



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Capital Markets Reforms: Amendments to Regulatory Asset Disclosure Categories	Date to be published	25 November 2025

List of documents that have been proactively released

Date	Title	Author
October 2025	Capital Markets Reforms: Amendments to Regulatory Asset Disclosure Categories	Minister of Commerce and Consumer Affairs
8 October 2025	Capital Markets Reforms: Amendments to Regulatory Asset Disclosure Categories ECO-25-MIN-0159 Minute	Cabinet Office
11 June 2025	Regulatory Impact Statement - Amending regulatory asset disclosure categories	MBIE

Information redacted

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.

In Confidence

Office of the Minister of Commerce and Consumer Affairs

Cabinet Economic Policy Committee

Capital markets reforms: Amendments to regulatory asset disclosure categories

Proposal

- 1 This paper seeks policy approval for regulatory amendments to asset disclosure categories used by managed funds in public reporting, to lift the visibility of investment in private assets.

Relation to government priorities

- 2 The proposals in this paper relate to the Government's priority to reform capital markets under the "Competitive business settings" pillar of the *Going for Growth* plan.

Executive summary

- 3 The Government wants to enable greater investment in private assets to boost investors' savings and offer flow-on benefits to unlisted businesses, infrastructure projects and the wider economy. During industry engagement and public consultation, fund managers commented on the lack of public information about investment in private assets at fund level, and supported changes to lift the visibility of these assets in investment portfolio holdings and offerings.
- 4 This paper seeks policy approval to:
 - 4.1 amend the asset disclosure categories in Schedule 4 of the Financial Markets Conduct Regulations 2014 (**the Regulations**); and
 - 4.2 require that the managed investment fund information on the Companies Office Disclose Register indicate the asset category of each individual asset (e.g. not just a company name, but whether the investment is debt, private equity, public equity, property, etc).

Background

- 5 Investment in private assets by KiwiSaver providers is low when compared to retirement funds internationally. For example, in Australia it is 18-21 per cent of their total funds under management as compared to our 2-3 per cent. The investment pattern for other retail managed funds in New Zealand is similar—for example, private equity investments are only 2.2 per cent of total equity investments.

- 6 Private assets, whether in New Zealand or offshore, can offer a range of opportunities for investors as part of a diversified portfolio. Long-term benefits of increasing private asset exposure and enabling greater portfolio diversification could enhance long-term returns for KiwiSaver funds. It could also provide capital for New Zealand's private infrastructure solutions and businesses with growth potential.
- 7 In December 2024, Cabinet agreed to the release of the discussion document *Enabling KiwiSaver Investment in Private Assets* and invited the Minister of Commerce and Consumer Affairs to report back with the results of the public consultation and any proposed policy decisions [CAB-24-MIN-0494 refers].
- 8 The consultation addressed four proposals for change, developed through engagement with industry in 2024:
 - 8.1 improving visibility of private assets by amending asset disclosure categories;
 - 8.2 enabling KiwiSaver providers to use liquidity risk management tools;
 - 8.3 ensuring valuation requirements support private asset investment; and
 - 8.4 considering changes to the total expense ratio used in fee reporting.
- 9 Consultation feedback revealed there is currently insufficient public information about levels of investment in private assets in New Zealand, particularly at fund level. This feedback supports amendments to the asset disclosure categories for managed funds that I am seeking in this paper.
- 10 I have decided not to progress the other proposals consulted on at this time. While some submitters thought liquidity tools would be useful, there was also opposition from other submitters and strong concerns raised about members' potential loss of ready access to their savings, and a resulting loss of trust in the scheme. We know that some KiwiSaver providers are currently investing in private assets without any legislative amendments around liquidity tools, so I consider intervention is not required at this stage.
- 11 Most providers felt they were able to provide for appropriate valuation methods without regulatory amendments, and there was little support for changes to the total expense ratio used in fee reporting. However, new disclosure categories will improve transparency and make it possible for consumers to see where higher fees may be linked to investment in private assets.

Proposed changes to asset disclosure categories

- 12 Enabling fund managers to disclose which funds invest in private assets will improve information for customer decision-making around investments, establish greater public transparency and may influence competitor funds to explore private assets.

- 13 The asset disclosure categories are set out in the reporting and information requirements in Schedule 4 of the Regulations. The rules apply to all managed funds, which includes KiwiSaver and retail investment schemes.
- 14 The current categories do not distinguish private from public assets (apart from property), and they do not all include a New Zealand category.
- 15 By way of illustration, my intention is that the asset categories contain information about the class and geographic region of the asset, set out along lines similar to the following:
- cash and cash equivalents
 - New Zealand fixed interest
 - international fixed interest
 - New Zealand private debt
 - international private debt
 - New Zealand listed equities
 - international listed equities
 - New Zealand unlisted equities
 - international unlisted equities
 - listed property
 - unlisted property
 - listed infrastructure
 - unlisted infrastructure
 - commodities
- 16 Most managed fund providers who commented on this proposal supported these changes and suggested that costs for these category changes would be minimal, and one-off. Some of the larger providers (for example, two banks) reported one-off costs of up to \$200,000, but they also supported change.

An additional amendment to managed fund information requirements

- 17 Managed investment funds have a regulatory obligation to provide a 'complete list of individual assets' for their fund on the Companies Office Disclose Register as part of their product information. This list, updated six-monthly, is currently a simple list of assets (for example, a list of companies), with no indication of what asset category the individual assets are in (for example, whether they are private companies or publicly listed companies on the stock exchange, or whether the investment is in debt rather than equity, or whether it is a New Zealand-based asset).
- 18 I propose a further small technical change to make full use of the new categories by adding a requirement that the complete list of individual assets also indicates a category for each asset. This should not impose additional regulatory burden on fund managers because they must already assign each asset to a category to provide investment totals by category for quarterly fund updates. Additional costs should be minimal.
- 19 This administrative change will optimise transparency by bringing relevant asset information into one place.

Implementation

- 20 I expect drafting of the amendments to be completed before the end of the calendar year, and I intend to submit the draft regulations for approval by Executive Council late this year or early next year. Managed funds report in September and March, and I therefore propose that the first use of the new categories in reporting commence from March 2027 to provide a minimum twelve-month transition period.

Cost-of-living implications

- 21 There are no cost-of-living implications.

Financial implications

- 22 There are changes required to the Disclose Register maintained by the Companies Office. The register is currently being moved to a new technology platform therefore specific costs are difficult to assess but could be as high as \$150,000. These costs can be absorbed within baselines.

Legislative implications

- 23 These proposals will require amendments to the Financial Markets Conduct Regulations 2014.

Impact analysis

Regulatory Impact Statement (RIS)

- 24 A joint Regulatory Impact Analysis Review Panel from MBIE and Inland Revenue has reviewed the attached RIS titled *Capital Markets – amending regulatory asset disclosure categories*. The Panel considers that the RIS meets the Quality Assurance criteria.

Climate Implications of Policy Assessment

- 25 There are no climate implications.

Population implications

- 26 There are no population implications.

Human rights

- 27 There are no human rights implications.

Use of external resources

- 28 No external resources were used in the policy development process.

Consultation

- 29 The Treasury, Ministry for Regulation, Ministry of Housing and Urban Development, Ministry for Social Development, Office for Seniors, FMA, Infrastructure Commission, New Zealand Trade and Enterprise, and Retirement Commission were consulted on the proposals in this paper.
- 30 Targeted engagement with KiwiSaver providers and other financial sector organisations was held through three roundtables hosted by the previous Minister of Commerce and Consumer Affairs in 2024. MBIE conducted public consultation on proposed changes to enable increased KiwiSaver investment in private assets in December 2024-February 2025. This included the changes to asset categories.

Communications

- 31 My office will develop a plan for communicating decisions publicly and to stakeholders.

Proactive release

- 32 This paper and the attached RIS will be proactively released, subject to relevant redactions, within 30 business days of Cabinet decisions.

Recommendations

The Minister of Commerce and Consumer Affairs recommends that the Committee:

- 1 **note** that the Committee agreed in December 2024 to the release of a discussion document on enabling KiwiSaver investment in private assets, and invited the Minister to report back on proposed policy decisions [ECO-24-MIN-0296];

Asset disclosure categories and their use in meeting regulatory requirements

- 2 **note** that I have consulted with the Financial Markets Authority on proposed changes as required under section 549 of the Financial Markets Conduct Act 2013;
- 3 **note** that I am progressing only one of four proposals consulted on and am not proposing any changes to the KiwiSaver Act 2006;
- 4 **agree** to amend the asset disclosure categories set out in Schedule 4 of the Financial Markets Conduct Regulations 2014 to lift visibility of investment in private and New Zealand assets by updating the asset categories in the regulations, consistent with the policy intent described in this paper;
- 5 **agree** to amend the Financial Markets Conduct Regulations 2014 to require a managed fund's complete list of individual assets filed on the Companies Office Disclose Register to indicate which asset category each individual asset belongs to;

Legislative implications

- 6 **authorise** the Minister of Commerce and Consumer Affairs to make minor and technical changes during drafting that are consistent with the policy intent of the paper;
- 7 **authorise** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above decisions.

Authorised for lodgement

Hon Scott Simpson

Minister of Commerce and Consumer Affairs