

Finance & Asset Protection Support Network

IT IS IMPORTANT TO SURROUND YOURSELF WITH GOOD PEOPLE AND, JUST LIKE YOUR RUGBY TEAM, YOU NEED TO BUILD YOUR OWN TEAM, WHICH YOU CAN TRUST AND DEPEND ON TO HELP YOU THROUGH YOUR JOURNEY.



As a starting point, the **NZRPA** recommends that all contracted players have an accountant and a lawyer. At the very least, you should meet with each of them to see what services might be relevant to you now and in planning for the future.

Your **Accredited Agent, PDM, NZRPA [0800 PLAYER]**, trusted friends or relatives should be able to point you in the direction of a good lawyer and accountant. However, if you are searching on your own, there are a few things to consider.

Primary support network – recommended

Lawyers

You may need to use a lawyer to:

- buy or sell real estate [‘conveyancing’]
- get a divorce or separation
- arrange child support or child custody

- draw up an agreement or contract (e.g. relationship agreement, rental and lease agreements)
- represent you in cases involving the police
- help with immigration applications
- make a will or set up a trust

Two types of lawyers

There are two types of lawyers in New Zealand – barristers and solicitors. Barristers do court work and solicitors do other legal work that does not require them to represent their clients in court.

Confidentiality

Lawyers must treat everything you tell them as confidential. The advice they give must be independent and they must use their skills for your benefit.

Finding a lawyer

The New Zealand Law Society has a website where you can find a lawyer or law firm. www.lawsociety.org.nz/for-the-community/find-lawyer-and-organisation

Legal fees

Fees charged by lawyers vary widely. Always ask what their hourly rate is before getting a lawyer to do any work for you and get an estimate for the services you’ve asked for.



Accountants

Accountants provide accounting services to companies, organisations and individuals. They prepare financial statements and forms and advise clients on financial aspects relating to their individual or business needs (e.g. tax). In New Zealand, anyone can call themselves an accountant. Therefore, there are many accountants who are not members of any professional body. They may not even hold a bachelor’s degree in accountancy or have any relevant education or experience.

For players’ protection, we recommend only using an accountant affiliated to either one of these professional bodies:

- Chartered Accountants Australia & New Zealand (known as Chartered Accountants, CA will often appear after their name)
- CPA Australia (known as Certified Practising Accountants, CPA will often appear after their name)

Accountants who carry the CPA or CA qualification will have studied for at around six years in order to earn the title, so they have a higher level of accounting education and experience. It is also mandatory for both CPA and CA public accountants to have professional indemnity insurance. This insurance covers claims by clients for breaches of professional duty or negligence resulting in financial loss. This is a significant benefit for clients who use CPA or CA members.

We encourage you to ask what professional membership a public accountant holds and what fees will be charged prior to agreeing to any work being done.

Things to consider

All lawyers and accountants do not do all things. If we use an example of a doctor, you go to your general practitioner (GP) first and, if necessary, they’ll send you to a specialist, who has more expertise in the field you need. Your legal and financial needs work the same way.

You might have a general accountant who will send you to a specialist for certain things, so it is useful to find out who they have working in their accountancy firm and what specialist services the company can offer. For example, if you are going overseas to play, you will need an accountant with extensive experience or knowledge of the tax consequences of earning foreign income while still being a New Zealand resident for tax purposes. The same goes for lawyers. You might need someone who specialises in commercial law when you are doing business deals, but when buying property, you’ll need a property lawyer, or if you’re dealing with a relationship break-up, you might need a family law specialist.

Introduce your accountant and lawyer to each other so they are working as a team for you.

Secondary support network – if required

Mortgage Brokers

A mortgage broker is a financial adviser who negotiates mortgage loans on behalf of individuals or businesses. A good mortgage broker will also manage the application process and provide tailored advice for their clients. If choosing to use a mortgage broker, we recommend this is done in conjunction with your accountant and lawyer.



Advantages of using a mortgage broker

- A mortgage broker can be great for those with a poor understanding of the finance and mortgage industry, or their own financial affairs.
- If you don't have the time to do the extensive research required to properly assess the variety of home-loan products available to you, a mortgage broker can do this for you (within the products they sell) and negotiate on your behalf.
- Brokers can help you put a loan application together.
- They may be able to help you find a loan if a bank says no and may be able to get a better deal than if you went direct to the bank.

All mortgage brokers are now required to be Registered Financial Advisers. They must have a complaints process in place and belong to a dispute resolution scheme. Check the official Financial Services Providers Register at the New Zealand Companies Office website. www.fsp-register.companiesoffice.govt.nz

Disadvantages of using a mortgage broker

- Different lenders pay different commission rates to mortgage brokers. This means that they may prefer to place you with one lender instead of another because it benefits them more. They may also only show you products from a small number of lenders, which may not result in the best deal for you.
- Some banks don't deal with mortgage brokers.
- You have to shop around for a mortgage broker first, settle on one, then let them shop around for you.
- If you don't end up borrowing through a loan they find, you may still have to pay a cost. Make sure to read the fine print.



- Educational qualifications and industry experience can differ widely between brokers, so make sure to enquire about this before you engage the services of any mortgage broker

Questions to ask mortgage brokers

- **How many lenders do they deal with?** There's no point in going to a mortgage broker who recommends products from only two or three lenders – you could compare far more products than that by yourself, quickly and easily. It's also worth asking whether they have a bias towards any lender and, if so, why?
- **What are their fees and commissions?** How much will the mortgage broker be paid by the financial institution for referring your business to them? After all, everyone gets paid for the services they provide.
- **What will your refinancing costs be?** Refinancing costs (for example, a loan application fee, a property valuation fee, lenders' mortgage insurance) are separate to the payment that the broker receives – and these refinancing costs come out of your pocket! It's important to ensure that the costs associated with switching are not going to outweigh the benefits.



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You can compare home loans and get more information on mortgage brokers at: www.canstar.co.nz/home-loans/use-mortgage-broker

For more information on getting a mortgage, check out: www.sorted.org.nz/guides/home-buying/shopping-for-a-mortgage/

Financial Advisors

Financial advisers advise on financial planning, insurance, investing and other financial services. They can also provide guidance on the following:

- investments and retirement planning (e.g. managed funds and investment trusts)
- insurance (e.g. personal and business insurance)
- KiwiSaver (e.g. selecting the right provider, switching to a more suitable scheme and contribution consultation)
- financial planning for all ages and stages of life

Everyone in the business of providing a financial service in New Zealand, whether based here or overseas, must be on the Financial Service Providers Register (FSPR) before they can legally provide financial services.

There are some exemptions, which can be found here: www.fsp-register.companiesoffice.govt.nz/help-centre/registering-a-financial-service-provider-fsp/who-must-register-as-an-fsp/ Most advisers work on a commission model. That means they get payments to funnel your money into certain investment products. This can sometimes make it difficult to see whether they are choosing the best investment for you.

There are several ways financial advisers charge fees. It is important you are aware of all fees that will be charged upfront and on an ongoing basis. These may include consultation fees, financial plan fees, annual advisor fees and portfolio service fees.

More information is available at www.nzrpa.co.nz/informationcentre/playerfinancialinformation. This is a useful document to give your financial providers so they can understand how the finances and the rugby environment work in New Zealand.



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A good checklist

1. **Are they registered?** Check the database at www.fsp-register.companiesoffice.govt.nz
2. **How are they paid?** They should disclose this upfront, in writing, without having to be asked.
3. **Can they help you with everything you need advice on, or only some specific areas?**
4. **How much do they charge?** [Ideally, this should be a dollar figure as percentages creates an unknown value to you]. Are there any hidden fees at the end of the contract or ongoing costs?
5. **Do they listen to you and understand what you want?**

Bank wealth managers and private banking

Bank wealth managers are usually qualified professionals who have expert knowledge of the investment planning process and the particular investment products of their bank.

Private banking is an exclusive service that offers the highest level of personalised banking. Typically, the private banking criteria consists of a minimum annual income (usually in the range of \$250,000 per annum) or the intention to invest a minimum figure of around \$1 million.

A dedicated private banker and associate will be assigned to you and they will be on call to assist with any of your banking requirements. This could include managing your private wealth, arranging your home and investment loans, protecting your lifestyle and assets, and managing your everyday banking.

Decision to use any services

The end decision to work with someone lies with you, do your homework and research but don't be afraid that if you use their services and you are not happy with them to change to someone else.

Other resources

www.sorted.org.nz/guides/planning-and-budgeting/getting-advice, www.FMA.govt.nz, www.newzealandnow.govt.nz/living-in-nz/safety/getting-legal-help