



COVERSHEET

Minister	Hon Dr David Clark	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Approval to release discussion documents: Amendments and regulations to support the new regime for the conduct of financial institutions	Date to be published	1 June 2021

List of documents that have been proactively released

Date	Title	Author
14 April 2021	Approval to release discussion documents: Amendments and regulations to support the new regime for the conduct of financial institutions	<i>Office of the Minister of Commerce and Consumer Affairs</i>
14 April 2021	DEV-21-MIN-0063 Cabinet Economic Development Committee: Minute of Decision: Supporting the New Regime for the Conduct of Financial Institutions: Release of Discussion Documents	<i>Cabinet Office</i>

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld to maintain the confidentiality of advice to Government.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Supporting the New Regime for the Conduct of Financial Institutions: Release of Discussion Documents

Portfolio Commerce and Consumer Affairs

On 14 April 2021, the Cabinet Economic Development Committee (DEV):

- 1 **noted** that the Financial Markets (Conduct of Institutions) Amendment Bill (the Bill), which introduces a new regulatory regime regulating the conduct of financial institutions, was reported back to the House on 7 August 2020 and is awaiting its second reading;
- 2 **noted** that stakeholders have raised concerns about the provisions in the Bill that relate to the treatment of intermediaries;
- 3 **noted** that the discussion document *Treatment of Intermediaries under the New Regime for the Conduct of Financial Institutions*, attached to the paper under DEV-21-SUB-0063, describes problems with the requirements on intermediaries outlined in the Bill and possible options for resolving them, including:
 - 3.1 amending the definition of an intermediary to focus on sales and distribution activities;
 - 3.2 narrowing the obligations that apply in respect of intermediaries;
- 4 **noted** that the discussion document *Regulations to Support the New Regime for the Conduct of Financial Institutions*, attached to the paper under DEV-21-SUB-0063, seeks feedback on proposed regulations regarding:
 - 4.1 further minimum requirements that must be included in fair conduct programmes;
 - 4.2 the regulation of sales incentives;
 - 4.3 the form and substance of information about fair conduct programmes that financial institutions must make publicly available;
 - 4.4 a technical proposal to make it clear that insurance contracts are covered by the 'fair dealing' provisions of the Financial Markets Conduct Act 2013;
- 5 **approved** the release of the two discussion documents referred to in paragraphs 3 and 4 above, and the accompanying consumer summary, subject to any minor and technical changes that may be authorised by the Minister of Commerce and Consumer Affairs;

- 6 **invited** the Minister of Commerce and Consumer Affairs to report back to DEV by August 2021 on the outcomes of consultation and proposed policy changes.

Janine Harvey
Committee Secretary

Present:

Hon Dr Megan Woods (Chair)
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Stuart Nash
Hon Michael Wood
Hon Dr David Clark
Hon Phil Twyford
Rino Tirikatene, MP
Dr Deborah Russell, MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister of Commerce and Consumer Affairs