



Quick DIY Compliance Checklist

ALL ADVISERS

My registration status

Y / N	Am I correctly registered?
Y / N	Am I registered for services I will not provide this coming year e.g.: DIMS?
Y / N	Have I inadvertently forgotten to register for some services I do provide?
Y / N	Do I truly understand what the registration categories mean?

Check out your registration by going to www.fspr.govt.nz

Knowledge competency and skill

Y / N	Do I understand what services I am actually providing?
Y / N	Do I have some recognised qualification (e.g.: NZCFS Level 5) and sufficient compliant client files to confirm that I have the knowledge, competency and skill to provide quality professional advice to my clients?

Advice suitability

Y / N	How can I prove that the advice I have provided is suitable for my clients?
Y / N	Have I read AFA Monitoring Report 1 January – 30 June 2014 and the FMA Sales and Advice Report – November 2015
Y / N	Have I read the Guide to the FMA's view of conduct - February 2017?

Misleading or deceptive conduct

Y / N	Do I understand my conduct obligations relating to what could be defined as being misleading or deceptive?
Y / N	Is all my personal or company advertising and marketing compliant with legislation?
Y / N	Do I have the appropriate reference to disclosure statements on all items that could be considered as advertising a financial service

Disclosure

Y / N	Has anything changed since I last updated my disclosure statement?
Y / N	Do I need to issue a new disclosure statement to clients when I next provide them with advice?



Y / N	Do I have adequate version control on disclosure statements?
Y / N	Is my primary disclosure statement only containing the prescribed information using the prescribed wording and in the prescribed order?
Y / N	If an AFA, then do I correctly follow the two stage disclosure process and have 'tailored' secondary disclosure?

Class service to a retail client

Y / N	Do I fully understand the legal requirements relating to provision of class advice to retail clients?
Y / N	Is the prescribed warning given in the prescribed manner that the class service is not personalised?
Y / N	Can I prove that I meet the prescribed requirements relating to the competency and the use of adequate care diligence and skill relating to the class advice?
Y / N	Does my record keeping clearly show when I have provided a class service to a retail client?

Annual registration renewal

Y / N	Do I have a bring-up for when my registration is due to expire and do I know what action I need to take at that time?
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Broking service

Y / N	Do I really understand the definition of 'broking service' and do I provide that?
Y / N	If yes, then am I registered for provision of a broking service?
Y / N	If I do not provide a broking service then am I (incorrectly) registered for this and what do I need to do to de-register from this?

Wholesale clients and eligible investors

Y / N	Do I have any of these people/entities as my clients?
Y / N	If so, have I had them complete the required documents to confirm that status and have I completed and have on file the necessary due diligence to confirm their status?

DRS

Y / N	Am I aware of the changes that my DRS may have undergone in the past 12 months?
Y / N	Do I wish to switch my DRS and if so, do I know the process to undertake?



Y / N	Have I read the rules of my DRS and am I complying with them?
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Complaints

Y / N	Do I know the definition of 'complaint' used by my DRS?
Y / N	Have I recorded all client communications that meet that complaint definition?
Y / N	Have I kept my complaints register up to date?

KiwiSaver

Y / N	If I have the KiwiSaver logo on my company's web site then do I have a KiwiSaver license from the IRD?
Y / N	Have I read the FMA guidance note and the Strategi Tips for the correct use of KiwiSaver word, and logo?
Y / N	Do I know when KiwiSaver class advice stops and my advice is regarded as being personalised advice, in which case only an AFA can provide it?

Category 1 products

Y / N	Am I providing any personalised advice to any client on category 1 products?
Y / N	If yes, am I an AFA or am I operating under the supervision of an AFA?
Y / N	If I am operating under supervision then is the AFA signing off on the advice and are appropriate records being maintained?

AML/CFT

Y / N	Do I understand the AML/CFT legislation that I must comply with and do I understand my obligations under that?
Y / N	Have I actioned the recommendations from my last AML/CFT audit and am I on track for having my risk assessment and programme audits completed by the next due date?
Y / N	Have I appointed Strategi to be my AML/CFT auditor?

Website

Y / N	Have I reviewed my website to ensure it is up to date?
Y / N	Is it compliant and not in any way misleading, deceptive or confusing?
Y / N	Have I taken a 'balanced approach' to my advertising and advice and do I understand what this concept is?

Knowledge of the legislation, regulation and Code

Y / N	Have I refreshed myself and my staff on the legislation, regulation and code?
Y / N	Have I read the Strategi Institute handbook titled: 'Regulatory guide for the financial services industry: A key resource for authorisation. Edition 4'?
Y / N	Have I upskilled to meet the new legislation, regulation and Code

NZCFS Level 5

Y / N	If already enrolled, then am I on track to complete the relevant strand within the allocated time frame of 3 months?
Y / N	If not already enrolled, then have I registered with Strategi Institute for the strands I need to complete to achieve NZCFS Level 5?
Y/N	If I have started NCFS (Financial Advice)(5) then have I enrolled in the standard sets I am missing to complete the qualification before the 31 December 2018 deadline?

AUTHORISED FINANCIAL ADVISERS

My authorisation status

Y / N	Am I correctly authorised?
Y / N	Are there services I am providing that I have inadvertently forgotten to get authorised for?

ABS

Y / N	Have I reviewed my ABS to ensure it is still current?
Y / N	If there have been any changes such as changes to the remuneration structure (e.g. commissions from product providers), conflicts of interests, taking on new staff, providing a new product or a service, etc?
Y / N	If yes, have I updated my ABS to reflect these changes?

DIMS

Y / N	Do I really understand what Discretionary Investment Management Service means, including difference between Personalised and Class DIMS?
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Y / N	Have I read Strategi guidance note <u>DIMS a defining business decision?</u>
Y / N	Am I doing DIMS even for a small number of clients?
Y / N	Are my systems and processes around DIMS in line with what the FMA is expecting to see?
Y/N	Have I contacted Strategi to assist me with my DIMS licence application and ongoing compliance?

Compliant files

Y / N	If I completed Standard Set C, then are all my client files relating to the clients I have provided advice to since becoming an AFA, up to the standards required in the Financial Advice Strand of NZCFS (5)?
Y / N	If no, what do I need to do to get them to that standard?
Y / N	If exempted Standard Set C, then do I really understand what is expected of client files and documents so I could pass the Financial Advice Strand today?

Code of Professional Conduct for AFAs

Y / N	Do I fully understand all that is expected of me under the Code of Conduct?
Y / N	Am I fully compliant with the updated Code issued in December 2016?
Y / N	If not, what do I need to do right now to become compliant?

Additional strands/standard sets

Y / N	Am I meeting my competency requirements?
Y / N	In particular, did I attain my AFA via completion of Standard Set D or an alternative designation/qualification and I now provide advice on mortgages and/or insurances?
Y / N	If yes, then have I enrolled for and completed the relevant mortgage and/or insurance specialist courses to meet the competency requirements?

Standard conditions for AFAs

Y / N	Have I read in the past 12 months the standard conditions for AFAs and do I fully understand them?
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Y / N	Am I fully compliant with all these conditions and have I met my notification obligations to the FMA within the five business days period?
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Supervision of trainee advisers

Y / N	If I am supervising trainee advisers, am I following the guidelines contained in the Strategi guidance note on this topic?
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Professional development plan

Y / N	My new CPD period commenced on 1 January: have I read <u>Strategi's Annual Guide</u> on developing a professional development plan and is that plan now in place?
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Continuing professional development (CPD)

Y / N	Have I commenced a new CPD log for this year?
Y / N	Will the entries into this log have the appropriate supporting documents and will it be relevant to the business and advice I provide?
Y / N	Am I using the Strategi Institute Radar online portal to access quality CPD material and complete and record my structured CPD hours?

FMA communication

Y / N	Have I received any communication from the FMA relating to submitting certain documents, such as my ABS? If yes, then have I submitted them within the prescribed period?
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Regulatory returns

Y / N	Am I aware of the date by which I need to <u>file my AFA Information Return</u> ?
Y / N	Am I aware of the date by which I need to <u>file my annual AML/CFT Report</u> ?

Strategi assistance

Both Strategi Ltd and Strategi Institute Ltd have tools and resources to enable all QFEs and financial advisers to meet their compliance obligations and business operations. Talk to Strategi about how we



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may be able to assist you to not only be compliant, but to also increase business growth, revenue, profitability, and business value.

Disclaimer: This checklist is not designed to be a substitute for a Strategi compliance review. It is merely a collection of questions for financial advisers to consider and where appropriate take action on. This checklist should be used in conjunction with actions taken by your in-house compliance manager or your external compliance consultant.

STRATEGI LIMITED 17 Corinthian Drive, Albany, PO Box 301 426, Albany, Auckland 0752
New Zealand, P +64 9 414 1300, F +64 9 442 5098, www.strategi.co.nz