



Media Release

FMA sets target dates for FAP full licence applications

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The Financial Markets Authority (FMA) - Te Mana Tātai Hokohoko has set 30 September 2022 as the target date by when all transitional financial advice providers should apply for their Class 1 or Class 2 full licences. For Class 3 licence applicants, the target date is 30 June 2022.

John Botica, Director of Market Engagement, said the target dates aimed to help providers plan for a smooth transition to full licensing and were based on trends observed through transitional licensing.

“With transitional licensing, eighteen per cent of those applying for a transitional licence left it until the last fortnight before the deadline closed. That just won’t be an option with full licensing. We thought it important to be clear about that well ahead of time.”

All financial advice provider (FAP) transitional licences expire on the close of 16 March 2023. By getting their application in before the relevant target date, applicants would give themselves the best chance of ensuring their full licence was processed before their transitional licence expired.

“We recognise that advice businesses are currently facing demands on many fronts and managing competing priorities. By setting clear application target dates, we hope to signpost sensible timeframes for transitional licence holders to aim for and achieve.”

As of 18 October 2021, 1706 financial advice providers were still operating under transitional licences. While Botica expected not all would make the decision to apply for a full licence, he said the FMA was committed to providing those who did with as much support and help as possible.

In addition to the FAP full licence application kit, and other resources available on its website, the FMA is developing self-assessment tools to help Class 1 and Class 2 licence applicants identify where they might need to do further work to meet the full licensing requirements. A Cyber Security and Business Continuity Planning (BCP) self-assessment tool had recently been published on the FMA website and more would be added.

Botica urged advice businesses who had not yet begun their transition journey to get started soon.

“Download the FAP full licence application kit, decide which licence class to apply for and then start a draft application online. That’s the quickest way to find where any gaps in your current compliance approach are. Once you’ve identified those gaps, you can plan to address them and get your full licence application in by the target date.”

See How to apply for a full licence on the FMA website.

Financial Markets Authority

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