services should have registered by 1 December.

## Registration - how and where?

### Where do I register?

The FSPR is a fully electronic register - applications for registration are made [online](#).

Applications for registration will be accepted from August 2010 (date to be confirmed).

### Related links

- [Who must register as a financial service provider?](#)
- [Registration – when?](#)

## Why do I need an igovt logon to register?

The Financial Service Providers Register and the Companies Office have adopted the igovt logon programme to benefit clients by providing a more streamlined business-government interaction.

Essentially igovt allows clients to use the same logon (username and password) across various government online services that are part of the igovt programme.

When applying to register as a financial service provider, you will automatically be taken to the igovt logon page. If you do not already have an igovt logon, you will create one at this stage and be returned to your application when your igovt logon is completed.

Read more about [igovt and becoming a registered user of the site](#).

## How does the igovt logon work?

The igovt logon service allows you to use the same logon to access various government online services. This saves you from having to remember multiple logon details for different services. The igovt logon service is secure and maintains your privacy.

Setting up your igovt logon is quick and simple. You will be required to choose a username, password and enter your email address to register. You will then be prompted to select three security questions (along with answers for each) in case we need to help you at a later date – this will help us to verify you are the right person.

If you already have an igovt logon or after creating a new one, you will then need to complete a few more details to finish setting up your new FSPR user account (Logon).

## Can an applicant provide their own criminal history check?

No. The criminal history checks required by the Registrar are performed as part of the online registration process for individuals, companies, and other entities. It is not possible to supply your own criminal history check to fulfill that registration requirement.

## Authorisation of financial advisers

Authorisation information is available on the [Financial Markets Authority website](#).

## Contacts

Check the FSPR ['Contact Us'](#) page for details.