



## COVERSHEET

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| <b>Minister</b>               | Hon Scott Simpson   | <b>Portfolio</b>            | Commerce and Consumer Affairs |
| <b>Title of Cabinet paper</b> | Financial Markets Conduct Amendment Bill: amendments relating to climate-related disclosures regime | <b>Date to be published</b> | 29 January 2026               |

### List of documents that have been proactively released

| <b>Date</b>      | <b>Title</b>  | <b>Author</b>   |
|------------------|---|---|
| November 2025    | Financial Markets Conduct Amendment Bill: amendments relating to climate-related disclosures regime | Office of the Minister of Commerce and Consumer Affairs |
| 20 November 2025 | Financial Markets Conduct Amendment Bill: Approval of Amendment Paper<br>LEG-25-MIN-0243 Minute     | Cabinet Office  |

### 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 Legislation Committee

## **Financial Markets Conduct Amendment Bill: amendments relating to climate-related disclosures regime**

### **Proposal**

- 1 This paper seeks approval to release the attached Amendment Paper (see Appendix One) which contains adjustments to the climate-related disclosures regime (**CRD regime**).

### **Policy**

- 2 New Zealand's CRD regime requires registered banks, building societies, credit unions, licensed insurers, listed issuers and managed investment scheme managers (**MIS managers**) to report on their climate-related risks and opportunities in annual climate statements, if they meet certain size thresholds.
- 3 On 20 October 2025, Cabinet agreed to adjustments to the CRD regime [refer CAB-25-MIN-0360]. These adjustments:
  - 3.1 increase the reporting thresholds for listed issuers from \$60 million in market capitalisation for equity issuers, or total face value of quoted debt for debt issuers, to \$1 billion;
  - 3.2 remove MIS managers from the CRD regime;
  - 3.3 amend the liability settings;
  - 3.4 enable the monetary reporting thresholds for the CRD regime to be raised (but not lowered) by Order in Council, with appropriate safeguards;
  - 3.5 make technical changes to the terminology relating to large insurers (to ensure consistency with the latest accounting standards without changing the group of insurers' that must report).
- 4 The intent of the adjustments is to ensure that the regime is proportionate, fit for purpose and does not unduly burden New Zealand businesses. Raising the listed issuer threshold is also intended to support New Zealand's capital markets by removing a barrier to listing.
- 5 The Amendment Paper has good support from the NZX and business community. Some stakeholder groups, such as Mindful Money and Lawyers for Climate Action have indicated opposition to the changes.

- 6 The Amendment Paper primarily amends the Financial Markets Conduct Act 2013. In addition, related and consequential amendments are being made to the Fair Trading Act 1986, Financial Reporting Act 2013 and Deposit Takers Act 2023. Further consequential amendments are also required to the Financial Markets Authority (Levies) Regulations 2012 (**Levies Regulations**) and the Financial Markets Conduct (Fees) Regulations 2014.

### Impact analysis

- 7 A regulatory impact statement was prepared in accordance with the necessary requirements. It was attached to the Cabinet paper that sought approval of the policy for the Amendment Paper [ECO-24-MIN-0166 and CAB-25-MIN-0360 refer].

### Compliance

- 8 The Amendment Paper complies with each of the following:
- 8.1 the principles of the Treaty of Waitangi (advice from the Treaty Provisions Officials Group on Treaty of Waitangi provisions was not sought);
  - 8.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
  - 8.3 the disclosure statement requirements. A departmental disclosure statement has been prepared and is attached to this paper;
  - 8.4 the principles and guidelines set out in the Privacy Act 2020;
  - 8.5 relevant international standards and obligations;
  - 8.6 the [Legislation Guidelines](#) (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

### Consultation

- 9 Government agencies were consulted on the policy proposals to adjust the CRD Regime.
- 10 The Treasury, Ministry for Regulation, Ministry for the Environment, Ministry of Foreign Affairs and Trade and the Financial Markets Authority (**FMA**) were consulted on this paper. The Department of Prime Minister and Cabinet was informed.
- 11 MBIE released a discussion document in December 2024 that sought feedback on possible adjustments to the CRD regime. The 93 responses to this consultation helped inform the policy decisions made by Cabinet in October.
- 12 MBIE has recently consulted with insurers that are climate reporting entities (or close to qualifying as climate reporting entities) about proposed changes in the Amendment Paper to the large insurer definition in the Financial Markets Conduct Act and related changes to the Levies Regulations.

- 13 The insurers that responded to the consultation have indicated their support for the changes.
- 14 Ministerial consultation has been undertaken.

### **Binding on the Crown**

- 15 The Financial Markets Conduct Act 2013 and Financial Reporting Act 2013 bind the Crown. The Fair Trading Act 1986 binds the Crown in so far as the Crown engages in trade.

### **Creating new agencies or amending law relating to existing agencies.**

- 16 The Amendment Paper will not create a new agency.
- 17 The Amendment Paper will not amend the existing coverage of the Ombudsmen Act 1975, the Official Information Act 1982, or the Local Government Official Information and Meetings Act 1987.

### **Allocation of decision-making powers**

- 18 The Amendment Paper does not involve the allocation of decision-making powers between the executive, the courts and tribunals.

### **Associated regulations**

- 19 No regulations will be needed to bring the Amendment Paper into operation.

### **Other instruments**

- 20 The Amendment Paper includes a provision enabling the monetary thresholds that form part of the definition of a climate reporting entity to be adjusted upwards, no more than once every three years for each type of climate reporting entity, on recommendation of the Minister by Order in Council, subject to:
  - 20.1 consultation with the FMA, the External Reporting Board, the Reserve Bank of New Zealand as relevant, and substantially affected parties;
  - 20.2 criteria including considering whether change is necessary or desirable to ensure that entities are not subject to disproportionate compliance costs, whether any increase is consistent with promoting confident and informed participation in financial markets, and when entities are subject to substantially similar climate reporting requirements in relevant overseas jurisdictions;
- 21 The intent of this provision is to ensure that the monetary thresholds are flexible and can respond to changing market conditions. To safeguard against misuse, this power is subject to appropriate statutory criteria and consultation requirements.
- 22 The explanatory note to the Amendment Paper also sets out an explanation of what the provision does.

### Definition of Minister/department.

- 23 The Amendment Paper does not define the terms Minister, department or chief executive of a department.

### Commencement of legislation

- 24 The clauses in this Amendment Paper will come into force on the day after the date of Royal Assent of the Financial Markets Conduct Amendment Bill. This is expected by mid-2026.

### Parliamentary stages

- 25 I intend that the Amendment Paper is included in the Financial Markets Conduct Amendment Bill. This Bill was introduced on 31 March 2025 and is currently before the Finance and Expenditure Select Committee. The Office of the Clerk has indicated that the changes in the Amendment Paper are in scope of the Bill.
- 26 The report back date for the Bill was extended from 20 October 2025 to 30 January 2026 so that the Select Committee could consider the Amendment Paper.

### Proactive Release

- 27 This paper and attachments will be proactively released, subject to relevant redactions, within 30 business days of Cabinet decisions.

### Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that, in October 2025, the Cabinet Economic Policy Committee agreed to make adjustments to the climate-related disclosures regime (**CRD regime**) to:
- 1.1 increase the reporting thresholds for listed issuers from \$60 million in market capitalisation for equity issuers, or total face value of quoted debt for debt issuers, to \$1 billion;
  - 1.2 remove managed investment scheme managers from the CRD regime;
  - 1.3 amend the liability settings;
  - 1.4 enable the monetary reporting thresholds for the CRD regime to be raised (but not lowered) by Order in Council, with appropriate safeguards;
  - 1.5 make technical changes to the terminology relating to large insurers;
- [ECO-25-MIN-0166]
- 2 **note** that an Amendment Paper, attached as Appendix One to this paper, has been prepared to reflect the agreed adjustments to the CRD regime;

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- 3     **note** that the Office of the Clerk has indicated that the adjustments in the Amendment Paper are within scope of the Financial Markets Conduct Amendment Bill (the **Bill**) currently before the Finance and Expenditure Select Committee;
- 4     **agree** that the Amendment Paper be released as soon as practicable;
- 5     **invite** the the Minister of Commerce and Consumer Affairs to write to the Finance and Expenditure Committee to ask that it consider the Amendment Paper alongside the Bill.

Authorised for lodgement

Hon Scott Simpson

Minister of Commerce and Consumer Affairs

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**I N C O N F I D E N C E**

**Appendix One: Amendment Paper**

**I N C O N F I D E N C E**

**I N C O N F I D E N C E**

**Appendix Two: Departmental Disclosure Statement**

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