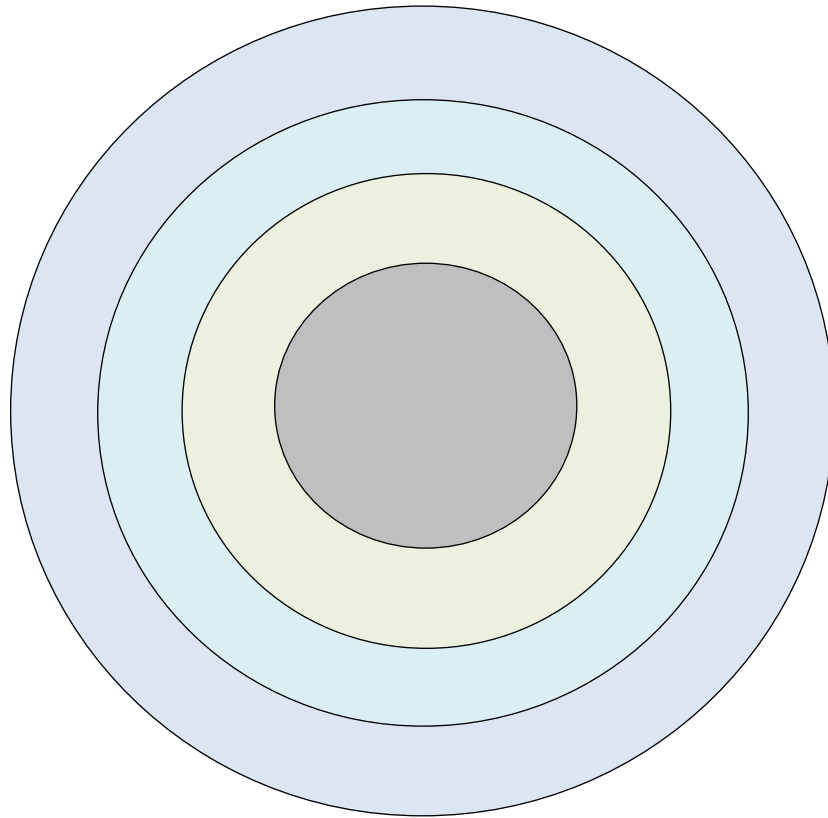


NZBA Priority	
	High
	Medium
	Low

- Current Key Priorities:**
- Conduct and Culture Review
 - Review of the RBNZ Act
 - Review of Capital Adequacy Framework
 - Section 99(1A) CCCFA
 - CCCFA Review
 - Open Banking



The location of the item in the diagram indicates how far progressed the policy is. At the outer rim it indicates initial scoping. In the centre it indicates that it is being implemented.

NZBA Priority	
	High
	Medium
	Low

NZBA Priority measure is based on:

- the significance of the impact that the proposals would have on industry; and
- the priority accorded to the work by the Government or relevant agency.



Current Key Priorities:

- Conduct and Culture Review
- Review of the RBNZ Act
- Review of Capital Adequacy Framework
- Section 99(1A) CCCFA
- CCCFA Review
- Open Banking

Current Key Priorities lists the priority work areas for NZBA.



Relevant agencies	
MBIE	Ministry of Business, Innovation and Employment
RBNZ	Reserve Bank of New Zealand
IRD	Inland Revenue Department
MoJ	Ministry of Justice
FMA	Financial Markets Authority
LINZ	Land Information New Zealand
MSD	Ministry of Social Development

Project	Priority	Lead agency	Comment	Next Steps
Conduct and Culture Review	High	RBNZ/FMA	<p>On 30 April 2018 NZBA and members met with RBNZ and FMA to discuss the New Zealand banking industry response to the Australian Royal Commission into financial services.</p> <p>On 1 May 2018 NZBA followed up that meeting with a letter highlighting the regulatory differences between New Zealand and Australia, and setting out a number of actions the industry would take in response to the Royal Commission.</p> <p>On 3 May 2018 RBNZ and FMA wrote to the chief executives of New Zealand's retail banks and NZBA requesting a written response outlining the following:</p> <ul style="list-style-type: none"> • The actions you, your Board and your senior teams have taken to identify and address conduct risk – including any ‘gap analysis’ work against the expectations set out in the FMA’s Conduct Guide. • Any specific plans and actions you have taken (or have underway) to respond to the issues and themes arising from the Royal Commission. • Any other work you have underway or that is planned to proactively identify and address potential conduct and culture risk. • Any work underway to remediate any identified issues where bank conduct has resulted in detrimental outcomes for customers. <p>Eleven retail banks responded to that information request on 18 May 2018.</p> <p>RBNZ and FMA set up a joint working group to undertake a thorough review of the material provided (the Conduct and Culture Review).</p> <p>NZBA submitted to the Finance and Expenditure Committee regarding the Australian Royal Commission into financial services in July 2018</p>	<p>The regulators released the findings of the Conduct and Culture Review on 5 November.</p> <p>NZBA accepts the regulators’ recommendations. Banks will be developing board-endorsed work plans in consultation with the regulators.</p>

Project	Priority	Lead agency	Comment	Next Steps
			and appeared before the Committee in support of its submission in September 2018.	
Review of the RBNZ Act	High	Treasury	<p>In November 2017 the Government announced it would undertake a review of the Reserve Bank of New Zealand Act 1989 to create a modern monetary and financial policy framework. The review is being undertaken in two phases.</p> <p>Phase One involved a review of monetary policy. The policy decisions can be found here.</p> <p>In September 2018 NZBA submitted on the Reserve Bank of New Zealand (Monetary Policy) Amendment Bill.</p> <p>Phase Two will involve a comprehensive review of the financial policy provisions of the Act that provide the legislative basis for prudential regulation and supervision. It will also consider the broader governance arrangements for RBNZ, including the respective roles of the Board and Governor.</p> <p>In December 2017 an Independent Expert Advisory Panel was appointed by the Minister of Finance to provide input and support to the Review based on the Terms of Engagement.</p> <p>The Independent Expert Advisory Panel met with officials between December 2017 and March 2018 on issues related to Phase One and development of the list of issues for Phase Two.</p> <p>In March 2018 NZBA submitted to Treasury on the scope of Phase Two in support of a comprehensive review, with a focus on financial stability and current governance and accountability settings.</p> <p>The Terms of Reference for Phase Two were released by the Finance Minister in June.</p>	<p>The first of the Phase Two consultations – Reserve Bank Act Review: Safeguarding the future of our financial system – was published in November and closes on 25 January 2019. NZBA will make a submission on this consultation.</p> <p>Once the consultation has closed, a report will be published summarising the key messages and themes emerging from the submissions received.</p> <p>Two further rounds of consultation exploring other key topics are planned for 2019. The next consultation will cover the remaining topics in the terms of reference and present preliminary options developed in light of the first consultation.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>The Independent Expert Advisory Panel was expanded in September 2018 to include Barbara Chapman, Belinda Moffat and John Sproat.</p> <p>Consultation on Phase Two will initially seek stakeholder views on the following topics:</p> <ul style="list-style-type: none"> • Overarching objectives of the Reserve Bank set out in legislation. • Institutional governance and decision making. • The case for and against separation of prudential supervision from the Reserve Bank. • The case for and against depositor protection (including the option of deposit insurance). • Reconsidering the regulatory perimeter of ‘bank’ regulation. 	
Review of Capital Adequacy Framework	High	RBNZ	<p>The aim of the review is to ensure that New Zealand has a capital regime that provides a high level of confidence in the solvency of the banking system, while avoiding unnecessary economic inefficiency. This will include consideration of what counts as capital for regulatory purposes, how credit risk and other risks should be measured for regulatory purposes, and the level of minimum capital ratios and buffers.</p> <p>On 1 May 2017 RBNZ released an issues paper to provide stakeholders with the opportunity to provide initial feedback on the intended scope of the review, and issues that might warrant attention.</p> <p>In June 2017 NZBA submitted on the issues paper.</p> <p>On 14 July 2017 RBNZ opened consultation on what type of financial instruments should qualify as bank capital. The issues and options paper set out proposed reforms, with the aim of reducing the complexity of the regulatory regime, providing greater certainty about</p>	<p>On 14 December RBNZ published Capital Review Paper 4: How much capital is enough? NZBA will make a submission on this consultation.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>the quality of capital that banks hold, and reducing the scope for regulatory arbitrage.</p> <p>In September 2017 NZBA submitted on the issues and options paper commenting on the contextual basis for the reform and the reform proposals.</p> <p>In December 2017 RBNZ sought feedback on the options for calculating risk weighted assets: Calculation of Risk Weighted Assets.</p> <p>In March 2018 NZBA submitted on the consultation paper reiterating the view that New Zealand's capital framework is conservative compared to overseas jurisdictions.</p> <p>In July 2018 RBNZ published its response to submissions on the calculation of risk weighted assets.</p>	
Section 99(1A) of the Credit Contracts and Consumer Finance Act 2003	High	MBIE	<p>As a result of a letter sent by NZBA in May 2016, the Minister of Commerce and Consumer Affairs is considering amending section 99(1A) of the Credit Contracts and Consumer Finance Act 2003 (CCCFA).</p> <p>Section 99(1A) provides that neither the debtor nor any other person is liable for the costs of borrowing in relation to any period during which the creditor has failed to comply with section 17 (initial disclosure) or 22 (variation disclosure).</p> <p>In November 2016 MBIE released a discussion paper to test different options for the amendment of section 99(1A). The discussion paper includes the letter sent by NZBA as an appendix.</p> <p>In December 2016 NZBA submitted on the discussion paper.</p>	In June 2018 Cabinet issued its decision on s 99(1A) of the CCCFA. The changes will be included in a Credit Contracts and Consumer Finance Amendment Bill, which is expected to result from the current review of consumer credit regulation.
Credit Contracts and Consumer	High	MBIE	<p>MBIE has been asked by Hon Kris Faafoi, Minister of Commerce and Consumer Affairs, to conduct a review of the 2015 amendments to the</p>	On 10 October 2018 the Minister for Commerce and

Project	Priority	Lead agency	Comment	Next Steps
Finance Act (CCCFA) Review			<p>CCCFA (relating to responsible lending, penalties and enforcement, repossession and other lender responsibilities). The purpose of the review is to assess the effectiveness of the reforms against the intended impacts and outcomes:</p> <ul style="list-style-type: none"> • better informed decision making; • reduced predatory and irresponsible lending; and • increased lender compliance with legal requirements. <p>The Minister has also requested MBIE revisit interest rate caps, particularly as they relate to vulnerable consumers.</p> <p>On 27 June 2018, MBIE released a discussion document seeking feedback on a review of New Zealand’s consumer credit regulation. On 1 August 2018 NZBA submitted on MBIE’s discussion document.</p> <p>NZBA is also a member of the Responsible Lending Code Advisory Group. The Responsible Lending Code Advisory Group will continue to meet and NZBA will continue to participate in this forum. The purpose of these meetings is to monitor the impact of the Responsible Lending Code and the relevant legislative amendments.</p>	<p>Consumer Affairs released his policy decisions on the CCCFA review. Changes to the legislation will include:</p> <ul style="list-style-type: none"> • an interest rate cap on high-cost loans; • clearer responsible lending requirements; • tougher penalties for breaking the law; • more accountability for mobile traders; • easier enforcement to ensure fees are reasonable; and • greater transparency and access to redress during debt collection. <p>The Bill is expected to be introduced in Q1 2019.</p>
Open Banking	High	MBIE	<p>On 8 September 2017 MBIE published the cabinet paper – Retail payment systems: update on next steps – which formed the basis of the Minister of Commerce and Consumer Affairs’ (then, Hon Jacqui Dean) letter to industry participants setting out her expectations regarding the future directions of the payments system.</p> <p>The cabinet paper identifies open banking as being a key issue internationally, and considers that industry-led open banking initiatives</p>	<p>Payments NZ will continue to regularly brief MBIE and the Minister regarding the industry-led API initiatives. The pilot is on track to conclude in late-2018 and the outputs will be shared</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>would be likely to result in favourable competitive pressures and reduce the need for regulatory action.</p> <p>In March, Payments NZ launched an API pilot involving banks, payment providers and large retailers. The pilot will provide valuable insights into the design of a shared API framework and will inform the debate around what open banking means for New Zealand. Further details about the pilot can be found here. It is expected to conclude and present its findings by the end of 2018.</p> <p>On 26 June 2018 the Minister of Commerce and Consumer Affairs gave a speech at the Payments NZ Conference in which he encouraged the progression of the API framework (in particular, with respect to access and use by third-parties) within the next year.</p> <p>In September 2018 the Minister for Commerce and Consumer Affairs travelled to Sydney and Canberra to explore how Open Banking is being implemented in Australia. The Minister met with Scott Farrell (chair of the Australian Government’s open banking review), Katharine Kemp (an academic specialising in open banking), and staff at Macquarie Bank (which has pioneered open banking in Australia). The trip was to help inform the Minister on issues such as privacy, data security and consumer empowerment.</p>	with the Minister in early-2019.
Retail Payments Systems	Medium	MBIE	<p>On 8 August 2017 the Minister of Commerce and Consumer Affairs (then, Hon Jacque Dean) wrote to industry participants setting out her expectations regarding the future directions of the payments system.</p> <p>Consistent with NZBA’s submission, an industry working group – made up of NZBA, issuers, acquirers, schemes and Payments NZ – has recommended:</p>	The Minister was provided with another overview of progress on the Payments Direction initiative in August. That update evidenced a continued downward trend in weighted average interchange. MBIE

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> • Greater transparency of merchant fees and education for merchants. This is being progressed on a bilateral basis, with acquirers communicating progress to MBIE. • That MasterCard and Visa provide weighted average interchange reporting on a six monthly basis for; credit/card present, credit/card not present, debit/card present, debit/card not present. That is consistent with the Minister's request and was made available before the April deadline. <p>Payments NZ responded to the Minister's letter on 29 March 2018 providing an overview of progress made on the Payments Direction initiative and engagement with third parties.</p> <p>On 26 June 2018 the Minister of Commerce and Consumer Affairs, Hon Kris Faafoi, gave a speech at the Payments NZ Conference and set his expectations regarding debit and credit products:</p> <ul style="list-style-type: none"> • He does not want to see further increases in interchange fees or merchant service fees for debit and credit cards. • He wants to see an ongoing commitment from banks and schemes to increase the transparency of costs associated with retail payments and continuing to educate merchants. • He wants to see a low cost debit option remain to ensure merchants have a choice about what forms of payment they accept. 	and the Minister will, in the short term, continue to monitor data to ensure the current trend continues.
European Union Benchmarks Regulation (BMR)	Medium	MBIE	<p>From 1 January 2018 a new EU regulation applies to the use of, contribution to, and administration of indexes used as financial benchmarks in the EU. The New Zealand Financial Markets Association's (NZFMA) BKBM and closing rates are captured by this regulation.</p> <p>New Zealand banks and other financial institutions make extensive use of interest rate and currency derivatives to hedge funding risks on their</p>	NZFMA, MBIE, FMA and RBNZ have chosen the option of equivalence to comply with the requirements of BMR and continue to administer BKBM for use by EU

Project	Priority	Lead agency	Comment	Next Steps
			<p>balance sheets. A significant reduction in EU counterparties ability to enter into these transactions, due to non-recognition of BKBM under the BMR, could significantly increase the costs of hedging and potentially impede domestic banks ability to fund themselves.</p> <p>NZFMA, in consultation with MBIE, FMA and RBNZ, is reviewing the EU regulations with a view to ensuring the continued use of NZFMA's benchmarks and closing rates.</p> <p>The EU regulator has provided third party countries which had benchmarks in place prior to 1 January 2018 with a two-year transitional period.</p>	<p>supervised entities post 1 January 2020. This will require legislative change in New Zealand and MBIE are currently pursuing this through the parliamentary process. MBIE are also in discussions with the EU regarding New Zealand's application for BKBM to gain this equivalency status.</p>
Financial Services Legislation Amendment Bill (FSLAB) and regulations	Medium	MBIE	<p>In February 2017 MBIE released the exposure draft of the Financial Services Legislation Amendment Bill and also sought feedback on proposed transitional arrangements.</p> <p>In April 2017 NZBA made a submission on the exposure draft and proposed transitional arrangements.</p> <p>A Financial Advice Code Working Group (CWG) was appointed in June 2017 to prepare a new code of conduct, and officially commenced on 1 August 2017.</p> <p>The Financial Services Legislation Amendment Bill was introduced into Parliament on 3 August 2017.</p> <p>On 23 February 2018 NZBA submitted to the Economic Development, Science and Innovation Committee on the draft Bill.</p> <p>In March, CWG published a consultation paper seeking submissions on the new Code of Conduct for Financial Advice Services. NZBA's submission on the draft code can be found here.</p>	<p>On 13 December 2018 MBIE released a discussion paper seeking feedback on regulations to support FSLAB. The discussion paper seeks feedback on proposed:</p> <ul style="list-style-type: none"> • licensing fees that prospective financial advice providers will be required to pay when applying for a licence from the Financial Markets Authority; • changes to the Financial Markets Authority levy that those giving financial advice

Project	Priority	Lead agency	Comment	Next Steps
			<p>NZBA also submitted on two discussion papers in relation to regulations to support the Bill:</p> <ul style="list-style-type: none"> The first paper sought feedback on the new disclosure requirements for those providing financial advice under the new regulatory regime. A copy of NZBA’s submission can be found here. The second paper sought feedback on regulations to support measures in the Bill relating to misuse of the Financial Service Providers Register. A copy of NZBA’s submission can be found here. <p>NZBA presented its submission to the Committee on 11 May 2018. At the hearing, NZBA also submitted that FSLAB should include a means by which banks can more effectively monitor and report individual employee conduct that falls below community standards. NZBA’s supplemental submission on that point can be found here.</p> <p>The Economic Development, Science and Innovation Committee reported back to the House on 31 July 2018. FSLAB is currently at Committee of whole House stage.</p> <p>In October, CWG published a draft Code of Professional Conduct Financial Advice Services for consultation. The draft Code sets out 12 proposed standards and supporting commentary. It includes requirements to treat clients fairly and act in their interests, act with integrity, manage conflicts of interest, take steps to ensure the client understands the advice, give financial advice that is suitable for the client and meet standards of competence, knowledge and skill. In October NZBA submitted on the draft Code of Conduct in support of the principles-based approach adopted by CWG.</p>	<p>will be required to pay; and</p> <ul style="list-style-type: none"> changes to the calculation of the FMA levy that applies to authorised bodies. <p>NZBA will make a submission on this consultation.</p>

Project	Priority	Lead agency	Comment	Next Steps
Trusts Bill	Medium	MoJ	<p>The Trusts Bill was introduced into Parliament on 1 August 2017. The Bill is largely based on 48 of the Law Commission’s 51 recommendations, as set out in its 2013 report <i>Review of the Law of Trusts: A Trusts Act for New Zealand</i>.</p> <p>NZBA submitted to the Justice Committee on the Bill on 5 March 2018 and made an oral submission on 20 April 2018.</p> <p>On 8 May 2018 NZBA made a supplemental submission to the Committee regarding certain trusts that should not be captured by the Bill.</p>	<p>The Committee reported back to the House in October 2018 recommending some amendments to the definition of ‘specified commercial trust’.</p>
Privacy Bill	Medium	MoJ	<p>The Privacy Bill was introduced into Parliament on 20 March 2018.</p> <p>Key changes to the privacy regime are as follows:</p> <ul style="list-style-type: none"> • The Privacy Commissioner will be able to make binding decisions on complaints about access to information and issue compliance notices. A compliance notice may require an organisation or individual to undertake or to desist from certain actions. They can be enforced by, and appealed to, the Human Rights Review Tribunal. • Mandatory reporting to the Privacy Commissioner and to affected individuals of any unauthorised access to, or disclosure of, personal information which has caused the individual harm. • A requirement on New Zealand agencies to take reasonable steps to ensure that any personal data disclosed overseas will be subject to acceptable privacy standards. The Bill also clarifies the application of New Zealand law when a New Zealand agency engages an overseas service provider. • It will be a criminal offence to obtain another person’s private information by deceit or to knowingly destroy documents which are 	<p>NZBA submitted to the Justice Committee on 7 June 2018 and appeared before the Committee in support of its submission on 6 September 2018.</p> <p>The Committee must report back to the House by 13 March 2019.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>under request by the Privacy Commissioner. Committing these offences will attract a fine of up to \$10,000.</p> <ul style="list-style-type: none"> • Strengthened information gathering powers for the Privacy Commissioner by: <ul style="list-style-type: none"> ○ shortening the timeframe for compliance, and ○ increasing the penalties for non-compliance. <p>The Bill does not enshrine a data portability right (as the Privacy Commissioner recommended in this report), nor does it adopt the Privacy Commissioner’s recommendations for civil penalties for privacy breaches. The Privacy Commissioner’s media release on the Bill can be found here.</p>	
Commerce Amendment Bill	Medium	MBIE	<p>Cabinet made decisions on the targeted review of the Commerce Act in May and June 2017.</p> <p>The Commerce Amendment Bill was introduced into Parliament on 28 March 2018.</p> <p>The Bill provides for five matters:</p> <ul style="list-style-type: none"> • Introducing a power to enable the Commerce Commission to undertake market studies (referred to as ‘competition studies’ in the Bill). • Repealing the cease and desist regime. • Empowering the Commerce Commission to accept enforceable undertakings to resolve enforcement cases under the Commerce Act. • Strengthening the effectiveness of the regulatory regime for the major airports under Part 4 of the Commerce Act. 	The Commerce Amendment Act had its third reading on 24 October 2018 and came into force on 26 October 2018.

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> Clarifying that the Commerce Commission can examine the effectiveness of information disclosure in its summary and analysis of regulated suppliers. <p>The Minister of Commerce and Consumer Affairs has requested that the Bill be fast tracked so that it can be in force by the end of 2018.</p> <p>The Minister’s media release on the Bill can be found here and more information is available on MBIE’s website here.</p> <p>NZBA submitted to the Transport and Infrastructure Committee and appeared before the Committee in support of its submission in June 2018.</p>	
Farm Debt Mediation Bill	Medium	Members’ Bill	<p>The Farm Debt Mediation Bill was introduced into Parliament on 15 May 2018 and had its first reading on 16 May 2018.</p> <p>The Bill proposes Agricultural Debt Mediation as a mandatory step before the appointment of a receiver in respect of agricultural debt.</p> <p>On 17 August 2018 NZBA submitted to the Economic Development, Science and Innovation Committee on the Bill.</p>	The Economic Development Committee has reported back on the Bill recommending it be withdrawn on the basis that it will instead be introduced as a Government bill.
Overseas Investment Amendment Act	Medium	Treasury	<p>The Overseas Investment Amendment Bill was introduced into Parliament on 14 December 2017. It amends the Overseas Investment Act 2005 to ensure that investments made by overseas persons in New Zealand will have genuine benefits for the country.</p> <p>NZBA submitted to the Finance and Expenditure Committee on the draft Bill on 23 January 2018 and made an oral submission on 28 February 2018.</p> <p>The Finance and Expenditure Committee reported back on 18 June 2018 and the Bill had its second reading on 26 June 2018.</p>	In October 2018 Treasury announced that the Government will undertake a further review of the Overseas Investment Act 2005. The Terms of Reference can be found here . Consultation on options for reform will take

Project	Priority	Lead agency	Comment	Next Steps
			The Overseas Investment Amendment Act 2018 had its third reading on 15 August 2018 and received Royal assent on 22 August 2018.	place in the first half of 2019.
Beneficial ownership of New Zealand Companies and Limited Partnerships	Medium	MBIE	On 19 June 2018, MBIE released a discussion document seeking feedback on what requirements there should be on New Zealand companies and limited partnerships to hold and disclose information about their beneficial owners: Increasing the transparency of the beneficial ownership of New Zealand Companies and Limited Partnerships .	On 2 August 2018 NZBA submitted on MBIE's discussion paper on beneficial ownership.
Base Erosion and Profit Shifting (BEPS) Act	Medium	IRD	On 6 December 2017 the Taxation (Neutralising Base Erosion and Profit Shifting) Bill was introduced into Parliament. In February 2018 NZBA made a submission on the Bill and appeared before the Finance and Expenditure Committee in support of its submission. On 15 May 2018, the Finance and Expenditure Select Committee reported back on the Bill and it had its second reading on 23 May 2018. The Taxation (Neutralising Base Erosion and Profit Shifting) Act 2018 received Royal Assent on 27 June 2018.	NZBA will continue to work with industry and IRD on implementation.
Margining of Derivatives	Medium	MBIE / RBNZ / Treasury	On 13 July 2017 RBNZ and MBIE opened public consultation on foreign margin requirements for derivatives. The consultation paper identifies specific impediments in New Zealand insolvency laws and proposes a number of targeted legislative amendments to address them. In August 2017 NZBA submitted on the consultation.	A Bill implementing the amendments is likely to be introduced to Parliament in February 2019 and is expected to be passed in September 2019.

Project	Priority	Lead agency	Comment	Next Steps
			<p>Cabinet has agreed to amend legislation to remove the legal impediments to New Zealand entities complying with margining requirements.</p> <p>The amendments will mean that derivatives counterparties can enforce their security interest over margin immediately and rank ahead of other creditors in the event that the other counterparty defaults. More specifically, the amendments:</p> <ul style="list-style-type: none"> • will carve out these derivative-related claims from general moratoria on claims that apply in statutory management and voluntary administration; and • will ensure that when these derivatives counterparties enforce their security interest over posted margin, their claim ranks ahead of other potential claims under the Companies Act 1993 and the Personal Property Security Act 1999. 	
Automatic Exchange of Information/ Common Reporting Standard (AEOI/CRS)	Medium	IRD	<p>From 1 April 2018 to 30 June 2018, reporting financial institutions will submit their AEOI reporting to IRD for the tax year ending 31 March 2018.</p> <p>30 September 2018 is the final date for IRD to exchange information with other reportable jurisdictions for the reporting period ending 31 March 2018.</p>	<p>In June NZBA issued media releases on the freezing/closure of bank accounts, in line with AEOI requirements. Those media releases can be found here and here.</p> <p>NZBA will continue to engage with IRD during the reporting periods to help ensure industry concerns and suggestions on implementation are taken on-board.</p>

Project	Priority	Lead agency	Comment	Next Steps
Review of mortgage bond collateral standards	Medium	RBNZ	On 17 November 2017 RBNZ published a consultation paper proposing an enhanced mortgage bond standard aimed at supporting confidence and liquidity in the financial system. The consultation paper can be found here . A summary of submission can be found here .	On 13 November 2018 RBNZ published an exposure draft of its policy Residential Mortgage Obligations (RMO) - Introducing a high grade residential mortgage backed securities framework for New Zealand . This follows an initial consultation in November 2017 and ongoing discussion with issuers and investors over 2018.
Debt-to-Income Ratios (DTI)	Medium	RBNZ	RBNZ noted in the consultation paper: Adjustments to Restrictions on High-LVR Residential Mortgage Lending that it is progressing its work on potential limits to high DTI ratio lending, which would be a potential complement to LVR restrictions. RBNZ continues to gather information about the DTI levels of borrowers and assess the potential case for the use of DTI limits. On 8 June 2017 RBNZ released a consultation paper seeking feedback on the addition of DTI limits to its macro prudential toolkit. NZBA's submission on the consultation document can be found here .	The Reserve Bank has published the submissions received on the consultation and a short response here . Macro-prudential policy is within the scope of Phase Two of the Review of the RBNZ Act.
EQC Act Reforms	Medium	Treasury	On 26 June 2017 the Minister of Finance and the Minister Responsible for the Earthquake Commission announced plans to simplify the EQC	An exposure draft of the new Bill is expected during early-2019. Changes to the

Project	Priority	Lead agency	Comment	Next Steps
			<p>scheme, in particular, simplifying the relationship between the EQC scheme and private insurance:</p> <ul style="list-style-type: none"> Increasing the monetary cap from \$100,000 (plus GST) to \$150,000 (plus GST) for EQC building cover. Clarifying EQC land cover is for natural disaster damage that directly affects the insured residence or access to it. Standardising the claims excess on EQC building cover at \$1,000. This currently ranges from \$200 to \$1,150 depending on the size of the claim. EQC no longer providing any residential household contents insurance. Requiring EQC claimants to lodge claims with their private insurer who would pass the claim on to EQC (if the property is insured). <p>The reforms will have no impact on the handling and outcome of existing EQC claims.</p>	scheme are anticipated to be implemented in 2020.
Changes to KiwiSaver Annual Statements	Low	MBIE	<p>In October 2016, as a result of collaborative work between MBIE, the FMA and the Commission for Financial Capability, MBIE released a discussion document: Changes to Annual Statements for KiwiSaver, Superannuation, and Workplace Savings Schemes.</p> <p>The discussion document's key proposals included changes to annual member statements to show:</p> <ul style="list-style-type: none"> a dollar figure for the total fees the investor has paid; and a projected retirement balance lump sum, and projected retirement income. <p>In December 2016 MBIE released Cabinet's policy decisions on the new requirements.</p>	MBIE is progressing work on the inclusion of retirement savings and income projections in KiwiSaver annual statements, and is in the process of finalising the requirements. Providers may comply with the new requirements (once available) on a voluntary basis in 2019. The requirements are expected

Project	Priority	Lead agency	Comment	Next Steps
			<p>In April 2017 the FMA released a consultation paper on the proposed methodology and guidance for calculating total annual fees charged to each KiwiSaver investor.</p> <p>In July 2017 the FMA issued a methodology notice which helps KiwiSaver scheme providers calculate the total fees charged to each investor. The methodology notice, regulatory impact statement, and amended guidance note for managed funds can be found here.</p> <p>On 11 July 2018 NZBA submitted on MBIE's discussion document <i>Changes to annual statements for KiwiSaver investors</i>.</p>	to be mandatory from 2020 onwards.
Payment Systems Replacement Project	Low	RBNZ	<p>The Payment Systems Replacement Project (formally known as the Strategic Review of RBNZ's Payment and Settlement System) continues, and steady progress has been made. The first stream of work, the RTGS System, is now in delivery mode and tracking to schedule. Functional testing is underway and attention is turning to the documentation of functional fact sheets for account holders so that they can better understand the end-to-end solution for RTGS.</p> <p>The second stream of work, the CSD System, is at the tail-end of the clarification and planning phase. The projection for a joint system 'go live' is now April 2019 (was February 2019).</p>	<p>The go-live remains on track for April 2019 with RBNZ expected to confirm the exact timing in February 2019.</p> <p>Project activity is now moving from operational impact assessment into training, system and industry acceptance testing.</p>
RBNZ Payments Oversight Review	Low	RBNZ	<p>RBNZ consulted in 2013 on its statutory oversight powers for payments and settlement systems which it considered were insufficient and need to be strengthened.</p> <p>In April 2015, RBNZ issued a consultation paper on its proposals to modify the statutory framework for the oversight of Financial Market Infrastructures (FMIs). The paper proposed that the designation</p>	RBNZ has now finalised its overall proposal and in May 2017 Cabinet agreed to a new legislative framework. The framework is with the Parliamentary Counsel Office to draft the revised legislation and an exposure

Project	Priority	Lead agency	Comment	Next Steps
			<p>regime be modified to better support RBNZ’s risk-based supervisory approach, in particular, that:</p> <ul style="list-style-type: none"> • there be mandatory designation of FMIs that are considered systemically important; • the joint regulators have crisis management powers for designated FMIs; and • the joint regulators have a more graduated set of business-as-usual oversight powers, including enforcement and investigation powers for designated FMIs. <p>In December 2015, RBNZ released a summary of the submission feedback it received on its consultation on a proposed new regulatory framework for designated FMIs.</p> <p>In March 2016, RBNZ issued a consultation paper on proposed crisis management powers for systemically important financial market infrastructures (SIFMIs). The proposed crisis management powers form the final part of proposals for a new oversight regime for designated FMIs. A summary of responses was published in August 2016.</p> <p>RBNZ has now finalised its overall proposal for enhanced oversight framework for financial market infrastructures.</p> <p>The relevant papers can be found here.</p>	<p>draft will be open for public consultation before it is introduced into Parliament.</p>
Insolvency Practitioner Regulation and Voluntary Liquidations	Low	MBIE	<p>The Insolvency Review Working Group is a panel of experts set up in November 2015 to examine aspects of corporate insolvency law.</p> <p>The Working Group was tasked with looking at voluntary liquidations including phoenix companies, voidable transactions including Ponzi schemes and regulation of insolvency practitioners. The Working</p>	<p>MBIE released a discussion document that sets out a proposal for a new Ponzi-specific insolvency regime. The submissions on the</p>

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			<p>Group also has a mandate to examine other areas of potential reform in this area.</p> <p>In late August, the Minister of Commerce and Consumer Affairs announced the release of Report No.1, which covers the topics of insolvency practitioner regulation and issues around voluntary liquidations, for public consultation. NZBA's submission on Report No.1 can be found here.</p> <p>In October 2016, on recommendation of the Working Group's Report No. 1, and based on support by submitters, Cabinet agreed to amend the Insolvency Practitioners Bill to introduce a co-regulatory licensing regime for insolvency practitioners, alongside a number of additional amendments aimed at further raising the practice standards of insolvency practitioners and ensuring they act in accordance with their statutory duties.</p> <p>The Minister of Commerce and Consumer Affairs released Report No.2 in May 2017, which covers the topics of voidable transactions, Ponzi schemes and other corporate insolvency issues. NZBA's submission on Report No.2 can be found here.</p>	<p>consultation can be found here.</p>
<p>Taxation (Annual Rates for 2017-18, Employment and Investment Income, and Remedial Matters) Act 2018</p>	<p>Low</p>	<p>IRD</p>	<p>The Taxation (Annual Rates for 2017-18, Employment and Investment Income, and Remedial Matters) Bill contains changes to reporting for investment income (interest and PIEs), changes to reporting for employment income, as well as providing the Commissioner discretion to provide IRD numbers to foreign persons without the requirement to open bank accounts.</p> <p>NZBA's submission on the Bill can be found here. NZBA also appeared before the Finance and Expenditure Select Committee in support of its submission.</p>	<p>NZBA will continue to work with IRD on the implementation of these requirements.</p>

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			The Taxation (Annual Rates for 2017–18, Employment and Investment Income, and Remedial Matters) Act 2018 received Royal Assent on 29 March 2018.	