

Submission

to the

Financial Markets Authority

on the

Consultation Paper: Proposed variations to standard conditions of market services licences

14 December 2015

Submission by the New Zealand Bankers' Association to the Financial Markets Authority on the Consultation Paper: Proposed variations to standard conditions of market services licences

About NZBA

1. NZBA works on behalf of the New Zealand banking industry in conjunction with its member banks. NZBA develops and promotes policy outcomes which contribute to a strong and stable banking system that benefits New Zealanders and the New Zealand economy.
2. The following fifteen registered banks in New Zealand are members of NZBA:
 - ANZ Bank New Zealand Limited
 - ASB Bank Limited
 - Bank of China (NZ) Limited
 - Bank of New Zealand
 - Bank of Tokyo-Mitsubishi, UFJ
 - Citibank, N.A.
 - The Co-operative Bank Limited
 - Heartland Bank Limited
 - The Hongkong and Shanghai Banking Corporation Limited
 - JPMorgan Chase Bank, N.A.
 - Kiwibank Limited
 - Rabobank New Zealand Limited
 - SBS Bank
 - TSB Bank Limited
 - Westpac New Zealand Limited.

Background

3. NZBA is grateful for the opportunity to submit to the Financial Markets Authority (**FMA**) on the Consultation Paper: Proposed variations to standard conditions of market services licences (**Consultation Paper**) in relation to the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014 (**the FMC Act regime**).
4. The process around the development of the FMC Act regime has been a good example of policy development that has actively involved the industry. NZBA commends the ongoing commitment to meaningful consultation and engagement and appreciates the invitation to participate in this consultation.
5. If you would like to discuss any aspect of the submission further, please contact:

Antony Buick-Constable
Policy Director & Legal Counsel

04 802 3351 / 021 255 4043
antony.buick-contentsable@nzba.org.nz

Effective date of variations

6. NZBA notes FMA's intention to make the proposals effective immediately once published. NZBA submits that FMA should publish the updated conditions with a week's notice of the effective date. If FMA receives substantive comments on the proposed variations which result in drafting changes that lead to different outcomes, licensees will not yet have seen or be able to respond to these changes. In any event, market services licensees will have compliance frameworks in place to manage standard conditions which will need to be updated to reflect the variations made. A week's notice should allow licensees to undertake or initiate steps to reflect the changes, in accordance with their internal compliance programmes' change requirements.