



**Financial Advisers (Definitions,
Voluntary Authorisation,
Prescribed Entities, and
Exemptions) Amendment
Regulations (No 2) 2014**

Jerry Mateparae, Governor-General

Order in Council

At Wellington this 3rd day of November 2014

Present:

His Excellency the Governor-General in Council

Pursuant to section 154(1)(a), (d), and (e) of the Financial Advisers Act 2008, His Excellency the Governor-General makes the following regulations, acting—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Commerce and Consumer Affairs made after—
 - (i) consulting the Financial Markets Authority in accordance with section 154(4) of that Act; and
 - (ii) being satisfied of the matters set out in section 154(5) of that Act.

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Regulations

- 1 Title**

These regulations are the Financial Advisers (Definitions, Voluntary Authorisation, Prescribed Entities, and Exemptions) Amendment Regulations (No 2) 2014.
- 2 Commencement**

These regulations come into force on 1 December 2014.
- 3 Principal regulations**

These regulations amend the Financial Advisers (Definitions, Voluntary Authorisation, Prescribed Entities, and Exemptions) Regulations 2011 (the **principal regulations**).
- 4 Regulation 5 amended (Meaning of investment-linked contract of insurance)**
 - (1) Replace regulation 5(2) with:

“(2) In subclause (1), **pure risk contract of insurance** has the meaning set out in section 9(3) of the Financial Markets Conduct Act 2013.”
 - (2) Revoke regulation 5(3).

5 Regulation 7B amended (Bank notice product is category 2 product)

In regulation 7B(3), after “investment statement”, insert “or terms of issue”.

6 Regulation 11 replaced (Exemption for financial adviser services in relation to workplace financial product for related entity employees)

Replace regulation 11 with:

“11 Exemption for financial adviser services in relation to workplace financial product for related entity employees

“(1) A body corporate is exempt from the application of the Act in respect of a relevant service provided to an employee of—

“(a) a related entity; or

“(b) a limited partnership if the body corporate and the general partner are related bodies corporate.

“(2) For the purposes of subclause (1), **relevant service** (which is defined in section 5 of the Act) is limited to a service provided in connection with a financial product made available through an employee’s workplace.

“(3) In this regulation, a body corporate is **related** to an entity or another body corporate if it is related to it within the meaning of section 12(2) of the Financial Markets Conduct Act 2013, where, if subclause (1)(a) applies, a reference to “another body corporate” is taken to be a reference to “an entity”.

“(4) In this regulation, **entity** has the meaning given in section 6(1) of the Financial Markets Conduct Act 2013.”

Michael Webster,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 1 December 2014, amend the Financial Advisers (Definitions, Voluntary Authorisation, Prescribed Entities, and Exemptions) Regulations 2011 (the **principal regulations**).

Regulation 4 amends the definition of pure risk contract of insurance in the principal regulations so that the definition aligns with that in the Financial Markets Conduct Act 2013.

Regulation 5 makes a minor amendment to regulation 7B(3) of the principal regulations, in order to clarify that the rights and requirements of the definition of PIE call fund unit may be described in a specified unit's terms of issue.

Regulation 6 replaces regulation 11 of the principal regulations to amend the exemption given to bodies corporate for providing relevant services to related bodies corporate or to limited partnerships if the body corporate and the general partner are related bodies corporate. The amendment broadens the exemption beyond related bodies corporate to apply to related entities, as defined in the Financial Markets Conduct Act 2013. The amendment also makes clear that the definition of related in that Act is to apply to the exemption.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 4 November 2014.

These regulations are administered by the Ministry of Business, Innovation, and Employment.
