Financial Advice Code

This legislation is administered by the Financial Advice Code Committee. For more information please see:

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Code of Professional Conduct for Financial Advice Services 2025

This Code is approved in accordance with clause 34 of schedule 5 of the Financial Markets Conduct Act 2013 by the Minister of Commerce and Consumer Affairs—

(a) after receiving a draft code prepared by the code committee that proposes changes to the code pursuant to clauses 40 and 34 of schedule 5; and

(b) being satisfied as to the matters in clause 34(2) of schedule 5; and

(c) after consulting the Financial Markets Authority pursuant to clause 37 of schedule 5.

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Code

2 Title

This is the Code of Professional Conduct for Financial Advice Services 2025.

3 Commencement

This Code comes into force on 1 November 2025.

4 Approval of code

The Code of Professional Conduct for Financial Advice Services set out in schedule 1 is approved.

5 Revocation

The Code of Professional Conduct for Financial Advice Services approved by the Minister of Commerce and Consumer Affairs on 7 May 2019 is revoked.

Clause 4

Schedule 1
Code of Professional Conduct for Financial Advice Services

The Financial Advice Code

This is the Code of Professional Conduct for Financial Advice Services prepared in accordance with Part 4 of Schedule 5 of the Financial Markets Conduct Act 2013 (the FMC Act). The Code must provide for minimum standards of professional conduct that must be demonstrated by persons who give regulated financial advice.

The Code supports the purposes of the FMC Act including promoting the confident and informed participation of businesses, investors, and consumers in the financial markets, avoiding unnecessary compliance costs, and ensuring the availability and quality of financial advice.

The Code is part of a wider regulatory regime for financial advice. Subpart 5A of Part 6 of the FMC Act imposes statutory duties on persons who give regulated financial advice to retail clients. Those duties include:

- to comply with the standards of ethical behaviour, conduct, and client care required by the Code
- to meet the standards of competence, knowledge, and skill (including any continuing professional development requirements) provided in the Code for giving the advice.

In the Code, “client” means a retail client and “financial advice” means regulated financial advice given to a client.

The Code includes commentary to help persons who give financial advice to comply with the standards. The commentary does not limit the standards.

THE STANDARDS

PART 1: ETHICAL BEHAVIOUR, CONDUCT, AND CLIENT CARE

1. Treat clients fairly
2. Act with integrity
3. Give financial advice that is suitable
4. Ensure that the client understands the financial advice
5. Protect client information

PART 2: COMPETENCE, KNOWLEDGE, AND SKILL

6. Have general competence, knowledge, and skill
7. Have particular competence, knowledge, and skill for designing an investment plan
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9. Continually develop competence, knowledge, and skill

PART 1: ETHICAL BEHAVIOUR, CONDUCT, AND CLIENT CARE

[Standard 1] Treat clients fairly

A person who gives financial advice must always treat clients fairly.

COMMENTARY

What is fair depends on the particular circumstances, including the nature and scope of the financial advice. Treating clients fairly should include:

- treating clients with respect
- listening to clients, considering their views and responding to their concerns and preferences
- communicating with clients in a timely, clear and effective manner
- not taking advantage of clients' lack of financial knowledge or other vulnerabilities
- not applying undue pressure on clients.

Treating clients fairly does not mean that clients are not responsible for their own decisions or that they are not exposed to risk.

[Standard 2] Act with integrity

A person who gives financial advice must always act with integrity.

COMMENTARY

The standard applies to giving financial advice and to the activities and business practices that surround and support the giving of financial advice. That includes how a person who gives financial advice:

- describes themselves and their business
- publishes and shares information with clients, prospective clients and the public
- interacts with clients, prospective clients, colleagues, regulators, media and the public.

Acting with integrity includes:

- avoiding or appropriately managing any conflict of interests
- not doing anything that would, or would be likely to, bring the financial advice industry into disrepute.

[Standard 3] Give financial advice that is suitable

A person who gives financial advice must ensure that the financial advice is suitable for the client, having regard to the nature and scope of the financial advice.

COMMENTARY

Ensuring that the financial advice is suitable for the client should include having reasonable grounds for the financial advice. Reasonable grounds for the financial advice means those grounds that a prudent person engaged in the occupation of giving financial advice would consider to be appropriate in the same circumstances, such as those in relation to:

- any strategy supporting the financial advice
- any assumptions underlying the financial advice
- any financial advice product covered by the financial advice
- the client's circumstances that are relevant to the financial advice, such as their financial situation, needs, goals, and risk tolerance.

Depending on the nature and scope of the financial advice, a detailed analysis of the client's circumstances may be required or it may be reasonable to make assumptions about the client's circumstances based on particular characteristics of the client.

If the financial advice includes a comparison between two or more financial advice products, the financial advice should be based on an assessment of each product.

A person who gives financial advice may rely on another person's assessment of a financial advice product or strategy. The person giving the financial advice should be able to demonstrate that it is reasonable to rely on the other person's assessment.

In some advice situations, ensuring that the financial advice is suitable for the client may require the person to have competence, knowledge, and skill in addition to the minimum standards specified in Part 2 of the Code. The additional competence, knowledge, and skill required depends on the circumstances. For example, it may be knowledge in a specialised discipline such as in relation to a specific asset, legacy product, or foreign regulatory regime, or skills reasonably necessary to understand the client's circumstances.

Section 431Q of the FMC Act requires a financial advice provider to take all reasonable steps to ensure that a person it engages to give financial advice complies with certain duties, including to comply with the standards of the Code.

[Standard 4] Ensure that the client understands the financial advice

A person who gives financial advice must take reasonable steps to ensure that the client understands the financial advice.

COMMENTARY

Section 431J of the FMC Act provides that a person must not give financial advice unless the person has taken reasonable steps to ensure that the client understands the nature and scope of the advice being given, including any limitations on the nature and scope of the advice.

This standard relates to the financial advice itself.

Understanding the financial advice includes the client having sufficient comprehension of the content, risks and consequences of the financial advice, and of the nature of any ongoing and other services related to the financial advice, to be able to make timely and informed decisions about the financial advice, such as:

- whether the financial advice is based on valid assumptions about the client's circumstances
- whether to follow the financial advice
- whether the fees and costs associated with following the financial advice, such as those of any financial advice product or platform, are acceptable
- whether and when to seek additional financial advice.

What amounts to reasonable steps by the person who gives the financial advice will depend on the circumstances, such as the nature and scope of the financial advice, and the skills, experience and vulnerabilities of the client.

[Standard 5] Protect client information

A person who gives financial advice must take reasonable steps to protect client information against loss and unauthorised access, use, modification, or disclosure.

COMMENTARY

Client information includes all information about the client that is collected or held by a person who gives financial advice. That includes information in work papers and records, and the financial advice given to the client.

Client information about a client should only be used, retained or disclosed:

- for the purpose of giving financial advice to the client
- for another purpose that is directly related to giving the financial advice
- if the use, retention or disclosure is required or permitted by law
- for another purpose if the client has agreed.

Client information should be retained only for as long as it is required for one or more of those reasons. When it is no longer needed, the client information should be returned to the client or disposed of securely.

Physical and electronic security measures should be maintained so that only authorised personnel of the financial advice provider have access to client information.

Client information is broader than personal information under the Privacy Act 2020. To the extent that it relates to personal information, however, the standard is intended to be applied consistently with obligations under the Privacy Act 2020.

PART 2: COMPETENCE, KNOWLEDGE, AND SKILL

[Standard 6] Have general competence, knowledge, and skill

A person must not give financial advice unless the person meets the standard of general competence, knowledge, and skill.

The standard of general competence, knowledge, and skill is that the person has capabilities equivalent to the general qualification outcomes of either version 2 or 3 of the New Zealand Certificate in Financial Services (Level 5) approved by the New Zealand Qualifications Authority in January 2019 and May 2024 respectively (NZQA reference 2315). The general qualification outcomes are qualification outcomes 1-4 of that certificate.

WAYS OF DEMONSTRATING THE STANDARD

A person may demonstrate their general competence, knowledge, and skill by any of the following ways:

- hold version 1, 2 or 3 of the New Zealand Certificate in Financial Services (Level 5)
- hold the National Certificate in Financial Services (Financial Advice) (Level 5)
- was an authorised financial adviser immediately before the commencement of the Code
- give financial advice only through an individual who satisfies any of the ways stated above.

COMMENTARY

The qualification outcomes of versions 2 and 3 of the New Zealand Certificate in Financial Services (Level 5) are, for the purposes of the Code, materially equivalent.

A person may demonstrate competence, knowledge, and skill in a way that is different from those listed above, for example by reference to the financial advice provider's procedures, systems and expertise.

If a person seeks to demonstrate competence, knowledge, and skill by reference to an alternative qualification or experience, they should do so in an objective, measurable and independently verifiable manner.

Some advice situations may require competence, knowledge, and skill in addition to the minimum standards specified in Part 2 of the Code: refer to the Standard 3 commentary.

[Standard 7] Have particular competence, knowledge, and skill for designing an investment plan

A person must not give financial advice that includes designing an investment plan unless the person meets the standard of particular competence, knowledge, and skill for designing an investment plan.

The standard of particular competence, knowledge, and skill for designing an investment plan is that the person has the capabilities equivalent to the qualification outcomes of the investment strand of either version 2 or 3 of the New Zealand Certificate in Financial Services (Level 5) approved by the New Zealand Qualifications Authority in January 2019 and May 2024 respectively (NZQA reference 2315).

WAYS OF DEMONSTRATING THE STANDARD

A person may demonstrate their particular competence, knowledge, and skill for designing an investment plan by any of the following ways:

- has achieved the qualification outcomes of the investment strand of version 1, 2 or 3 of the New Zealand Certificate in Financial Services (Level 5) or of the National Certificate in Financial Services (Financial Advice) (Level 5)
- was an authorised financial adviser, permitted to provide investment planning services, immediately before the commencement of the Code
- give financial advice only through an individual who satisfies either of the ways stated above.

COMMENTARY

The Standard 6 commentary also applies to this standard.

[Standard 8] Have particular competence, knowledge, and skill for product advice

A person must not give financial advice that includes a recommendation or opinion about either:

- acquiring or disposing of (or not acquiring or disposing of) a financial advice product
- switching funds within a managed investment scheme

unless the person meets the standard of particular competence, knowledge, and skill for product advice.

The standard of particular competence, knowledge, and skill for product advice is that the person has the capabilities equivalent to the qualification outcomes of the relevant strand of either version 2 or 3 of the New Zealand Certificate in Financial Services (Level 5) approved by the New Zealand Qualifications Authority in January 2019 and May 2024 respectively (NZQA reference 2315).

The relevant strand means the specialist strand of the certificate that is most relevant to the type of financial advice product to which the financial advice relates. If the financial advice relates to more than one type of financial advice product, the relevant strand means the strands that are most relevant to all those products.

WAYS OF DEMONSTRATING THE STANDARD

A person may demonstrate their particular competence, knowledge, and skill for product advice by any of the following ways:

- has achieved the qualification outcomes of the relevant strand of version 1, 2 or 3 of the New Zealand Certificate in Financial Services (Level 5) or of the National Certificate in Financial Services (Financial Advice) (Level 5)
- was an authorised financial adviser, permitted to provide financial adviser services in relation to the financial advice product to which the financial advice relates, immediately before the commencement of the Code
- give financial advice only through an individual who satisfies either of the ways stated above.

COMMENTARY

The Standard 6 commentary also applies to this standard.

[Standard 9] Continually develop competence, knowledge, and skill

A person who gives financial advice must undertake continuing professional development (CPD) as follows:

An individual must, at least annually, plan for and progressively complete learning activities designed to ensure that they continually develop their competence, knowledge, and skill for giving financial advice.

An entity must, at least annually, review and where necessary update its procedures, systems and expertise to ensure that it continually develops its competence, knowledge, and skill for giving financial advice.

COMMENTARY

What are appropriate CPD activities will depend on the circumstances, such as the person's current competence, knowledge, and skill, the advice situations the person may encounter, and any relevant regulatory changes.

CPD for an individual may include structured learning activities, for example:

- a formal mentoring arrangement with an experienced colleague, especially in the person's first year of financial advice practice
- a qualification or course that broadens competence, knowledge, and skill into new areas, or that updates or deepens existing competence, knowledge, and skill, such as an update on the regulatory framework for giving financial advice
- a seminar on ethical case studies or client engagement skills.

CPD for an individual also may include informal learning activities, for example:

- participation in relevant financial advice industry association activities
- reading or self-directed study to gain knowledge in a specialised discipline or to acquire a specific skill.

CPD for an entity that gives financial advice through an individual may include, for example, reviewing and taking shared responsibility for the individual's CPD.

Made at Wellington on 20 August 2025

Hon Scott Simpson
Minister of Commerce and Consumer Affairs

Explanatory note

This note is not part of the Code but is intended to indicate its general effect.

The first version of the Code made under the FMC Act was approved by the Minister of Commerce and Consumer Affairs on 7 May 2019 and the obligation to comply with the Code came into force on 15 March 2021.

This is the second version of the Code made under the FMC Act. It comes into force on the commencement date and replaces the first version. Schedule 5 clause 40(1)(a) of the Financial Markets Conduct Act 2013 permits the Code Committee to propose changes to the Code. The changes reflected in this version of the Code were proposed unanimously by all members of the Committee.

This version of the code includes changes that aim to clarify the competence, knowledge and skill requirements for financial advisers, having regard to the availability and quality of financial advice.

The Code's minimum standards retain their reference to the New Zealand Certificate in Financial Services (Level 5). Changes to the Code's commentary make clear that some advice situations warrant competence, knowledge, and skill above the minimum.

The importance of continuing professional development is emphasised in the changes. Financial advice provider businesses have a duty to ensure that their people are appropriately trained and experienced for the advice they give, and that they get appropriate continuing professional development.

This is secondary legislation published under the Legislation Act 2019.	
Title	Code of Professional Conduct for Financial Advice Services 2025
Principal or amendment	Principal
Consolidated version	No
Empowering Act and provisions	Financial Markets Conduct Act 2013 Clause 34 of Schedule 5
Replacement empowering Act and provisions	Not applicable
Maker name	Minister of Commerce and Consumer Affairs
Administering agency	Financial Advice Code Committee
Date made	20 August 2025
Publication date	21 August 2025
Notification date	21 August 2025
Commencement date	1 November 2025
End date (when applicable)	Not applicable
Consolidation as at date	Not applicable
Related instruments	Click or tap to enter text