

BUSINESS UPDATE 2010

New Services for the New Decade



COMPANIES OFFICE
FINANCIAL SERVICE PROVIDERS REGISTER

BUSINESS
UPDATE 2010
New Services for the New Decade

Financial Service Providers Register (FSPR)

Compliance with the new Acts

- New Legislation – Do you need to register? (FSPR)
- Are you an AFA? (Securities Commission)
- igovt logon (Department of Internal Affairs and FSPR)
- Contact Details



New Legislation

- Why?
 - To address consumer and government concerns about the financial industry in New Zealand
- What?
 - Two companion pieces of legislation were passed:
 - Financial Service Providers (Registration and Dispute Resolution) Act 2008
 - Financial Advisers Act 2008

What are the benefits of the new regime?

- Good for business and competition
 - Transparency and availability of business information
- Good for consumers and integrity
 - Consumers now have an avenue of redress – Dispute Resolution Schemes dedicated to financial services disputes
 - The Act prohibits certain people from being involved in the management or direction of registered FSPs
 - Consumers wanting financial advice can choose people that are registered and those that also have authorisation from the Securities Commission



What is the FSPR?

- A public, searchable register of financial service providers who operate in NZ. Examples are:
 - Financial advisers
 - Money changers
 - Credit providers
- Where is the Register held and where do FSPs apply for registration and authorisation?
 - Online at www.fspr.govt.nz from July 2010
 - Financial Service Providers Act in force from 1 December 2010
 - Financial Advisers Act in force from 1 July 2011





Who is behind the FSPR?

- The New Zealand Companies Office
 - Maintenance of the electronic Register
- Ministry of Consumer Affairs
 - Administering the financial services dispute resolution regime and establishing the government's Reserve Scheme
- Securities Commission
 - Financial advisers (AFA and RFA) and Qualifying Financial Entities (QFE) regimes



COMPANIES OFFICE



MINISTRY OF CONSUMER AFFAIRS
MANATŪ KAIHOKOHOKO



SECURITIES COMMISSION
NEW ZEALAND



What are common financial services?

- 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 when you sell an item on credit or provide a cash loan
- Foreign currency exchanges
 - Whether buying or selling
- Money transfers

The full definition of financial services is provided in section 5 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008



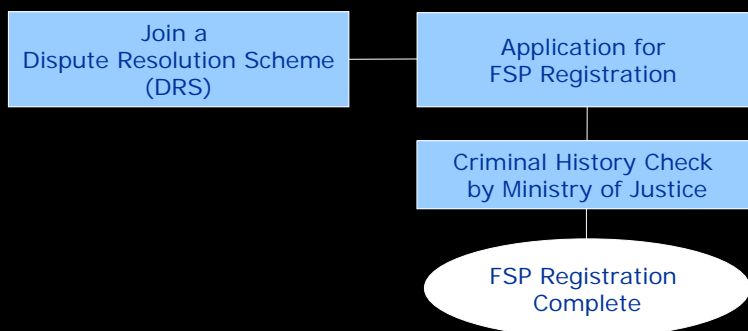
Examples of common financial service providers

- 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

Exemptions are provided in section 7 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008



Registration Process



FSPR Individual Applications

- Full legal name and any other names (formerly known by) including previous names
- Trading name(s) if different
- Current residential address* and business address in New Zealand
- Date of birth*
- Gender*
- AFAs will have additional application requirements

*Information not publicly shown on FSPR

FSPR Business Applications

- Business name
- Trading name(s) if different
- Business address
- The full legal name, gender, date of birth, and residential address of each*:
 - Director/s*
 - Controlling owner*
 - Senior manager/s*
- If overseas, identifying number from its home jurisdiction
- QFEs will have additional application requirements

*Information not publicly shown on FSPR



All FSPR applications must include:

- Postal and email address for communication
- Which financial services you provide
- Membership with an approved dispute resolution scheme OR the reserve scheme
- Confirmation that you are not disqualified from registration
- Payment of appropriate fees



Dispute Resolution Schemes

- Two options
 - One of the approved Dispute Resolution Schemes
 - Government's Reserve Scheme
- Sort your membership before beginning the registration application process
- Each scheme will have its own membership fees, requirements, and rules
- Refer to www.consumeraffairs.govt.nz for more information

Registration Fees

	Application Fees (incl. gst)	Ongoing Fees (incl. gst)
FSP application for registration	\$350	\$60
Criminal history check (per person, as required)	\$39.38	\$39.38
Consumer dispute resolution regime administration contribution	\$30	\$30

Application Timeframes

- Simple FSP registrations
 - Most will take just a few days to be approved (depending on results of criminal history check)
- Applications involving authorisation by the Securities Commission
 - will take longer due to competency and assessment requirements
- As a rule, plan to register as early as possible

What else do you need to know?

- Maintenance changes
 - Notify Registrar of any changes
- Annual confirmations
 - Required if still in business and still legally able to operate
- De-registration
 - Voluntary
 - By the Registrar
- Penalties if
 - You are no longer qualified and continue to operate
 - Operate without registration
 - Hold out that you are registered but are not

User Registration for FSPR

- igovt logon required for any transactional service
 - Information provided by Department of Internal Affairs
- User can complete transactions on behalf of them, or their organisation



igovt identity verification service



igovt logon service



Agency has assurance of user's identity online



Proves the identity of the person wishing to use agency services

UNIQUENESS



Proves that this is the same person as the last interaction

CONSISTENCY



About online identity assurance



Since the nineties the Companies Office has been **leading the development** of online transactions

igovt offers a **new generation** of functionality to existing online transactions and a platform for future services

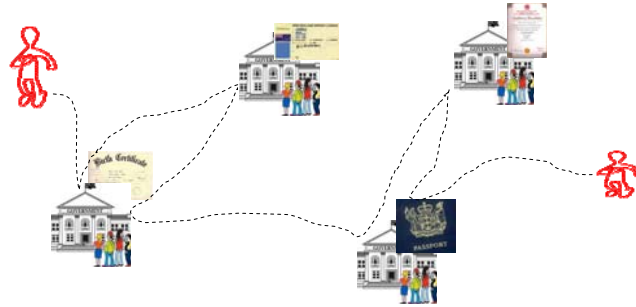
Knowing who you are dealing with and that it is the same person returning online is the key to moving from the Industrial to Information Age



www.companies.govt.nz



For the last 200 years people have had to **shuffle paper** documents between government agencies. This gives a **poor** result, is **slow**, and is **expensive** for both people and government.



From the Industrial to the Information Age



igovt enables people to unlock **online** and in **real time** their information held by government – their unique identity, whether they are a company director, what their IR number isThis gives an **excellent** result, is **fast**, and is **cheap** for businesses, people and the government.



...and in the foreseeable future

igovt

igovt logon service

igovt

- For business and people, ease of use, convenience, privacy centric single logon across government
- For agencies, affordable access to high-quality authentication methods

Eliminate need for “necklace of tokens”



igovt logon service

igovt



CROWN OWNERSHIP MONITORING UNIT



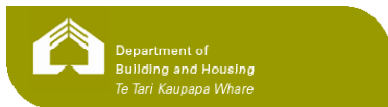
NEW ZEALAND
POLICE
Nga Pirihimana O Aotearoa

Safer Communities Together Kaupapa whai Oranga mō te iti me te rat



Agencies currently using igovt logon services

igovt



...and more are planning integrations...



Agencies currently integrating with igovt logon services



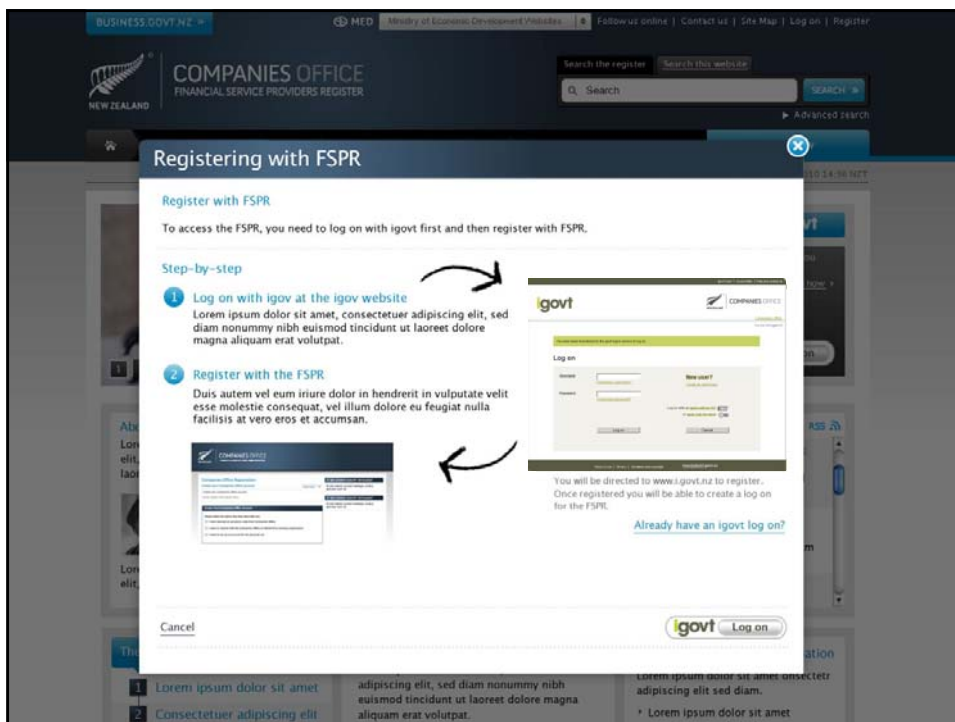
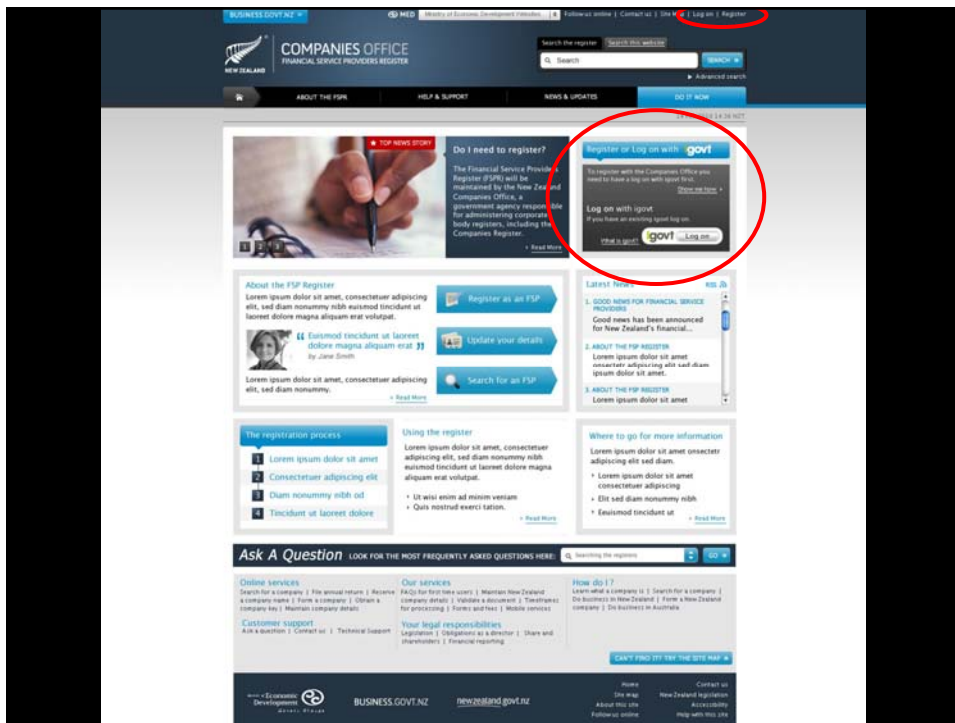
igovt identity verification service

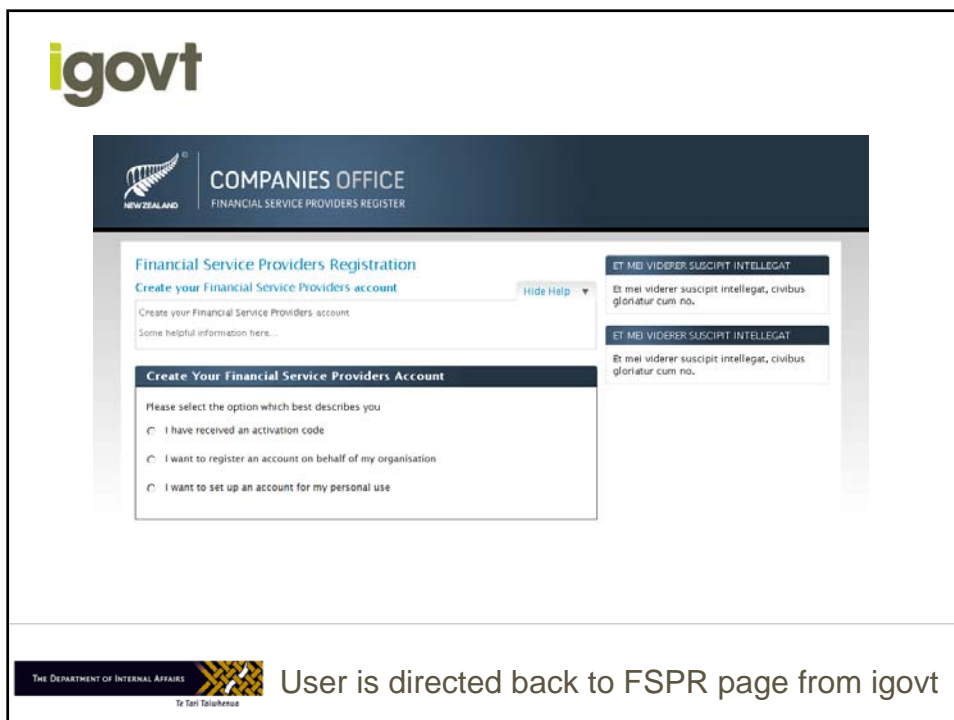


- Way to prove your identity in an online environment; like a passport; usable across multiple government services
- Launched in November 2009 with a Births Deaths & Marriages service
- Confirms the unique identity of the individual behind the logon
- Uses name, date of birth, place of birth, and sex
- Users enrol for an igovt ID with Department of Internal Affairs
- Agencies can replace document-based identity processes with igovt identity verification services
- Privacy-centric design model

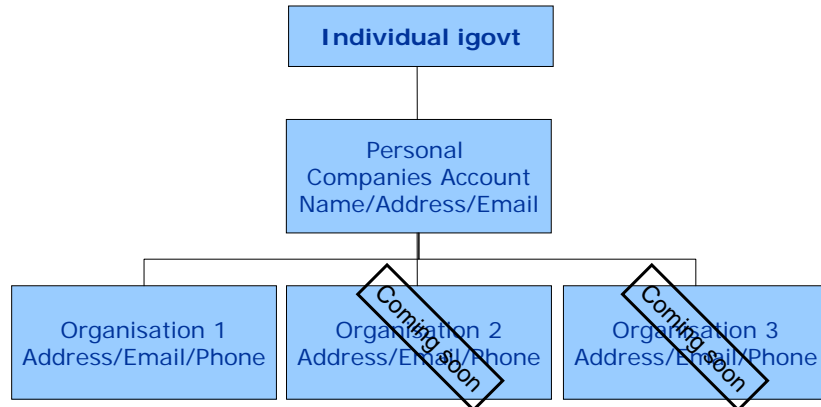


igovt identity verification service





User Registration



User Registration – setting up an organisation

- Step 1

The screenshot shows the 'Organisation Details' form. It includes the following fields and options:

- Organisation name:** A text input field.
- What category best describes your business?:** A dropdown menu with 'Accountants' selected.
- Physical address:** A section with a 'Street' text input field and a link for 'Enter Address Manually (or Overseas)'. Below this is a light blue shaded area.
- Postal address:** Two radio button options: 'Same as physical address' (selected) and 'New address...'. Below these are input fields for 'country', 'area', and 'number'.
- Phone:** A text input field with a '+64' prefix.
- Mobile:** A text input field with a '+64' prefix.
- Fax:** A text input field with a '+64' prefix.

Cancel

CONTINUE

User Registration – setting up an organisation

- Step 2

Your Contact Details at fridaytm

* First name:

Middle name:

* Last name:

* Email:

* Confirm email:

* Phone: country area number

* Mobile:

* Fax:

User Registration – setting up an organisation

- Step 3

Thank You for Registering with the FSPR

* Do you want to set up a direct debit as a payment option?
 Yes
 No

If you wish to set up direct debit as a payment option, please enter your bank details below.

[Bank details](#)

* Bank account name:

* Bank account number:

Bank (2) Branch (4) Account (7) Suffix (2-3)

* Email address for direct debit form:

* Email address for tax invoice:



To summarise:

- If in doubt, check with your lawyer about your need to register
- Get your dispute resolution scheme membership sorted before you start to register
- If you need to be authorised, get ready now – Securities Commission has the information you need
- Online help available throughout the registration process
- Registration is designed to be simple and easy, but if you need help, FSPR provides online help and a freephone



FSPR Contacts - Registration

Website		www.fspr.govt.nz
Email		info@fspr.govt.nz
Phone		0508 FSPR INFO (377 746)
Blog		http://blog.companies.govt.nz
Twitter		coming soon
Facebook		coming soon





FSPR Contacts – Other useful sites

Website		www.consumeraffairs.govt.nz
Website		www.seccom.govt.nz
E-mail		AFAenquiries@seccom.govt.nz
E-mail		QFEnquiries@seccom.govt.nz
Website		www.afacompetence.org.nz
Website		www.financialadvisercode.govt.nz



Legislation

- Financial Service Providers (Registration and Dispute Resolution) Act 2008:
 - www.legislation.govt.nz/act/public/2008/0097/latest/DLM1109427.html
- Financial Advisers Act 2008:
 - www.legislation.govt.nz/act/public/2008/0091/latest/DLM1584202.html
- Financial Service Providers (Pre-Implementation Adjustments) Bill
 - www.parliament.nz/en-NZ/PB/Legislation/Bills/a/c/1/00DBHOH_BILL9712_1-Financial-Service-Providers-Pre-Implementation.htm
 - www.legislation.govt.nz/bill/government/2009/0109/latest/DLM2607807.html

