

# SOCIETY OF INDEPENDENT FINANCIAL ADVISERS

(INCORPORATED)

P O Box 91-420  
AUCKLAND

Phone: (09) 302-2655  
Fax : (09) 302-7700  
E-mail: [sifa@ifp.co.nz](mailto:sifa@ifp.co.nz)

---

<Date>

<Name & Address>

Dear <Name>,

**: Application for membership of SIFA**

Thank you for your enquiry about membership of SIFA. The following documents are attached for your review:

- SIFA Application Form
- Statutory Declaration
- The Rules of SIFA

The initial Joining Fee for new members is \$112.50 (GST inclusive) and the Annual Subscription Fee is \$112.50 (GST inclusive). New members are not required to pay the annual subscription fee during their first year of membership.

Once you are satisfied that you meet SIFA membership criteria and that you want to become a member, please forward us the following:

- ◆ Completed SIFA Application form & Statutory Declaration
- ◆ Copy of your Disclosure Form
- ◆ Cheque made payable to SIFA for an amount of \$112.50

Kind regards.

**Society of Independent Financial Advisers**

**Robert Oddy**

Secretary/Treasurer

# SIFA Membership Application Form

Full Name:.....

Postal Address:.....

.....

Physical Business Address:.....

.....

BusinessPhone:(.....).....Fax: (.....).....

Cellphone:.....

Can we contact you after hours? .....And the number? .....

E-mail:.....

Company or Trading Name:.....

Position held: .....Is this a Franchise operation?....

How many years experience do you have in providing :

1. Financial Planning Advice .....

2. Investment Advice .....

3. Risk Management & Life Assurance Advice .....

4. Estate Planning Advice .....

Please advise details of qualifications (e.g. type, year achieved and university/technical institute/company provider but excluding secondary school qualifications)

.....

.....

Name of your sponsor :.....

Business Phone:.....E-mail: .....

# Statutory Declaration

I ..... declare that my application for membership of the Society of Independent Financial Advisers can be accepted with the knowledge that I meet all the requirements of membership, especially those identified below as 4.1.c.

## 4.1.c. Membership Criteria

- Membership to be restricted to individual practitioners within independently owned and operated financial advisory and/or insurance businesses but excluding franchised organisations.
- The member must be able to provide the client with a selection of financial products and services from within the industry.
- The member must be directly involved in the provision of financial planning, investment advice or insurance services to the public and clients.
- Members must operate their business across a broad spectrum of investment and/or insurance products.
- Members must deal directly with individual clients.
- Members cannot earn a salary or retainer from a Bank, Insurer, Trustee Company or other product supplier.
- The member must be able to provide freedom of choice in the selection of products for clients.
- Employees of industry service providers i.e. fund managers, insurers and research companies are not eligible for membership.
- Members must have a suitable qualification or a minimum of 3 years experience.
- Members must be of good standing within the community.
- Membership is terminated if the member misses two consecutive conferences unless this has been caused by illness, travel overseas or personal circumstances that the committee agrees is reasonable to not enforce this rule

I hereby agree to abide by the rules of the Society of Independent Financial Advisers. I state that I have no contractual or binding requirement to place business with any of my product suppliers and I can offer prospective clients a wide choice of products from a variety of product suppliers.

I accept the definition of independence and the rules of the Society of Independent Financial Advisers and I will notify the Society immediately should I fail to continue to meet the membership requirements.

Signed: ..... Dated: .....

Witnessed by: ..... Name: .....

Signature: .....

**Please note:** The witness must be a Justice of the Peace, a Solicitor or anyone else authorised to hear Statutory Declarations.

*Dated 16<sup>th</sup> April 1994*  
*Amended 19 May 2000*

**RULES OF**  
**SOCIETY OF INDEPENDENT FINANCIAL ADVISERS**

# INDEX

<u>Clause No.</u>	<u>Heading</u>
1.	Definitions and Interpretations
2.	Name
3.	Objects
4.	Membership
5.	Termination of Membership
6.	Entrance Fees; Annual Subscriptions
7.	Officers
8.	Duties of the Committee
9.	Additional Power of the Committee
10.	Meetings
11.	Service of Notices
12.	Common Seal
13.	Control and Investment of Funds
14.	Application of Profits
15.	Borrowing Powers
16.	Auditor
17.	Registered Office
18.	Where No Rule Applies
19.	Regulations
20.	Alteration of the Rules
21.	Winding up and Disposition of Surplus Assets
22.	Confidentiality
23.	Indemnity
24.	Liability of Members

Schedule of Objectives

Mission Statement

## **RULES OF THE SOCIETY OF INDEPENDENT FINANCIAL ADVISERS**

### **1. DEFINITIONS AND INTERPRETATIONS**

- 1.1 Independence: The ability to provide the public with a choice from a range of financial and insurance products without obligation to meet production requirements of the product providers.
- 1.2 In these Rules:
- a. words referring to persons include firms, partnerships, companies and corporations;
  - b. where the context permits, words referring to the plural and vice versa and words importing one gender refer to the other gender.

### **2. NAME**

- 2.1 The name of the Society is "Society of Independent Financial Advisers Incorporated".

### **3. OBJECTS**

- 3.1 The objects of the Society are those set forth in the Schedule to these Rules.

### **4. MEMBERSHIP**

- 4.1 Membership of the Society consists of:
- a. The signatories to these Rules who will be the first Members.
  - b. Such persons as may be elected by a simple majority vote and of the Committee who pay upon request such entrance fees and annual subscriptions as the Society from time to time fixes in Annual General Meeting and meets the requirements outlined in 4.1.c. No person may be presented as a candidate for election without application in writing in the form prescribed from time to time by the committee signed by the applicant and 2 financial Members being lodged in the hands of the Secretary at least 21 clear days before such Meeting.
- 4.1.c. Membership Criteria
- (i) Membership to be restricted to individual practitioners within independently owned and operated financial advisory and/or insurance businesses but excluding franchised organisations.
  - (ii) The member must be able to provide the client with a selection of financial products and services from within the industry.
  - (iii) The member must be directly involved in the provision of financial planning, Investment advice or insurance services to the public and clients.
  - (iv) Members must operate their business across a broad spectrum of investment and/or insurance products.
  - (v) Members must deal directly with individual clients.
  - (vi) Members cannot earn a salary or retainer from a Bank, Insurer, Trustee Company or other product supplier.
  - (vii) The member must be able to provide freedom of choice in the selection of client products.
  - (viii) Employees of industry service providers i.e. fund managers, insurers and research companies are not eligible for membership.

- (ix) Members must have a suitable qualification or a minimum of 3 years experience.
  - (x) Members must be of good standing within the community.
  - (xi) Members who miss two consecutive conferences will have their membership terminated unless the Committee determines that extenuating circumstances exist, such as health issues or absence overseas.
- 4.1.d. Members must sign a statutory declaration on joining and confirm at each annual renewal that they continue to meet the criteria outlined in 4.1.c.
- 4.2 Every member of the Society is deemed to have notice of the Rules and regulations of the Society and will be bound by those documents as if the Member had been an original subscriber to them.

## **5. TERMINATION OF MEMBERSHIP**

- 5.1 Any member of the Society who fails in the observance of any law, rule, regulation, bylaw or Code of Ethics of the Society which for the time being Members are expected to observe, or whose character or business methods are considered by the Committee not to be in the best interests of the Society or whose business activities do not in the opinion of the Committee entitle that member to continue to be a Member may be removed from the Society by a resolution at a General Meeting by a majority of at least 75 per cent of the Members present.
- 5.2 Any Member wishing to resign from the Society must give to the Secretary/Treasurer written notice of the Member's intention to resign and must pay all fees, subscriptions, levies or other monies owing to the Society up to the date of expiry of such notice and forfeit that year's subscription. The Committee may then accept the resignation.
- 5.3 Any person ceasing to be a Member of the Society must upon demand from a member of the Committee return to the Society any property of the Society then in that person's possession or under that person's control. No such person after ceasing to be a member must hold himself, herself or itself out as a Member of the Society or use any trademark, tradename, logo or other mark of identification of the Society, or disclose any confidential information relating to the Society or to any other Member of the Society.

## **6. ENTRANCE FEES; ANNUAL SUBSCRIPTIONS**

- 6.1 The Society in Annual General Meeting has the power to determine the amount of the entrance fee payable by any new Member of the Society (which amount until so determined is nil) and the amount of the annual subscription payable by Members of the Society.
- 6.2 A Member is not to be entitled to vote or take advantage of membership in any way until such a Member's subscription and/or arrears of subscription are paid.

**7. COMMITTEE**

7.1 At the first meeting of the Society and at every Annual General Meeting held thereafter the Society must elect from the Society's financial membership a Committee consisting of the following officers: a Chairman, a Secretary, a Treasurer (which office may also be held by the Secretary) and Committee Members who will hold office until retirement or removal from office or election of successors to office.

7.2 The Committee has power to appoint a financial Member to fill any casual vacancy on the Committee until the next Annual General Meeting.

7.3 All Committee Members must retire at the next Annual General Meeting but all or any of the retiring Committee are eligible for re-election.

**8. DUTIES OF THE COMMITTEE**

8.1 It is the duty of the Committee generally to conduct the affairs of the Society, to keep usual and proper books of account properly posted up and other records of the business of the Society and to notify Members of intended meetings and the business to be transacted at those meetings and to prepare and submit to the Annual General Meeting a report, balance sheet and statement of accounts for the preceding year. Meetings of the Committee may be convened by circular letter at such times and places as the Chairman (or in the case of the Chairman's absence, inability or refusal to act, the Secretary) appoints and 3 Members will be a quorum.

8.2 Meetings may be held in person or by the use of electronic medium.

**9. ADDITIONAL POWERS OF THE COMMITTEE**

9.1 In addition to any power conferred by these Rules the Committee has the following powers and authorities:

- a. To co-operate with all interested parties in public relations in promotion of the objects of the Society.
- b. To enter into any arrangement with any institution or organisation which has objects similar to those of the Society.
- c. To solicit donations, gifts and bequests to the Society for promotion of the objects of the Society.
- d. To expend any money in pursuance of and incidental to any of the objects of the Society.
- e. To recommend the printing of publications and their issue to Members of the Society and others.
- f. To do all things as are incidental or conducive to the attainment of the above powers and authorities or any of them.

**10 MEETINGS**

**10.1 Annual General Meeting**

The Society must hold an Annual General Meeting once in every calendar year (not being more than 15 months after the holding of the last previous Annual General meeting), at such time and place as may be decided upon at the previous Annual General Meeting or if no such time or place for such meeting has been fixed then at such time and place as the Committee determines. The meeting must be called for the following purposes:



- a. To receive from the Committee a report, balance sheet and statement of accounts for the preceding year.
- b. To elect the Committee for the ensuing year and to appoint an auditor.
- c. To fix the annual membership subscription and entrance fee (if any) for the ensuing year.
- d. To decide on any resolution which must have been duly submitted to the Secretary in writing not less than 21 days prior to the date of such meeting.

10.2 Special General Meeting

The Chairman, or in the Chairman's absence or inability, any other Member of the Committee, may at any time for any special purpose call a Special General Meeting and the Chairman must do so forthwith upon the requisition in writing of any 10 Members stating the purposes for which the meeting is required. Fourteen clear days notice must be given of any such Special General Meeting

10.3 Procedure at Meetings

- a. At all General Meetings the Chairman, and in the Chairman's absence, any other duly elected Chairman, must take the chair and every financial Member is entitled on every motion to 1 vote exercised in person, by proxy or in writing. In the case of an equality of votes the Chairman has a casting as well as a deliberate vote. The mode of voting on all questions other than elections is by voices or if the Chairman or any Member so requires by a show of hands. On all elections voting is by secret ballot for which purpose no less than 2 scrutinisers are to be appointed at the meeting.
- b. At all General Meetings 10 financial Members constitute a quorum.

10.4 Notice of Business

Fourteen clear days before a Special General Meeting and Annual General Meeting a notice must be given of the date, place and time for and of the business to be transacted at that meeting together with a copy of the report and balance sheet in the case of the Annual General Meeting. The notice must be sent to every Member and no business other than that of which notice has been so given can be brought forward at such meeting.

**11. SERVICE OF NOTICES**

11.1 Every notice required to be given to the Members or any of them is deemed to have been duly delivered if faxed or posted to the Member in a prepaid letter addressed to the Member at the Member's last known address.

**12. COMMON SEAL**

12.1 The Society must provide a common seal, which is to remain in the custody of the Secretary, or the Committee may nominate such other person as. The use of the seal can be authorised only by resolution of the Committee and its application is to be witnessed by any two Members of the Committee.

12.2 Every application of the seal must be recorded in a register kept for that purpose and a copy of every document to which the seal has been affixed must be kept together with the register.

**13. CONTROL AND INVESTMENT OF FUNDS**

13.1 The funds of the Society are to be devoted solely to the furtherance of the objects of the Society as set out in these Rules and are to be under the control of the Committee.

13.2 All monies received by or on behalf of the Society must forthwith be paid to the credit of the Society in an account with such bank as is from time to time fixed by the Society. All cheques or withdrawal slips drawn on the account must be signed by two Committee Members. The Society may from time to time invest and re-invest in such securities and upon such terms as it thinks fit the whole or any part of its funds that are not required for the immediate business of the Society.

**14. APPLICATION OF PROFITS**

14.1 The income and property of the Society from wherever derived, are to be applied solely towards the promotion of the objects of the Society as set forth in these Rules and no portion of such income or property is to be paid or transferred directly or indirectly by way of profit to the Members of the Society.

**15. BORROWING POWERS**

15.1 In addition to the other powers vested in it the Society has a power to borrow or raise money from time to time by the issue of debentures, bonds, mortgages or any other security, founded or based on all or any of the property and/or rights of the Society or without any such security and upon such terms as to priority and otherwise as the Society thinks fit. The powers of borrowing or raising money cannot be exercised except pursuant to a resolution of the Society passed in General Meeting.

**16. AUDITOR**

16.1 The books of the Society must be audited annually and reported upon by an auditor appointed at the Annual General Meeting of the Society.

16.2 Such auditor cannot hold any other office in the Society and is to receive such fee as may be fixed from time to time by the Committee. If a vacancy occurs in the office of auditor during any year the Committee is to appoint an auditor to hold office until the next Annual General Meeting.

**17. REGISTERED OFFICE**

17.1 The registered office of the Society is to be at such place as the Society from time to time determines in General Meeting. Due notice of any change of office is to be given to the Registrar of Incorporated Societies.

**18. WHERE NO RULE APPLIES**

18.1 If any case arises which in the opinion of the Committee is not provided for in these Rules it is decided by the Committee which must act in what it considers to be the best interests of the Society but whose decision is final.

**19. REGULATIONS**

19.1 The Society may from time to time by resolution in General Meeting make, amend or cancel regulations not inconsistent with these Rules governing procedure at its meetings and conduct of its activities in pursuance of its objects.

19.2 The Society has the power to make, alter or cancel regulations not inconsistent with these Rules for the conduct and behaviour of Members or any other matter related to the affairs of the Society. Regulations take effect and become binding on all Members 14 days after notice of the regulations has been given by circular to all Members of the Society, unless within that time a written notice of objection signed by 3 Members is received by the Secretary. In that case such notice is deemed to be a requisition for the purpose of convening a Special General Meeting pursuant to clause 10.2.

**20. ALTERATION OF THE RULES**

20.1 These Rules may be altered, added to or cancelled by resolution of 75 per cent of those present at a General Meeting of the Society of which at least 14 days written notice has been given.

**21. WINDING UP AND DISPOSITION OF SURPLUS ASSETS**

21.1 The Society must be wound up if the Society, at a General Meeting of its Members, passes a resolution by a simple majority requiring the Society to be wound up and the resolution is confirmed at the subsequent General Meeting called for that purpose and held not earlier than 30 days after the date on which the resolution so to be confirmed is passed.

21.2 In the event of the Society being wound up the surplus assets after payment of the Society's liabilities and the expenses of the winding up are distributed and split equally between the L.U.A and I.A.F.P.

**22. CONFIDENTIALITY**

22.1 All information in any way a Member receives relating to the affairs of the Society or any Member of the Society that is to be treated as secret and confidential. This obligation of secrecy and confidence continues indefinitely notwithstanding the termination of such Member's membership of the Society.

**23. INDEMNITY**

23.1 No action in law or other claim may be taken by Members or their executors or administrators against any other member of the Society or Committee or officer in pursuance of the provisions of these Rules notwithstanding any irregularity or informality occurring in or about the doing or omitting or suffering of any act, matter or thing. No Member of the Committee is liable for any loss or expenses of the Society or any Member unless it occurs as a result of wilful default.

23.2 Notwithstanding anything to this effect the Committee reserves the right to pursue debts owing to it from its members.

**24. LIABILITY OF MEMBERS**

24.1 No Member is under any liability in respect of any contract, debit or other obligation made or incurred by the Society.

## ***SCHEDULE OF OBJECTIVES***

1. To provide an industry body that identifies independent financial planners and brokers.
2. To promote to the public the benefits of using an independent planner or broker.
3. That member will follow a recognised Industry Code of Practice.
4. To provide service to its members in a cost effective, minimal administration environment. The emphasis is on promotion and identification, not administration.
5. To enable independent planners to meet and exchange ideas and develop industry exposure to independent planners.
6. To liase with existing professional bodies in areas of ethics and education.
7. To encourage members to participate in the broad areas of the industry and support other organisations such as FPIA.
8. The fostering of goodwill between members.
9. To give members the freedom of choice as to their education goals and support them in their endeavours.
10. Education of members is encouraged through the use of existing courses, Massey and Waikato Universities Dip.B.S. (Financial Planning), Dip.B.S. (Life), L.U.A.T.C. courses and Open Polytechnic NZ Certificate of Business.

## **MISSION STATEMENT**

*To ensure members provide the public with independent financial advice while upholding the highest professional and ethical standards.*

## PROFILE OF SIFA

In 1994, when SIFA was formed, mergers and acquisitions amongst investment advisory, fund management and insurance companies appeared likely to change the shape of investment advice and distribution of investment plus insurance products to the public of NZ

Subtle and some not so subtle, incentives were being offered to advisers who would agree to sell only a particular company's products or to place the majority of their business with a particular supplier. As a reward, those advisers would be provided with that company's support, which included company conferences, research, which supported that company's products, bonuses and trips overseas.

A group of 12 independently owned advisory practices felt uncomfortable with this direction and decided to bond together to share the costs of obtaining independent research, analysis of financial products and investment opportunities, plus development advice and practice management.

Over the years, owners and advisers of other independently owned practices, who did not wish to be swallowed by a large product distribution chain, began to join the group.

With a target of 100 members from throughout NZ, new members have come from financial planning, insurance, investment and estate planning areas. The qualifications of members now include degrees in law, commerce, economics and business studies. These advisers, who value their independence, see the advantage of belonging to an independent collegiate organisation.

For the practice owners and advisers, SIFA's provision of two conferences annually fulfils the role of the in-house conferences provided by the large product distribution companies. Because our conferences require information to be contributed and shared by all members for the benefit of their clients, the SIFA continued membership criteria requires that no member miss two consecutive conferences. A code of ethics is in place to encourage the maintenance of best practice methods for the benefit of clients.

Sound knowledge and skilled advice delivered ethically to New Zealanders allows for informed decisions to be made. Poor advice can be extraordinarily harmful to our economy and to the lifestyle choices available for current and future generations.

SIFA conferences are designed to provide members with an extensive range of information across wide ranging issues that are likely to have an impact on clients.