

# FOUR FAST FACTS

## ON: FIT AND PROPER PERSON CERTIFICATION

AUGUST 2021

### Compulsory certification

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From 1 October 2021, providers of consumer credit and mobile traders must be certified by the Commerce Commission (the **Commission**), which will require satisfying the Commission that their directors and senior managers are fit and proper persons to hold their positions.

### Assessment criteria

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The Commission has developed assessment criteria for certification that fall into two key categories:

*1. Probity, reputation and financial integrity*  
Considering the suitability of an individual to perform their role.

*2. Competency and capability*  
Considering an individual's skills, competency to perform the role, work history and qualifications.

### Exceptions

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Various exceptions apply, including for banks, licensed non-bank deposit takers, and licensed insurers. Consumer credit providers and mobile traders who are already registered on the Financial Services Providers Register on 30 September 2021 don't need to be certified until their next annual confirmation. Applications for certification must be made two months before annual confirmation is due, or it may be necessary to stop lending or mobile trading pending confirmation of certification.

### Conditions and changes

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The Commission can impose conditions on certification (for example, a requirement for training or supervision), and it can change or revoke conditions at any time.

Certified parties must notify the Commission of any material change that might affect their certification. The Commission may suspend or cancel certifications if it determines that a director or senior manager is no longer fit and proper to perform their role.