



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Financial Markets Conduct Amendment Bill and Financial Service Providers (Registration and Dispute Resolution) Amendment Bill: Policy Approvals and Approval for introduction	Date to be published	14 April 2025

List of documents that have been proactively released

Date	Title	Author
March 2025	Financial Markets Conduct Amendment Bill and Financial Service Providers (Registration and Dispute Resolution) Amendment Bill: Policy Approvals and Approval for introduction	Office of the Minister of Commerce and Consumer Affairs
27 March 2025	Financial Markets Conduct Amendment Bill and Financial Service Providers (Registration and Dispute Resolution) Amendment Bill: Policy Approvals and Approval for introduction LEG-25-MIN-0040 Minute	Cabinet Office

Information redacted

YES

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 for the reason of confidential advice to Government.



Cabinet Legislation 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.

Financial Markets Conduct Amendment Bill and Financial Service Providers (Registration and Dispute Resolution) Amendment Bill: Policy Approvals and Approval for Introduction

Portfolio Commerce and Consumer Affairs

On 27 March 2025, the Cabinet Legislation Committee:

Financial Markets Conduct Amendment Bill

- 1 **noted** that a Confidential advice to Government [REDACTED]
- 2 **noted** that the Financial Markets Conduct Amendment Bill will strengthen financial markets conduct by making it easier for participants to comply with the requirements of the financial markets regulatory system and for the Financial Markets Authority (FMA) to administer it;
- 3 **agreed** to amend the Financial Markets Conduct Act 2013, in relation to Cabinet's previous decision to require the proposed controller of a firm licensed under Part 6 of that Act to obtain regulatory approval from the FMA prior to any proposed change in ownership or control of the licensed firm taking effect [ECO-24-MIN-0178], to:
 - 3.1 require a firm licensed under Part 6 of that Act to obtain regulatory approval from the FMA before entering into a significant transaction;
 - 3.2 require a firm licensed under Part 6 of that Act to obtain regulatory approval from the FMA before the licensee amalgamates with another person;
 - 3.3 require persons to obtain regulatory approval from the FMA for certain changes involving authorised bodies, relating to a person obtaining significant influence over the firm, entering into significant transactions, and amalgamations;
 - 3.4 provide a power to create regulations that can prescribe classes of people who are required to hold a licence, and authorised bodies to be exempt from some or all of the change in control approval requirements;
- 4 **approved** the Financial Markets Conduct Amendment Bill [PCO 26156/3.0] for introduction;
- 5 **agreed** that the Bill be introduced on 31 March 2025;
- 6 **agreed** that the Government propose that the Bill be:
 - 6.1 referred to the Finance and Expenditure committee for consideration;

6.2

Confidential advice to Government

Financial Service Providers (Registration and Dispute Resolution) Amendment Bill

7 **noted** that a Confidential advice to Government

8 **noted** that the Bill makes targeted amendments to the Financial Service Providers (Registration and Dispute Resolution) Act 2008 to improve the independent review of financial dispute resolution schemes and safeguard the effectiveness and independence of their governing boards;

9 **approved** the Financial Service Providers (Registration and Dispute Resolution) Amendment Bill [PCO 26159/3.0] for introduction;

10 **agreed** that the Bill be introduced on 31 March 2025;

11 **agreed** that the Government propose that the Bill be:

11.1 referred to the Finance and Expenditure committee for consideration;

11.2 Confidential advice to Government

Contracts of Insurance (Repeals and Amendments) Act Commencement Order 2025

12 **noted** that the Contracts of Insurance (Repeals and Amendments) Act Commencement Order 2025 will provide for some technical amendments to the definitions in the Financial Markets (Conduct of Institutions) Amendment Act 2022 (CoFI Act) to come into force soon after the CoFI Act to assist with a smooth transition for insurers to the new regime;

13 **authorised** the submission to the Executive Council of the Contracts of Insurance (Repeals and Amendments) Act Commencement Order 2025 [PCO 27050/5.0];

14 **noted** that a waiver of the 28-day rule is sought so that the technical changes can come into force soon after the CoFI Act commences, and on the grounds that this timing will have little to no effect on the public;

15 **agreed** to waive the 28-day rule so that the Contracts of Insurance (Repeals and Amendments) Act Commencement Order 2025 can come into force on 7 April 2025;

Amendments to the Financial Markets Conduct Regulations 2024 for the Depositor Compensation Scheme

16 **agreed** to amend the Financial Markets Conduct Regulations 2024 to provide for appropriate transitional arrangements for disclosure requirements on financial products that the Depositor Compensation Scheme applies to;

17 **authorised** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decision in paragraph 16 above;

18 **authorised** the Minister of Commerce and Consumer Affairs to make minor or technical changes on issues that arise during the drafting of the regulations.

Tom Kelly
Committee Secretary

Attendance: (See over)

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Louise Upston (Chair)
Hon Brooke van Velden
Hon Judith Collins KC
Hon Tama Potaka
Hon Casey Costello
Hon Nicole McKee
Hon Chris Penk
Hon James Meager
Hon Scott Simpson
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Officials Committee for LEG