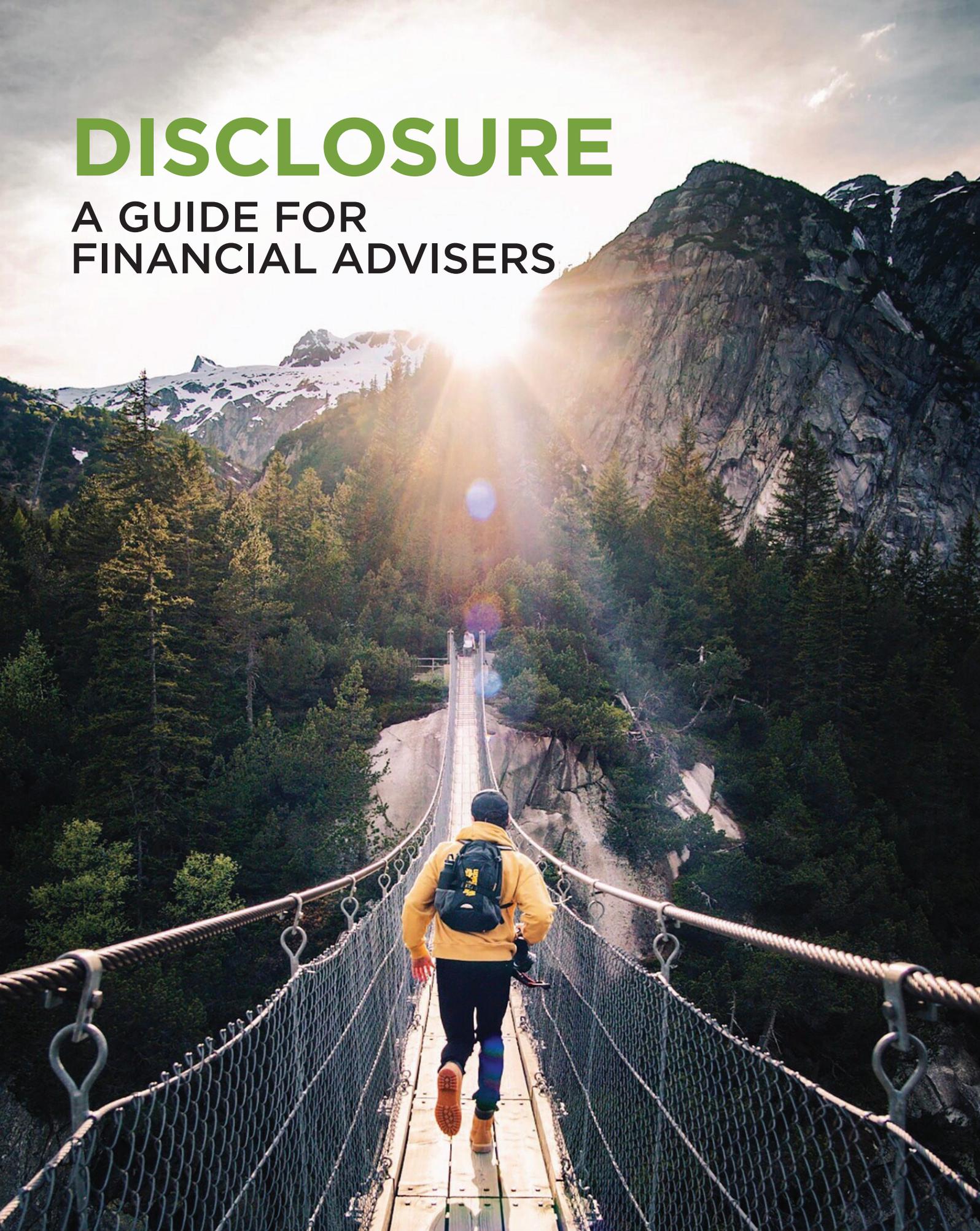


# DISCLOSURE

## A GUIDE FOR FINANCIAL ADVISERS



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# ABOUT DISCLOSURE FOR FINANCIAL ADVICE SERVICES

When financial advice is brought under the Financial Markets Conduct Act 2013 on 15 March 2021, new disclosure regulations change the information you are required to disclose to your clients. These regulations apply to anyone who gives regulated financial advice to retail clients, such as banks and insurers, financial advisers and brokers, and robo-advice providers.

The Financial Markets Conduct (Regulated Financial Advice Disclosure) Amendment Regulations 2020 (disclosure regulations) aim to give consumers the information they need to make important financial decisions, at the time the information will be useful to them. When you disclose this information to your clients, you should point it out and discuss the implications with them. This will help build trust and credibility with your clients.

The disclosure statement(s) you currently give your clients will no longer be relevant. From 15 March 2021, you must stop using them. Instead, the new regulations set out what to disclose and when, giving you greater flexibility around how you disclose. This means that disclosure becomes part of your advice conversation, not an addendum provided on the side. For example, you do not need a separate disclosure statement, instead you can include the information within existing advice documents. Note, however, that your disclosure information must be given prominence if you combine it with other information.



# ABOUT THIS GUIDE

This guide is designed to help you meet your obligations. It includes information about what you must disclose and when you must disclose it.

It includes examples of wording you can use. You don't have to use these examples – they are here to help you if you want them. **Ensure that you tailor them for your financial advice service.** This guide won't cover every circumstance; it will cover many general circumstances and help to get you started. This document is only a general guide, and it is not a substitute for legal or compliance advice.

This guide focuses on investment, mortgage and life insurance advice. The disclosure regulations are equally relevant to fire and general insurance. This guide does not include specific examples for fire and general insurance advisers, but the examples can be adapted for them. This guide is designed for small financial advice providers, not for firms with nominated representatives, complex structures or complex scopes of service.

## DISCLOSURE OVERVIEW

The disclosure regulations require you to present certain information to clients **four** times during the advice process:

- Publicly available information (e.g. on your website, or in a brochure which can be made available to a member of the public on request, if you do not have a website) to help consumers decide whether your firm's financial advice proposition meets their needs;
- By the time nature and scope of advice is known (e.g. in your scope of service agreement) to help your client decide whether to obtain financial advice from you;
- When providing advice (e.g. in your statement of advice) to help your client decide whether to follow your advice; and
- When a complaint is received, to help your client understand your complaint resolution process.

# GENERAL REQUIREMENTS

The objective of the disclosure regulations is to provide clients with information to help them make important financial decisions. The form of disclosure is not specified. The regulations define what you must disclose and when you must disclose it, but not how it must be disclosed.

You can disclose this information within documents you already provide to your client, such as your scope of engagement, and your statement of advice. Where you present disclosure information with other information, disclosure information must be prominent.

You can disclose the information verbally or on video, and the client can request it in writing. Written disclosure also provides an effective record that you met your disclosure obligations. If you provide disclosure information verbally or by video, you should record that you did so in your client file.

Disclosure must be presented in a clear, concise and effective manner. If it is in writing, it must be in a format, font and type size that are easily readable. It must be provided free of charge.

Some information is required to be disclosed if it is 'material'. Information is material if a reasonable client would expect the information to, or to be likely to, influence their decision relating to the advice, the adviser, or the financial advice provider.

If anything you have disclosed changes, you must disclose the changes at the next stage of disclosure if they are material (whether or not the disclosure relates to the advice specifically). For example, if you change your disputes resolution scheme after you disclose information in your engagement letter, you must disclose that change when you give the client advice.

# PUBLICLY AVAILABLE INFORMATION

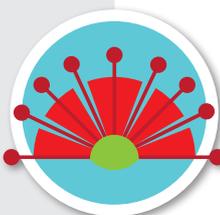
This section provides examples of information that must be disclosed publicly. If you have a website it must be published there, and it must be provided in writing on request.

## THE EXAMPLES IN THIS GUIDE USE FICTITIOUS COMPANIES AND FINANCIAL ADVISERS.



Simon and Jun are financial advisers who run a licensed financial adviser business called S&J Advice Limited, trading as Kowhai Advice.

Simon is an investment adviser, and Jun advises on mortgages and life insurance.



Sunil and Violet are financial advisers contracted to Pohutukawa Advice Limited. Pohutukawa Advice Limited trades as Pohutukawa Advice, and it is an authorised body of Rimu Financial Advice Limited.

Sunil is a mortgage adviser, and Violet gives advice on life insurance and KiwiSaver.

## LICENSING INFORMATION

A summary of the licensing status of the financial advice provider.

When you obtain your full licence, the FMA may impose specific conditions that limit or restrict the advice that may be given by you or by someone on your behalf. You must also describe those specific licence conditions in this section.



### Kowhai Advice

S&J Advice Limited (FSP11234, trading as Kowhai Advice) holds a licence issued by the Financial Markets Authority to provide financial advice.



### Pohutukawa Advice

Rimu Financial Advice Limited (FSP22345) holds a licence issued by the Financial Markets Authority to provide financial advice. Pohutukawa Advice Limited (FSP33456) is authorised by that licence to provide financial advice.

## NATURE AND SCOPE OF THE ADVICE

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Information relating to the types of advice that the financial advice provider gives, the financial advice products that can be advised on (specifically or by adequate description), and whether there are any material limitations (including to the product providers whose products can be advised on).



**Kowhai Advice** provides advice to our clients about their investments, mortgages, life insurance and health insurance.

Our financial advisers provide financial advice in relation to KiwiSaver, managed funds, some direct equities and bonds, home mortgages, life insurance and health insurance.

We only provide financial advice about products from certain providers:

- For mortgages, we work with five banks – A, B, C, D and E.
- For life insurance, we work with four companies – F, G, H and I.
- For health insurance, we work with three providers – H, J and K.
- For KiwiSaver and investment products, we provide advice on a wide range KiwiSaver products, a wide range of NZ-based managed investment products, NZX50 and ASX200 equities, and NZ government and corporate bonds.



**Pohutukawa Advice** provides advice to our clients about their mortgages, life insurance, health insurance and KiwiSaver. Our financial advisers provide financial advice in relation to these financial advice products.

We only provide financial advice about products from certain providers:

- For mortgages, we work with five banks – A, B, C, D and E.
- For life insurance, we work with four companies – F, G, H and I.
- For health insurance, we work with four providers – H, I, J, and K.
- For KiwiSaver, we work with three providers – L, M and N.

In providing you with financial advice, we will only consider existing term life, trauma, income protection and health insurance policies (if any). We will not provide advice on existing whole of life or endowment products, so you will need to consult a specialist if you would like advice on those products.

## FEES OR EXPENSES

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An explanation of any fees that might be charged for financial advice, including the circumstances in which they may be payable.

You must include in this disclosure a brief explanation if any expenses or other amounts are payable by the client to the financial advice provider, as well as any fees or other amounts payable by the client to other parties connected with the advice.



### Kowhai Advice

For investment advice, Kowhai Advice **will** charge a fee for any financial advice provided to a client. This fee will be calculated on the following basis: a base fee of \$2,000 (including GST), plus \$120 (including GST) per hour after the first 10 hours. This fee will be payable by the client by the 20th of the month following when the Statement of Advice is provided to the client.

Kowhai Advice **may** charge a fee for implementing the investment advice provided to a client where the hours worked exceed the estimate included in the scope of service. Whether a fee will be charged will be advised before the work is performed. If such a fee is charged it will be calculated at \$120 per hour. This fee will be payable by the client by the 20th of the month after an invoice is issued.

Kowhai Advice **may** charge a fee for the financial advice provided to a client where a client cancels a life or health insurance policy within two years of inception. Whether a fee will be charged and the manner in which it will be charged will be advised when the advice is provided to the client. This fee will be payable by the client by the 20th of the month after the policy is cancelled.



### Pohutukawa Advice

Pohutukawa Advice **does not** charge fees, expenses or any other amount for any financial advice provided to its clients.

## CONFLICTS OF INTEREST AND INCENTIVES

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A description of any material conflicts of interests, an explanation of the circumstances in which material commissions or other incentives will be received and a brief explanation of how any conflicts will be managed.



### **Kowhai Advice**

For life insurance and health insurance, Kowhai Advice and the financial adviser receive commissions from the insurance companies on whose policies we give advice. If you decide to take out insurance, the insurer will pay a commission to Kowhai Advice and your financial adviser. The amount of the commission is based on the amount of the premium.

For mortgages, Kowhai Advice and the financial adviser receive commissions from the banks with whom we arrange mortgages. If you decide to take out the mortgage, the bank will pay a commission to your financial adviser. The amount of the commission is based on the amount of the mortgage.

To ensure that our financial advisers prioritise our clients' interests above their own, we follow an advice process that ensures our recommendations are made on the basis of each client's goals and circumstances. All our financial advisers undergo annual training about how to manage conflicts of interest. We undertake a compliance audit, and a review of our compliance programme is undertaken annually by a reputable compliance adviser.



### **Pohutukawa Advice**

Pohutukawa Advice and our financial advisers receive commissions from the providers on whose products we give financial advice (insurers, banks and KiwiSaver providers). If you decide to take out insurance or a mortgage, or to take our KiwiSaver advice, the provider will pay a commission to Pohutukawa Advice and to your financial adviser. The amount of commission is based on the amount of the premium or mortgage, or the KiwiSaver balance.

From time to time, product providers may also reward us for the overall business we provide to them. They may give us tickets to sports events, hampers, or other incentives.

To ensure that our financial advisers prioritise our clients' interests above their own, we follow an advice process that ensures our recommendations are made on the basis of each client's goals and circumstances. All our financial advisers undergo annual training about how to manage conflicts of interest. We maintain registers of conflicts of interests, and the gifts and incentives we receive. Rimu Advice monitors these registers and provides additional training where necessary. Rimu Advice performs an annual review of our compliance programme.

## COMPLAINTS HANDLING AND DISPUTE RESOLUTION

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An explanation of how to complain, and information regarding the internal complaints procedure and external dispute resolution scheme.

Your description should include: (i) an explanation of how to make a complaint; and (ii) an overview of your internal complaints process.



### Kowhai Advice

If you are not satisfied with our financial advice service you can make a complaint by emailing [complaints@kowhai.co.nz](mailto:complaints@kowhai.co.nz), or by calling: 022 345 6789. You can also write to us at: Level 2, 34 Queen St, Hometown 5678.

When we receive a complaint, we will consider it following our internal complaints process:

- We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to get further information about your complaint.
- We aim to resolve complaints within 10 working days of receiving them. If we can't, we will contact you within that time to let you know we need more time to consider your complaint.
- We will contact you by phone or email to let you know whether we can resolve your complaint and how we propose to do so.

If we can't resolve your complaint, or you aren't satisfied with the way we propose to do so, you can contact Aotearoa Disputes Resolution Scheme.

Aotearoa Disputes Resolution Scheme provides a free, independent dispute resolution service that may help investigate or resolve your complaint, if we haven't been able to resolve your complaint to your satisfaction.

You can contact Aotearoa Disputes Resolution Scheme by emailing [complaints@aotearoadrs.co.nz](mailto:complaints@aotearoadrs.co.nz), or by calling: 0800 100 2000. You can also write to them at: PO Box 3000, Wellington 6011.



### Pohutukawa Advice

Pohutukawa Advice would have similar disclosure, customised for its own complaint process.

## DUTIES INFORMATION

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A statement that the advice must meet legal duties to meet standards of competence, knowledge and skill in the Code of Conduct; give priority to the client's interests; exercise care, diligence and skill; and meet standards of ethical behaviour, conduct and client care in the Code of Conduct.



### Kowhai Advice

Kowhai Advice, and anyone who gives financial advice on our behalf, have duties under the Financial Markets Conduct Act 2013 relating to the way that we give advice.

We are required to:

- give priority to your interests by taking all reasonable steps to make sure our advice isn't materially influenced by our own interests
- exercise care, diligence, and skill in providing you with advice
- meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that we have the expertise needed to provide you with advice)
- meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure we treat you as we should, and give you suitable advice).

This is only a summary of the duties that we have. More information is available by contacting us, or by visiting the Financial Markets Authority website at <https://www.fma.govt.nz>.



### Pohutukawa Advice

Pohutukawa Advice would have similar disclosure.

## CONTACT DETAILS

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The name and contact details of the financial advice provider.



### **Kowhai Advice**

*Contact details:*

S&J Advice Limited (FSP11234, trading as Kowhai Advice) is the Financial Advice Provider.

*You can contact us at:*

Phone: 07 001 2345 or 022 345 6789

Email: [simon@kowhai.co.nz](mailto:simon@kowhai.co.nz)

Address: Level 2, 34 Queen St, Hometown 5678



### **Pohutukawa Advice**

Pohutukawa Advice would have similar disclosure.

# WHEN THE NATURE AND SCOPE OF THE ADVICE IS KNOWN

The information in this section must be disclosed when the nature and scope of advice is known.

## NATURE AND SCOPE OF THE ADVICE

Information relating to the types of advice that will be given, the financial advice products that will be advised on (specifically or by adequate description), and whether there are any material limitations (including on the product providers whose products can be advised on).



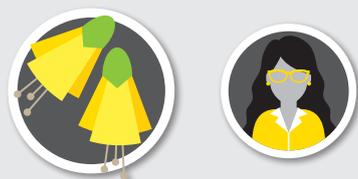
### Simon, Kowhai Advice

I will provide you with financial advice in relation to KiwiSaver and investment products.

I only provide financial advice about a wide range of KiwiSaver products, a wide range of NZ-based managed investment products, NZX50 and ASX200 equities, and NZ government and corporate bonds.

In providing you with financial advice, I will only consider your disposable income and will not take your spending behaviour into account, so you should analyse your budget and spending patterns to maximise the funds you have available to invest.

I will not provide advice on existing whole of life or endowment products, so you will need to consult a specialist if you would like advice on those products.



### Jun, Kowhai Advice

I will provide you with financial advice in relation to your personal insurances (life and health). I only provide financial advice about life insurance from F, G, H and I. I only provide financial advice about health insurance from H, J and K.



### Sunil, Pohutukawa Advice

I will provide you with financial advice in relation to your home mortgage. I only provide financial advice about mortgages from banks A, B, C, D and E.



### Violet, Pohutukawa Advice

I will provide you with financial advice in relation to your personal insurances (life and health) and KiwiSaver. I only provide financial advice about life insurance from F, G, H and I. I only provide financial advice about health insurance from H, J and K. I only provide financial advice about KiwiSaver from L, M and N.

In providing you with financial advice, I will only consider your unmet insurance needs and will not take your existing life and trauma policies into account, because you have held these policies for over 10 years, and your health has deteriorated during this time. If you cancel these policies and replace them with a new policy, you are likely to have conditions excluded from the new policy that are covered by your existing policies. However, newer policies may have better benefits than your existing policies.

## RELIABILITY HISTORY

Information regarding any recent material instances of being publicly disciplined, relevant convictions or civil proceedings and, in the case of financial advisers, any recent bankruptcies or insolvencies. If no reliability event has occurred, disclosure of that fact is not required, although doing so is an option.

Both the financial advice provider and the financial adviser may have reliability events, which must all be disclosed.

*Note: if the financial adviser or financial advice provider who gives disclosure when the nature and scope of advice is known (A) is not the financial adviser who ultimately gives advice (B), then disclosure of any reliability relating to financial adviser B must be given when the financial advice is given.*



### Simon, Kowhai Advice

You need to be aware that on 23 March 2020, Kowhai Advice was found to have breached the Financial Markets Conduct Act 2013 by failing to keep proper records of client monies held on trust. Kowhai Advice has since made changes to the way it keeps records to ensure that the legal requirements are met.

There are no other “reliability events” that you need to know about.



### Jun, Kowhai Advice

You need to be aware of the following matters:

- On 23 March 2020, Kowhai Advice was found to have breached the Financial Markets Conduct Act 2013 by failing to keep proper records of client monies held on trust. Kowhai Advice has since made changes to the way it keeps records to ensure that the legal requirements are met.
- On 15 August 2018, I was found to have contravened my obligations under the Code of Professional Conduct for Authorised Financial

Advisers by failing to give suitable advice. The disciplinary committee found that I had failed to properly advise a client about the risks of replacing an existing insurance policy they held and, as a result, they were unable to claim for a medical condition that their old policy would have covered. Since that date, I have undertaken extensive training and changed the way I give advice to ensure that my advice meets the required standard.

- On 1 October 2015 I was discharged from bankruptcy in New Zealand. I was made bankrupt as a result of my involvement in a failed residential property development.
- I have not been subject to any other reliability events



### Sunil and Violet, Pohutukawa Advice

Neither Pohutukawa Advice nor I have been subject to a reliability event. A reliability event is something that might materially influence you in deciding whether to seek advice from me or from Pohutukawa Advice. As an example, it would include legal proceedings against me, or if I had been discharged from bankruptcy in the last four years.

## IDENTIFYING INFORMATION

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Information to help identify the financial advice provider and financial adviser.



### Simon, Kowhai Advice

I am a financial adviser (FSP66789), and I am giving advice on behalf of S&J Advice Limited, trading as Kowhai Advice (FSP11234).

My details are as follows:

Name: Simon A Smith  
Phone: 022 345 6789  
Email: [simon@kowhai.co.nz](mailto:simon@kowhai.co.nz)  
Address: Level 2, 34 Queen St, Hometown 5678



### Sunil and Violet, Pohutukawa Advice

Sunil and Violet would have similar disclosure.



### Jun, Kowhai Advice

Jun would have similar disclosure.

## FEES AND EXPENSES

Information regarding any fees or expenses that may need to be paid in relation to the giving of financial advice, including the circumstances when they are payable, terms of payment, and the amount of any fees (if known) or how they will be determined and an estimate (if practicable).

You must include in this disclosure a brief explanation if any expenses or other amounts are payable by the client to the financial advice provider, as well as any fees or other amounts payable by the client to other parties connected with the advice.



### Simon, Kowhai Advice

I estimate the fee for the advice I will provide to you will amount to \$2,000 (including GST). However, if it takes me more than 10 hours to perform the service, the fee will be calculated on the following basis: \$2,000 + \$120 per hour above 10 hours (including GST). I will advise the amount of this fee in my statement of advice. This fee will be payable by you by the 20th of the month following when I provide you with the Statement of Advice.

I may charge a fee for implementing any investment advice provided to you where the hours worked exceed the estimate included on page x of this scope of service. The fee charged for the financial advice provided to you will be calculated on the following basis: \$120 per hour (including GST). While I am unable to provide you with an estimate of the fee at this time, I will confirm this with you in my statement of advice. This fee will be payable by you by the 20th of the month after an invoice is issued.



### Jun, Kowhai Advice

I may charge a fee for the financial advice I provide if you cancel a life or health insurance policy within two years of inception. The fee charged for the financial advice provided to you will be calculated on the following basis: \$2,400 (including GST) or a portion thereof depending upon the length of time the policy was in force. While I am unable to provide you with an estimate of the fee for advice at this time, I will confirm this with you in my statement of advice. This fee will be payable by you by the 20th of the month after the policy is cancelled.



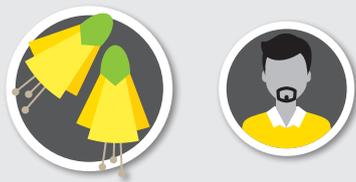
### Sunil and Violet, Pohutukawa Advice

I will not charge a fee for the financial advice I will provide to you.

## CONFLICTS OF INTEREST AND INCENTIVES

A description of any material conflicts of interests and any material commissions or other incentives that will or may be received, including the amount or value of these, who is involved, and a brief explanation of how any conflicts will be managed.

Commission may be disclosed as either dollars or as a percentage.



### Simon, Kowhai Advice

*Simon charges fees and is not remunerated by commission or incentives and as such does not need to disclose any conflicts of interest or incentives.*



### Jun, Kowhai Advice

I receive commissions from the relevant insurance company if you take out insurance following my advice. The commissions are between 180% and 200% of the first year's premiums of your policy – the amount depends on which insurance company and which insurance policy you choose. I also receive a commission of between 5% and 10% of the premium for each year the policy remains in force.

In addition, Kowhai Advice receives commission of between 15% and 30% of the first year's premiums of your policy, depending upon which insurance company and which policy you choose.

To ensure that I prioritise your interests above my own, I follow an advice process that ensures my recommendations are made on the basis of your individual goals and circumstances. I complete annual training about how to manage conflicts of interest. We undertake a compliance audit, and a review of our compliance programme is undertaken annually by a reputable compliance adviser.



### Sunil, Pohutukawa Advice

I receive commissions from the relevant bank if you take out a mortgage following my advice. The commissions are between 0.55% and 0.85% of the value of the mortgage – the amount depends on which bank and what type of mortgage you choose. In addition, we receive a commission of between 0% and 0.2% of the remaining balance each year.

In addition, bank B is presently offering me tickets to the next Bledisloe Cup game if I meet my target this month.

To ensure that I prioritise your interests above my own, I follow an advice process that ensures my recommendations are made on the basis of your individual goals and circumstances. I complete annual training about how to manage conflicts of interest. I complete registers of conflicts of interests, and the gifts and incentives I receive. Rimu Advice monitors these registers and provides additional training where necessary. Rimu Advice performs an annual review of our compliance programme.



### Violet, Pohutukawa Advice

I receive commissions from the relevant insurance company if you take out insurance following my advice. The commissions are between 180% and 200% of the first year's premiums of your

policy — the amount depends on which insurance company and which insurance policy you choose. I also receive a commission of between 5% and 10% of the premium for each year the policy remains in force.

In addition, Pohutukawa Advice receives commission of between 15% and 30% of the first year's premiums of your policy, depending upon which insurance company and which policy you choose.

To ensure that I prioritise your interests above my own, I follow an advice process that ensures my recommendations are made on the basis of your individual goals and circumstances. I complete annual training about how to manage conflicts of interest. I complete registers of conflicts of interests, and the gifts and incentives I receive. Rimu Advice monitors these registers and provides additional training where necessary. Rimu Advice performs an annual review of our compliance programme.

## AVAILABILITY OF INFORMATION

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If not given in writing, a statement that the client is able to request the information in writing.



### ALL FINANCIAL ADVISERS

The information I have discussed with you is available in writing. Please let me know if you wish to have a written copy.

# WHEN GIVING ADVICE

The information in this section must be disclosed when you give advice, that is, when you give an opinion or make a recommendation about acquiring, disposing of or retaining a financial advice product.

## FEES OR EXPENSES

Where different from that previously disclosed, information regarding any fees or expenses that may need to be paid in relation to the giving of financial advice, or following the advice, including the circumstances when they are payable, terms of payment, the amount of any fees (if known) or how they will be determined and an estimate (if practicable), and a statement about any fees or expenses in relation to acting on the advice.

If there are different types of fees (which may be paid to different parties), include the details. For example, monitoring, brokerage, custody, implementation fees.



### Simon, Kowhai Advice

The fee to be charged for the advice I provide you will be \$2,000 (including GST). This fee is payable by you by 20 April 2021.

I estimate the fee for implementing my advice will amount to \$600 (including GST) for 5 hours. The fee is calculated on the following basis: \$120 per hour (including GST). This fee will be payable by you by the 20th of the month after an invoice is issued.



### Jun, Kowhai Advice

I **may** charge a fee for the financial advice I provide if you cancel a life or health insurance policy within two years of inception. The fee charged for the financial advice provided to you will be calculated on the following basis: depending upon the length of time the policy is in force, 0-6 months, \$2,400; 7-12 months \$1,800; 13-18 months \$1,200; 19-24 months \$600 (all amounts including GST). This fee will be payable by you by the 20th of the month after your policy is cancelled.



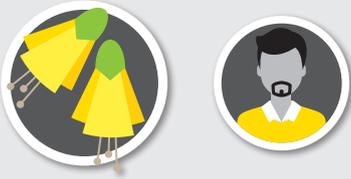
### Sunil and Violet, Pohutukawa Advice

I will not charge a fee for the financial advice I provide to you.

## CONFLICTS OF INTEREST AND INCENTIVES

Where different from that previously disclosed, a description of any material conflicts of interests and any material commissions or other incentives that will or may be received, including the amount or value of these, who is involved, and a brief explanation of how any conflicts will be managed.

Commission may be disclosed as either dollars or as a percentage.



### Simon, Kowhai Advice

*Simon charges fees and is not remunerated by commission or incentives and as such does not need to disclose any conflicts of interest or incentives.*



### Jun, Kowhai Advice

I will receive a commission of 200% of the first year's premium from H if you take out this policy. I also receive a commission of 10% of the premium for each year the policy remains in force.

In addition, Kowhai Advice receives a commission of 15% of the first year's premiums from H if you take out this policy.

To ensure that I prioritise your interests above my own, I follow an advice process that ensures my recommendations are made on the basis of your individual goals and circumstances. I complete annual training about how to manage conflicts of interest. We undertake a compliance audit, and a review of our compliance programme is undertaken annually by a reputable compliance adviser.



### Sunil, Pohutukawa Advice

I will receive a commission of 0.75% of the value of the mortgage from C if you take out this

mortgage. In addition, I receive a commission of 0.10% of the remaining balance each year.

To ensure that I prioritise your interests above my own, I follow an advice process that ensures my recommendations are made on the basis of your individual goals and circumstances. I complete annual training about how to manage conflicts of interest. I complete registers of conflicts of interests, and the gifts and incentives I receive. Rimu Advice monitors these registers and provides additional training where necessary. Rimu Advice performs an annual review of our compliance programme.



### Violet, Pohutukawa Advice

I will receive a commission of 180% of the first year's premium from G if you take out this policy. I also receive a commission of 7.5% of the premium for each year the policy remains in force.

In addition, Pohutukawa Advice receives a commission of 25% of the first year's premiums from G if you take out this policy.

To ensure that I prioritise your interests above my own, I follow an advice process that ensures my recommendations are made on the basis of your individual goals and circumstances. I complete annual training about how to manage conflicts of interest. I complete registers of conflicts of interests, and the gifts and incentives I receive. Rimu Advice monitors these registers and provides additional training where necessary. Rimu Advice performs an annual review of our compliance programme.

## COMPLAINTS HANDLING AND DISPUTE RESOLUTION

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An explanation of how to complain, and information regarding the internal complaints procedure and external dispute resolution scheme. This can be a reference to the provider's website, unless the information has materially changed.

Your description should include: (i) an explanation of how to make a complaint; and (ii) an overview of your internal complaints process.



### Kowhai Advice

If you are not satisfied with our financial advice service you can make a complaint by emailing [complaints@kowhai.co.nz](mailto:complaints@kowhai.co.nz), or by calling: 022 345 6789. You can also write to us at: Level 2, 34 Queen St, Hometown 5678.

When we receive a complaint, we will consider it following our internal complaints process:

- We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to get further information about your complaint.
- We aim to resolve complaints within 10 working days of receiving them. If we can't, we will contact you within that time to let you know we need more time to consider your complaint.
- We will contact you by phone or email to let you know whether we can resolve your complaint and how we propose to do so.

If we can't resolve your complaint, or you aren't satisfied with the way we propose to do so, you can contact Aotearoa Disputes Resolution Scheme.

Aotearoa Disputes Resolution Scheme provides a free, independent dispute resolution service that may help investigate or resolve your complaint, if we haven't been able to resolve your complaint to your satisfaction.

You can contact Aotearoa Disputes Resolution Scheme by emailing [complaints@aotearoadrs.co.nz](mailto:complaints@aotearoadrs.co.nz), or by calling: 0800 100 2000. You can also write to them at: PO Box 3000, Wellington 6011.



### Pohutukawa Advice

You can find information about how to make a complaint and an overview of our internal complaints process on our website at [www.pohutukawaadvice.co.nz/complaints](http://www.pohutukawaadvice.co.nz/complaints).

Our website also provides information about, and the contact details of, the dispute resolution scheme we belong to. That scheme provides a free and independent service that may help investigate or resolve your complaint, if we haven't been able to resolve your complaint to your satisfaction.

## DUTIES INFORMATION

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A statement that the advice must meet legal duties to meet standards of competence, knowledge and skill in the Code of Conduct; give priority to the client's interests; exercise care, diligence and skill; and meet standards of ethical behaviour, conduct and client care in the Code of Conduct. This can be a reference to the provider's website, unless the information has materially changed.



### Kowhai Advice

I have duties under the Financial Markets Conduct Act 2013 relating to the way that I give advice.

I am required to:

- give priority to your interests by taking all reasonable steps to make sure my advice isn't materially influenced by my own interests
- exercise care, diligence, and skill in providing you with advice
- meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that I have the expertise needed to provide you with advice)
- meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure I treat you as I should, and give you suitable advice).

This is only a summary of the duties that I have. More information is available by contacting me, or by visiting the Financial Markets Authority website at <https://www.fma.govt.nz>.



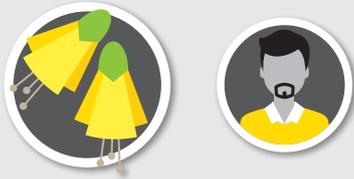
### Pohutukawa Advice

I have duties under the Financial Markets Conduct Act 2013 relating to the way that I give advice. You can find information about those duties on our website at [www.pohutukawaadvice.co.nz/duties](http://www.pohutukawaadvice.co.nz/duties).

## IDENTIFYING INFORMATION

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Information to help identify the financial advice provider and financial adviser.



### Simon, Kowhai Advice

I am a financial adviser (FSP66789), and I am giving advice on behalf of S&J Advice Limited, trading as Kowhai Advice (FSP11234).

My details are as follows:

Name: Simon A Smith  
Phone: 022 345 6789  
Email: [simon@kowhai.co.nz](mailto:simon@kowhai.co.nz)  
Address: Level 2, 34 Queen St, Hometown 5678



### Jun, Kowhai Advice

Jun would have similar disclosure.



### Sunil and Violet, Pohutukawa Advice

Sunil and Violet would have similar disclosure.

## AVAILABILITY OF INFORMATION

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If not given in writing, a statement that the client is able to request the information in writing.



### ALL FINANCIAL ADVISERS

The information I have discussed with you is available in writing. Please let me know if you wish to have a written copy.

# WHEN A COMPLAINT IS RECEIVED

As soon as practicable after a complaint about the financial advice or financial advice service is received, if it is not resolved within two working days, the financial advice provider or a person engaged to give advice on their behalf must provide the information in this section.

## COMPLAINTS HANDLING AND DISPUTE RESOLUTION

- An overview of the financial advice provider's complaints handling process; and
- Prescribed information about the financial advice provider's disputes resolution scheme.



### Kowhai Advice

We have received your complaint and will be considering it following our internal complaints process:

- We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to get further information about your complaint.
- We aim to resolve complaints within 10 working days of receiving them. If we can't, we will contact you within that time to let you know we need more time to consider your complaint.
- We will contact you by phone or email to let you know whether we can resolve your complaint and how we propose to do so.

If we can't resolve your complaint, or you aren't satisfied with the way we propose to do so, you can contact Aotearoa Disputes Resolution Scheme.

Aotearoa Disputes Resolution Scheme provides a free, independent dispute resolution service that may help investigate or resolve your complaint, if we haven't been able to resolve your complaint to your satisfaction.

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### Pohutukawa Advice

Pohutukawa Advice would have similar disclosure, customised for its own complaint process.

## OTHER SITUATIONS

### **Will there be additional disclosure requirements for replacement business, e.g. the risks of replacement?**

The regulations do not specify additional disclosure requirements for replacement business (but additional disclosure may be necessary to meet the requirements of the Code of Conduct).

### **Will there be reduced requirements when disclosing to existing clients?**

Yes. If the client already received information that must be provided by the time the nature and scope is known or when giving advice, it does not need to be provided again unless the client requests it, or it has materially changed. A change is material if a reasonable client would expect the information to, or to be likely to, influence their decision relating to the advice, the adviser, or the financial advice provider. It is important you put yourself in your client's position when you decide whether a change is material.

### **What if the scope is agreed, and advice is given, in the same meeting?**

There is flexibility around the timing of disclosure if the scope is agreed and advice is provided in the same conversation. The required information only needs to be disclosed once.

### **If I change information on my website that is required to be disclosed, can I just refer to the website to disclose those changes?**

You can refer to your website for changes to information that must be disclosed publicly, but you must identify for the client what has changed. For example, if you change your disputes resolution scheme after you disclose information in your engagement letter, you can state in your statement of advice that your disputes resolution scheme has changed, and refer the client to your website for details about the new provider.

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# FURTHER INFORMATION

If you need any further information about your disclosure obligations, the authors of this guide are available in a professional capacity to engage with you:

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