



## **Submission**

Of the

**New Zealand Retailers Association**

To the

**Finance & Expenditure Committee**

In respect of the

**Financial Advisers Bill – Interim Report back  
from Committee and revised definition of  
Financial Adviser**

May 2008

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## **Introduction**

These submissions are presented by the New Zealand Retailers Association

## **Background**

The Association is the largest trade association representing the retail industry in New Zealand.

Our membership includes the major supermarkets and general merchandise chains, specialised chains, traditional department stores and thousands of owner operators spread throughout the country.

We also act as the Secretariat for a variety of trade groups including plumbing materials suppliers, metal fastener distributors, pet shops, jewellers, equestrian and sports goods dealers and bicycle retailers.

Viewed statistically we represent an industry that has annual sales of over \$60b per annum and which employs 325,000 people ( 17% of the workforce ) in some 49,000 outlets spread throughout the country.

## **General Submissions**

The Finance & Expenditure Select Committee has proposed amendments to the description and definition of Financial Adviser due to the level of opposition to the drafting of the description currently within Bill.

### **Definition of Financial products:**

It is now proposed that advice in relation to a financial decision must relate to the buying, selling or holding of financial products. Financial products are defined as:

- securities (as defined in the Securities Act 1978); or
- any contract of life insurance, disaster insurance, general insurance and medical insurance; or
- any consumer credit contract (as defined in the Credit Contracts and Consumer Finance Act 2003).

### **Definition of Financial Adviser:**

It is now proposed that a financial adviser will only refer to a person:

- whose primary occupation is to provide advice in relation to any savings or investment planning; or

- who regularly provides such advice in the course of their business.

As per our previous submission, clearly retailers are still “caught” within this Bill through the definitions of financial product (consumer credit contracts), and financial adviser (regularly provides such advice in the course of their business).

We therefore still uphold our recommendation :

That Part 1

Section 6(1)(a) be amended to read:

By a person whose principle occupation is that of a teacher, journalist, **retailer, retail employee**, or State services employee, and the advice is given in the course of that person’s principal occupation;

New Zealand Retailers Association  
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