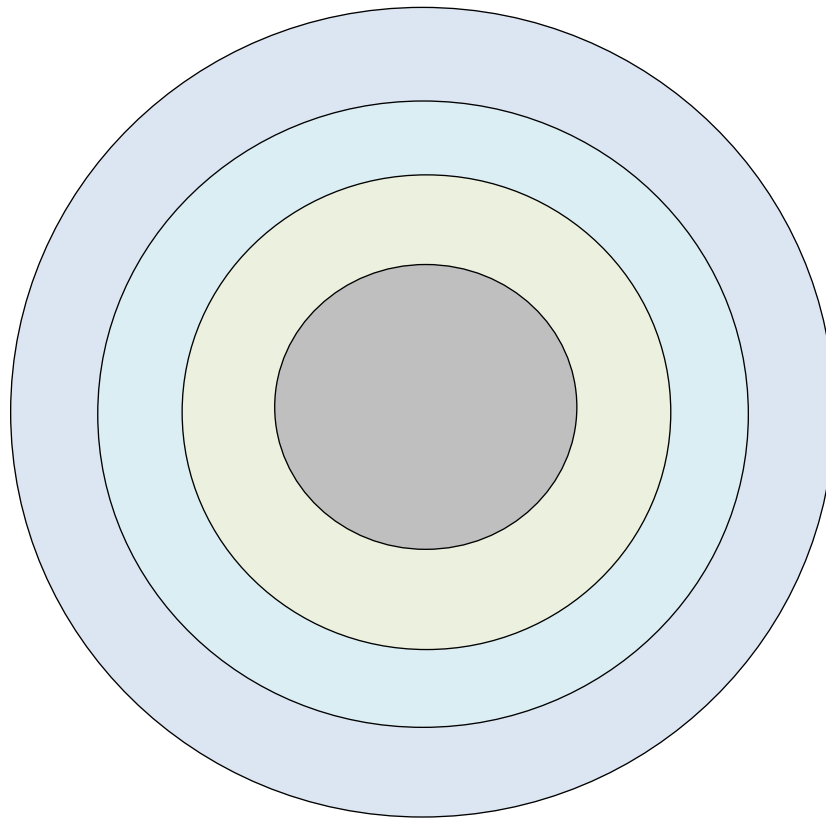


NZBA Priority	
	High
	Medium
	Low

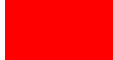


#### Current Priorities:

- Commerce Commission market study
- Financial Markets (Conduct of Institutions) Amendment Bill
- Deposit Takers Act
- Credit Contracts Legislation Amendment Act
- Open data
- Sustainability and climate change

# Regulatory Radar – Key



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 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
DIA	Department of Internal Affairs
MfE	Ministry for the Environment

Project	Priority	Lead agency	Comment	Next Steps
Market study to investigate banking competition	High	Commerce Commission	<p>On 20 June, Ministers Robertson and Webb <a href="#">announced</a> a market study into competition in the banking sector for personal banking services. The final report will be published by 20 August 2024.</p> <p>The non-exhaustive initial scope of the market study is available <a href="#">here</a>. A preliminary issues paper was published on 10 August, available <a href="#">here</a>.</p>	<p>Submissions on the Preliminary Issues Paper were <a href="#">published on 21 September 2023</a>. Cross-submissions were published on 18 October 2023.</p> <p>NZBA did not prepare a submission on the paper.</p> <p>The Commerce Commission intends to release a draft report in March 2024.</p> <p>The final report will be published by 20 August 2024.</p>
Financial Markets (Conduct of Institutions) Amendment Bill	High	MBIE/FMA	<p>The <a href="#">Financial Markets (Conduct of Financial Institutions) Amendment Act (CoFI)</a> was passed on 29 June 2022. The CoFI regime regulates the conduct of financial institutions by introducing:</p> <ul style="list-style-type: none"> <li>• A new conduct licensing system for banks, insurers and non-bank deposit takers such as credit unions.</li> <li>• A new regime requiring these entities to meet high standards of customer treatment.</li> <li>• A ban on incentives which are based on meeting sales targets.</li> </ul>	<p>NZBA is continuing to engage with relevant officials and regulators on this work, as the focus turns to the licensing process.</p> <p>The FMA began accepting licensing applications for financial institution licenses on 25 July.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>MBIE expects all obligations in the Bill and regulations to be in force by the end of 2024, and any remaining provisions will come into force on 31 March 2025 at latest.</p> <p>The FMA has released <a href="#">three documents</a> to assist institutions with applying for a COFI licence:</p> <ul style="list-style-type: none"> <li>• A licence application guide</li> <li>• A fair conduct programme information sheet</li> <li>• The standard conditions for financial institution licences.</li> </ul> <p>MBIE published the final regulations on sales incentives (<a href="#">Financial Markets Conduct (Conduct of Institutions) Amendment Regulations 2020</a>) and licensing fees (<a href="#">Financial Markets Conduct (Fees) Amendment Regulations 2023</a>) on 8 June 2023.</p> <p>The FMA published the <a href="#">final guidance for the intermediated distribution</a> of financial products on 26 June 2023.</p>	
Review of the RBNZ Act	High	Treasury	<p>In November 2017 the Government <a href="#">announced</a> 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>The changes are being implemented through the Deposit Takers Act (DTA) (which will govern RBNZ's regulatory powers and establishes a Depositor Compensation Scheme (DCS)) and the Reserve Bank of New Zealand Act (which outlines how RBNZ is governed and how it operates).</p> <p>The Reserve Bank of New Zealand Bill received Royal Assent on 16 August 2021. The Deposit Takers Bill received Royal Assent on 6 July 2023.</p>	<p>The Government is intending the depositor compensation scheme (DCS) to “go live” in October 2024. The DCS regulations are expected to be finalised by February / March 2024.</p> <p>NZBA made submissions on the <a href="#">DCS Levy Framework</a> and</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>A <a href="#">Supplementary Order Paper</a> was released on 20 June 2023 relating to the Bill. The key points emerging from the SOP include:</p> <ul style="list-style-type: none"> <li>clarifies the dates by which certain actions under the Bill will be required (e.g. the first proportionality framework will be due within 9 months of enactment, and the first Statement of Funding Approach (for Depositor Compensation Scheme levies) will be due within 12 months of enactment);</li> <li>provides further information around how DCS levies will be set and imposed;</li> <li>provides for information-gathering and resolutions powers exercisable by the RBNZ; and</li> <li>amends the definition of “licensed deposit taker group” to include both a bank, its subsidiaries, <u>and</u> its parent companies.</li> </ul> <p>The RBNZ ran workshops on key implementation areas of the DTA in August 2023, including:</p> <ul style="list-style-type: none"> <li>Policies on proportionality, DCS levies and Statement of Funding Approach (SoFA).</li> <li>Early engagement on the development of Prudential Standards.</li> <li>Other DCS regulations and payout options.</li> </ul> <p>The RBNZ released consultation documents on <a href="#">proportionality</a>, the <a href="#">DCS levy framework</a> and <a href="#">SoFA</a> on 31 July 2023.</p>	<p><a href="#">SoFA</a> consultations on 25 September 2023.</p> <p>We will continue to work with the RBNZ on the development and implementation of the DTA.</p>
Credit Contracts Legislation Amendment Act	High	MBIE	<p>The <a href="#">Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020 were made in December 2020</a>. They relate to:</p> <ul style="list-style-type: none"> <li>requirements to keep records of affordability and suitability assessments, and how fees are calculated;</li> </ul>	<p>NZBA is continuing to engage with MBIE and the Commerce Commission in relation to the implementation of this legislation.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> <li>providing disclosure to borrowers in languages used in advertising language;</li> <li>providing information about disputes resolution schemes and financial mentoring services;</li> <li>requirements for creditors and mobile traders to be certified;</li> <li>regulations setting minimum requirements for affordability, suitability, responsible advertising, debt collection disclosure; and</li> <li>duties on directors and senior managers.</li> </ul> <p>The initial changes to the CCCFA came into force on 7 July 2022. The updated Responsible Lending Code and Regulations can be found <a href="#">here</a>.</p> <p>Further changes to the CCCFA came into force on 3 April 2023. The CCCFA Amendment Regulations 2023 can be found <a href="#">here</a>.</p> <p>On 8 August 2023, the Minister of Commerce and Consumer Affairs <a href="#">announced</a> new regulations applying to Buy Now Pay Later (BNPL) credit contracts, as well as a wider review of the CCCFA.</p> <p>The finalised <a href="#">Credit Contracts and Consumer Finance (Buy Now, Pay Later) Amendment Regulations 2023</a> were made by Order in Council on 28 August 2023. These bring BNPL services within the scope of the CCCFA, with some modifications.</p>	
Open data	High	MBIE	<p>In March 2018, Payments NZ (PNZ) <a href="#">announced</a> an API pilot involving banks, payment providers and large retailers. The pilot tested two API standards – Account Information and Payment Initiation – and provided valuable insights into the design of a shared API framework. Following the success of the pilot, an API standards service was launched to the industry in May 2019.</p>	<p>MBIE released an exposure draft of the Customer and Product Data Bill on 22 June 2023. NZBA's submission on the exposure draft is <a href="#">here</a>.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>On 10 November 2022, the Minister of Commerce and Consumer Affairs announced that banks will be the first sector to implement a consumer data right, also referred to as “open banking”.</p> <p>On 22 June 2023, MBIE released an exposure draft of the <a href="#">Customer and Product Data Bill</a>. The Bill will set a regulatory framework for a consumer data right in New Zealand. Consultation on the exposure draft closed on 24 July 2023.</p>	
Sustainability and climate change	High	Multiple agencies	<p>In September 2020, the Government announced that it will introduce mandatory climate-related financial disclosure requirements. The new disclosure regime will require annual disclosure of financially material climate-related risks and opportunities in mainstream financial reports, such as annual reports. It will apply to:</p> <ul style="list-style-type: none"> <li>• registered banks, credit unions, and building societies with total assets of more than \$1 billion;</li> <li>• managers of registered investment schemes with greater than \$1 billion in total assets under management;</li> <li>• licensed insurers with greater than \$1 billion in total assets under management or annual premium income greater than \$250 million</li> <li>• equity and debt issuers listed on the NZX with a combined market price or quoted debt exceeding \$60 million; and</li> <li>• crown financial institutions with assets greater than \$1 billion assets under management.</li> </ul> <p>The Bill received Royal Assent on 27 October 2021. The CRD regime applies in respect of reporting periods starting on and from 1 January 2023.</p>	<p>NZBA will continue to engage with relevant officials on climate change matters throughout 2023.</p> <p><a href="#">NZBA submitted on the Environment Committee’s inquiry into climate adaptation on 1 November 2023.</a></p> <p>NZBA is underway with preparing a submission for MfE’s discussion document on its proposed <i>National Policy Statement for Natural Hazard Decision-making</i>.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>In June, the FMA released <a href="#">draft CRD record keeping guidance</a> for consultation. Submissions closed on 4 August. NZBA's submission can be found <a href="#">here</a>. The <a href="#">final guidance</a> was published in October 2023.</p> <p>The Financial Markets Conduct (Climate-Related Disclosures) Amendment Regulations were made by Order in Council on 28 August. NZBA's submission on the draft regulations can be found <a href="#">here</a>.</p> <p>In August 2023, the Environment Committee <a href="#">initiated an inquiry</a> into climate adaptation. This consultation closed on 1 November 2023.</p> <p>In September 2023, MfE released a discussion document on its proposed <i>National Policy Statement for Natural Hazard Decision-making</i>. NZBA is preparing a submission on the consultation, which closes on 20 November.</p>	
RBNZ Macro-prudential Policy	Medium	RBNZ	<p>Finance Minister Grant Robertson and the RBNZ have updated the Memorandum of Understanding on macro-prudential policy to add debt serviceability tools. The RBNZ has consulted on a proposal to further reduce the amount of high Loan-to-Value Ratio (<b>LVR</b>) lending to owner-occupiers. Following consultation, the RBNZ has decided to restrict the amount of lending banks do above an LVR of 80% to 10% of all new loans (down from the previous 20%).</p> <p>The RBNZ opened a debt serviceability consultation on the implementation of:</p> <ul style="list-style-type: none"> <li>• Debt-to-Income (<b>DTI</b>) restrictions – which impose a cap on debt as a multiple of a borrower's income, and</li> <li>• Interest rate floors - on the test interest rates used by banks in their serviceability assessments of borrowers.</li> </ul>	The RBNZ released a <a href="#">DTI restriction framework</a> on 3 April 2023. The framework does not immediately activate or calibrate DTI restrictions, but provides clarity and a timeframe for compliance with a possible DTI restriction in future.



Project	Priority	Lead agency	Comment	Next Steps
			<p>The RBNZ's debt serviceability consultation closed on 28 February 2022. NZBA's submission can be found <a href="#">here</a>. The RBNZ published a <a href="#">summary of submissions</a> in April 2022.</p> <p>The RBNZ opened a further consultation on debt serviceability, specifically, a framework for debt-to-income restrictions. This consultation closed on 14 December 2022. NZBA's submission can be found <a href="#">here</a>.</p>	
AML/CFT	Medium	MoJ	<p>In March 2023, MoJ opened a consultation on 'early' changes to the AML/CFT regime, which includes an exposure draft and a consultation document. This consultation closed on 14 April 2023. NZBA's submission can be found <a href="#">here</a>.</p> <p>In August 2023, MoJ opened a consultation on a review of <a href="#">the AML/CFT (Class Exemptions) Notice 2018</a>. This consultation closed on 15 September 2023.</p>	NZBA's submission on the AML/CFT (Class Exemptions) Notice 2018 is available <a href="#">here</a> .
Future of Money	Medium	RBNZ	<p>The Future of Money – Te Moni Anamata – is considering the implications for New Zealanders of falling cash use for every-day transactions, including the impacts on the system that supplies, moves and stores it.</p> <p>In early October 2021, the RBNZ released two consultation papers under its Future of Money project, one focusing on Stewardship, and one focusing on a Central Bank Digital Currency. These consultations closed on 6 December 2021. RBNZ released a further consultation on 30 November 2021 outlining options for cash system reform, which closed on 7 March 2022.</p> <p>NZBA prepared industry submissions on the Future of Money consultations which can be found <a href="#">here</a> and <a href="#">here</a>. The RBNZ published a</p>	

Project	Priority	Lead agency	Comment	Next Steps
			<a href="#">summary of responses</a> to the Future of Money consultations in April 2022.	
RBNZ Other	Medium	RBNZ	<p><i>RBNZ Branch Review Consultation</i> The RBNZ is reviewing its policy for branches of overseas banks. It released a consultation paper in October 2021, with submissions due on 2 March 2022. The paper can be found <a href="#">here</a>. The RBNZ released a <a href="#">second consultation paper</a> for which submissions closed 16 November 2022. RBNZ has now released a <a href="#">third consultation paper</a>, with submissions closing on 5 December 2023.</p> <p><i>RBNZ Review of Connected Exposures Policy (BS8) for Banks</i> The RBNZ recently reviewed its Connected Exposures Policy for locally incorporated banks. In October 2023, the RBNZ published the <a href="#">final version</a> of its Connected Exposures Policy. The update to BS8 takes effect from 1 October 2023.</p> <p><i>RBNZ Liquidity Policy Review</i> The RBNZ has consulted on its Liquidity Policy Review. The consultation paper can be found <a href="#">here</a>, and NZBA's submission <a href="#">here</a>. The RBNZ has published a summary of the submissions it received and noted a further consultation is expected during 2023. The RBNZ has opened a further consultation on its Liquidity Policy Review, which closed on 12 May. NZBA's submission can be found <a href="#">here</a>. In August 2023, the RBNZ announced that it expects to release a Summary of Submissions and Key Decisions document in Q4 2023.</p> <p><i>RBNZ Improving Māori access to capital</i> The RBNZ has released an issues paper <a href="#">Improving Māori Access to Capital</a>. The RBNZ notes that "the issues paper outlines some of the factors that may act as barriers between Māori and specific forms of</p>	

Project	Priority	Lead agency	Comment	Next Steps
			capital in the financial system, and identifies potential pathways for access”.	
Digital Identity Trust Framework	Medium	DIA	<p>In July 2020, Cabinet agreed to establish the Digital Identity Trust Framework in legislation. In February 2021, Cabinet approved policy proposals that underpin the Digital Identity Trust Framework, including the establishment of an Accreditation Authority and Governance Board.</p> <p>In September 2021, the Digital Identity Services Trust Framework Bill was introduced to Parliament. It was referred to Economic Development, Science and Innovation Committee, with submissions to the Select Committee due 2 December, with a <a href="#">report</a> published 19 April 2022. NZBA’s submission on the Bill can be found <a href="#">here</a>. The Bill was passed on 30 March 2023.</p>	
Modern Slavery	Medium	MBIE	In April 2022, MBIE released a consultation paper on a legislative framework for addressing modern slavery and worker exploitation. NZBA made a submission on this paper, which can be found <a href="#">here</a> .	In July 2023 the Government <a href="#">announced</a> that it is intending to introduce legislation in 6-12 months that establishes a public register to enable transparency over organisations and businesses’ supply chains.
Review of Capital Adequacy Framework	Low	RBNZ	The aim of the review was 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.	Banks are underway with implementing the updated capital requirements in line with the

Project	Priority	Lead agency	Comment	Next Steps
			<p>In December 2019 RBNZ <a href="#">announced</a> its <a href="#">final decisions</a> on the capital review, which included:</p> <ul style="list-style-type: none"> <li>total capital increasing from a minimum of 10.5% now, to 18% for the four large banks and 16% for the remaining smaller banks;</li> <li>the inclusion of AT1 instruments as part of the capital stack; and</li> <li>a transition period of 7 years (rather than 5 years).</li> </ul> <p>The Reserve Bank published its finalised bank capital adequacy requirements on 17 June 2021, outlined in the <a href="#">Banking Prudential Requirements documents</a>.</p>	<a href="#">implementation timeline released by the RBNZ</a> .
Beneficial Ownership of New Zealand Companies and Limited Partnerships	Low	MBIE	<p>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: <a href="#">Increasing the transparency of the beneficial ownership of New Zealand Companies and Limited Partnerships</a>.</p> <p>On 2 August 2018 NZBA <a href="#">submitted</a> on MBIE's discussion paper on beneficial ownership.</p> <p>On 22 March 2022, the Minister of Commerce and Consumer Affairs announced the Government's proposal to introduce a new beneficial ownership register for limited partnerships and companies.</p>	MBIE anticipated it would release a draft Bill for public consultation in early 2023. We have yet to receive any updates on the status of this Bill.