

Decisions pending on competence standards and assessment system for financial advisers



27 August 2009

In a recent statement, the Financial Services Code Committee endorsed the use of the National Qualifications Framework at level 5 as a 'baseline' standard for assessment of competence for financial advisers. However, the Code Committee has yet to decide which competence standards at level 5 will be required for authorisation.

"ETITO will continue to work with the Code Committee to assist their understanding of the development and content of financial services unit standards on the National Qualifications Framework," says Michael Frampton, Manager – Strategy and Corporate Relations for ETITO. "Decisions about the competence required for authorisation, together with decisions about which applicants must be assessed, are also the responsibility of the Code Committee."

The financial advisers' regime has, at its core, the raising of standards of professionalism and competence. While ETITO suggests that any steps that an adviser can take to enhance their competence are compatible with this objective, Frampton cautions, "That until the specific competence standards to be included in the Code of Professional Conduct have been confirmed, no assumption should be made about the adequacy of advisers' current competence or the need for further training."

In their statement, the Code Committee also supported the use of a centrally administered system operated by ETITO - the national standards-setting body for the financial services industry under the Industry Training Act 1992. ETITO is continuing to scope information from industry to inform the design and implementation of this assessment system. This scoping work was commenced as part of an agreement entered into between ETITO and the Ministry of Economic Development in July 2009 and is expected to be completed in the next month.

"The use of a centrally administered assessment system will require changes to ETITO's quality assurance system and this is why the Code Committee is supporting a moratorium on training provider accreditation to these standards," says Frampton.

ETITO understands the importance of these developments to advisers as they prepare for the implementation of the regime by late 2010. However, until specific competence standards and assessment system design are confirmed, assumptions about training and assessment requirements are premature. ETITO continues to work with the Code Committee and the Securities Commission to clarify requirements for advisers. More information will be made available on www.etito.co.nz as it comes to hand.

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