



## COVERSHEET

<b>Minister</b>	Hon Cameron Brewer	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	Regulations to Implement the Credit Contracts and Consumer Finance Amendment Act 2026	<b>Date to be published</b>	1 July 2026

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
June 2026	Regulations to Implement the Credit Contracts and Consumer Finance Amendment Act 2026	Office of the Minister of Commerce and Consumer Affairs
18 June 2026	Regulations to Implement the Credit Contracts and Consumer Finance Amendment Act 2026 LEG-26-MIN-0126 Minute	Cabinet Office
23 June 2026	Stage 2 Cost Recovery Impact Statement: Application fees for licensing of lenders, and for exemptions and declarations under the CCCFA	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

Chair, Cabinet Legislation Committee

## **Regulations to Implement the Credit Contracts and Consumer Finance Amendment Act 2026**

### **Proposal**

- 1 This paper seeks authorisation to submit to the Executive Council the following regulations that are necessary for the law to operate effectively, as amended by the Credit Contracts and Consumer Finance Amendment Act 2026:
  - 1.1 the Credit Contracts and Consumer Finance Amendment Regulations 2026;
  - 1.2 the Financial Markets Conduct Amendment Regulations 2026;
  - 1.3 the Financial Markets Conduct (Fees) Amendment Regulations 2026;
  - 1.4 the Financial Markets Authority (Fees) Amendment Regulations 2026.
- 2 The paper also seeks approval for the fees prescribed by the latter two regulations, based on targeted consultation and cost-recovery impact analysis by the Ministry of Business, Innovation and Employment (**MBIE**).

### **Policy**

- 3 The Credit Contracts and Consumer Finance Amendment Act 2026 (**the Amendment Act**) received the Royal assent on 5 June 2026. On 1 July 2026, it will, among other things:
  - 3.1 transfer all functions under the Credit Contracts and Consumer Finance Act 2003 (**the CCCFA**) from the Commerce Commission to the Financial Markets Authority (**FMA**);
  - 3.2 make the CCCFA ‘financial markets legislation’ as defined by the Financial Markets Authority Act 2011;
  - 3.3 replace a requirement on lenders to be certified with a requirement to be licensed by the FMA (extending the existing licensing model to consumer credit);
  - 3.4 deem all lenders who are already certified to hold a relevant licence;
  - 3.5 empower the FMA to make certain exemptions and declarations that would be secondary legislation [ECO-24-MIN-0262 refers].
- 4 These policies were approved by Cabinet over three occasions in 2024 [EXP-24-MIN-0010, ECO-24-MIN-0178 and ECO-24-MIN-0262 refer].

- 5 There are two ways regulations need to reflect these changes to the way consumer credit is regulated:
- 5.1 as noted by LEG in March 2025 [LEG-25-MIN-0041 refers], fees need to be set for the FMA to recover the costs involved in dealing with applications by creditors to be licensed, exempt from certain obligations or subject to a declaration;
  - 5.2 existing exemptions from the need to be certified need to be translated into exemptions from the need to hold a relevant licence.
- 6 I am now seeking policy approvals for the appropriate level of fees, with amendments having been drafted. MBIE completed cost-recovery impact analysis to support these proposed fees. These proposals are explained in the next two sections.
- 7 Cabinet agreed to the second of these changes in paragraph 5.2 when it originally approved the policies for the Amendment Act [ECO-24-MIN-0178 refers]. That decision is given effect by:
- 7.1 the Amendment Act removing the relevant exemptions from these regulations, while the Credit Contracts and Consumer Finance Amendment Regulations retains a declaration that is necessary as a consequence of one such exemption; and
  - 7.2 the Financial Markets Conduct Amendment Regulations, which create equivalent exemptions from the need to be licensed.
- 8 Finally, amendments to Credit Contracts and Consumer Finance Regulations 2004 are also required to reflect the following changes to the CCCFA:

Change made by the Amendment Act	Update required to the regulations
From 5 December 2026, the right to cancel a loan within five days is extended to repayment waivers and extended warranties offered by lenders. Before entering into the agreement, lenders must disclose to borrowers that they have this right (an obligation that is being extended to cancellation of repayment waivers and extended warranties).	Regulation 18L already exempts Buy Now Pay Later (BNPL) contracts from having to disclose the right to cancel the loan within five working days on the condition the lender instead provides details of its cancellation policy. Because all BNPL contracts can be cancelled by the borrower at any time, it would be unhelpful to disclose the right to cancel within five working days. Once the Amendment Act creates equivalent rights to cancel repayment waivers and extended warranties, this would likewise result in BNPL lenders having to disclose irrelevant information (seeing as they never offer repayment waivers or extended warranties). To avoid this, the exemption should be extended to disclosure of these additional cancellation rights.
	Regulation 8 prescribes two model disclosure statements that spell out for lenders what information they need to disclose to borrowers before they enter into a loan (depending on the type of loan). These statements need to be updated to reflect the obligation to disclose the right of cancellation in respect of repayment waivers and extended warranties.

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<p>When disclosing to borrowers what goods are or may be taken as security for the loan, the Amendment Act will, from 5 December 2026, require the lender to better specify the goods in question.</p>	<p>The model disclosure statements need to be updated to reflect the further specificity required in identifying secured goods.</p>
<p>N/A</p>	<p>The model disclosure statements were not updated to reflect earlier reforms relating to high-cost credit contracts and consumer credit contracts that are also layby sales agreements. I am taking the opportunity now to ensure these statements fully reflect the law from 1 July. This is reflected in regulation 6.</p>

Proposed fee for new applications to be licensed as a creditor

- 9 On 28 August 2024, Cabinet agreed to remove the certification regime under the CCCFA and, in its place, apply the FMA’s licensing model to consumer credit under Part 6 of the Financial Markets Conduct Act 2013 [ECO-24-MIN-0178 refers].
- 10 From 1 July 2026, entities that are currently certified, or exempt because they are already licensed by the FMA or Reserve Bank of New Zealand, will be deemed to hold a licence for consumer credit. Entities otherwise exempt from the need to be certified will be exempt from the need to be licensed.
- 11 This means that only ‘new entrants’ who wish to operate in markets for consumer credit will be required to apply for a licence for that market service.
- 12 I propose to set the licensing application fee at \$670 (including GST). This is based on the hourly rate of \$178.25 that is already set by the Financial Markets Conduct (Fees) Regulations 2014 and an estimated average processing time of 3.75 hours (rounded up from \$668.43). The FMA would be able to charge extra for applications that take over 4.75 hours, at the same hourly rate of \$178.25. Processing licence applications includes reviewing and analysing the application, seeking further information if required, and determining the application. This would normally be done by an employee of the FMA. However, consistent with existing fees regulations, fees for consumer credit will allow for the possible involvement of an FMA member, whose time would be charged at an hourly rate of \$230.
- 13 MBIE has estimated an average of 40 applications per year (based on the volume of new entrants being certified by the Commerce Commission in recent years). This would amount to roughly \$27,000 of additional cost-recovery by the FMA for its licensing activities.
- 14 This proposed fee compares favourably to the current certification fee of \$1,055, plus GST, for each of the entity’s directors and senior managers. The proposed license fee will also only be charged once per entity, as licences do not need to be renewed (unlike certification, which needs to be renewed every five years).

15 My proposal is reflected in the Financial Markets Conduct (Fees) Amendment Regulations 2026, made under section 67 of the Financial Markets Authority Act 2011 and section 548 of the Financial Markets Conduct Act 2013.

Proposed fee for applications for an exemption or declaration

16 From 1 July 2026, the FMA will be able to grant certain exemptions from obligations under the CCCFA and make certain declarations about the status of arrangements or contracts that can currently be made by the responsible Minister or by Order in Council.

17 These empowering provisions enable the FMA to change or clarify the scope of the CCCFA’s application, but are subject to constraints designed to ensure they are only used to resolve relatively technical issues and, in a manner consistent with the Legislation Design and Advisory Committee guidelines.

18 Although the FMA will be able to make exemptions and declarations on its own initiative, entities will be able to apply to have their particular situation specially considered. For consistency with other financial markets, the FMA should be able to charge a fee to recover the costs involved in providing this service.

19 I propose to set the fee for these applications consistent with the fee prescribed for similar applications relating to other financial markets. This is a fee that includes a starting rate of \$115, and \$178.25 for every hour it takes for an employee of the FMA to process the application (or \$230 for every hour that a member of the FMA may need to be involved).

20 These proposals are reflected in the Financial Markets Authority (Fees) Amendment Regulations 2026, made under section 67 of the Financial Markets Authority Act 2011.

**Statutory pre-requisites for recommending these regulations be made**

21 I am required to be satisfied of certain matters before I can recommend these regulations be made. The requirements as they relate to each of the amendments are as follows:

Amendment	Empowering provision	Requirement
Licensing fee for consumer credit	Section 548(1)(o) of the Financial Markets Conduct Act 2013	Section 549 requires me to have consulted the FMA.
Exemptions from the need to be licensed (similar to current exemptions from the need to be certified)	Section 546 of the Financial Markets Conduct Act 2013	Sections 549 and 550 require me to: <ul style="list-style-type: none"> <li>• have consulted the FMA</li> <li>• have had regard to the purposes of the Act</li> <li>• be satisfied that the extent of any exemption I am recommending is not broader than reasonably necessary</li> </ul>

Remaking of the declaration referred to in paragraph 7.1	Section 138(1)(abb) of the CCCFA	Section 138 (as amended on 1 July) requires me to consult persons or representatives of the persons who will be substantially affected by the regulations (even though this declaration only replaces an existing declaration with the equivalent effect) and the FMA.
Broadening of the existing exemption for BNPL contracts related to disclosure of cancellation rights	Section 138(1)(aba) of the CCCFA	Section 138 (as amended on 1 July) requires me to: <ul style="list-style-type: none"> <li>• have consulted the FMA</li> <li>• have had regard to the purposes of the Act</li> <li>• be satisfied the exemption would not cause significant detriment to debtors</li> <li>• be satisfied the exemption is necessary or desirable to promote one or more purposes of the Act.</li> </ul>

22 I can confirm that I have satisfied each of these requirements.

**Timing and 28-day rule**

23 All four amendment regulations would come into force on 1 July 2026, at the same time as the relevant changes made by the Credit Contracts and Consumer Finance Amendment Act. However, the amendments to model disclosure statements in the Credit Contracts and Consumer Finance Amendment Regulations relating to cancellation of repayment waivers and extended warranties and specification of secured goods will come into force on 5 December 2026, to match the commencement of those aspects of the Amendment Act. All amendment regulations will be notified in the *New Zealand Gazette* on 23 June 2026.

24 The commencement of most amendments (aside from the ones referred to above as coming into force on 5 December 2026) requires a waiver of the 28-day rule, which is justified on the basis these changes to regulations have little to no immediate impact on industry or the public and they are necessary to avoid irregularities in the law that would otherwise arise from 1 July 2026.

**Compliance**

25 The amendment regulations comply with:

- 25.1 the principles of the Treaty of Waitangi;
- 25.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
- 25.3 the principles and guidelines set out in the Privacy Act 2020;
- 25.4 relevant international standards and obligations;
- 25.5 the [Legislation Guidelines](#) (2021 edition) maintained by the Legislation Design and Advisory Committee.

### **Regulations Review Committee**

- 26 I am aware of no grounds for the Regulations Review Committee to draw these amendment regulations to the attention of the House of Representatives.

### **Certification by Parliamentary Counsel**

- 27 The regulations are certified in order for submission to Cabinet, subject (as relevant) to the regulations being made on the recommendation of the Minister of Commerce and Consumer Affairs, made in accordance with section 138 of the Credit Contracts and Consumer Finance Act 2003 and sections 549 and 550 of the Financial Markets Conduct Act 2013.

### **Impact analysis**

- 28 A stage 2 Cost Recovery Impact Statement was completed to support the proposed fees set by the Financial Markets Conduct (Fees) Amendment Regulations 2026 and the Financial Markets Authority (Fees) Amendment Regulations 2026.
- 29 A Quality Assurance panel has reviewed that statement and found that it **meets** the Quality Assurance Criteria.

### **Climate Implications of Policy Assessment**

- 30 The Climate Implications of Policy Assessment (**CIPA**) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

### **Population Implications**

- 31 The policy proposals in this paper do not have population implications.

### **Publicity**

- 32 I made an announcement following the third reading of the Credit Contracts and Consumer Finance Amendment Act. I do not intend to make further announcements specifically about these amendment regulations.

### **Proactive Release**

- 33 I intend to proactively release this paper within 30 business days, subject to any appropriate redactions under the Official Information Act 1982.

### **Consultation**

- 34 The Commerce Commission, the FMA, the Treasury, the Reserve Bank of New Zealand and the Ministry for Regulation were consulted on the proposed fees and on this paper. The Commission and FMA were also consulted on all amendment regulations.

- 35 Analysis of the approach to cost-recovery and proposed fees was also informed by targeted consultation in 2025 with industry associations who represent lenders, as well as some lenders directly.
- 36 I have consulted directly with those persons (or their representatives) substantially affected by the declaration being replaced by the Credit Contracts and Consumer Finance Amendment Regulations 2026.

### Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that provisions of the Credit Contracts and Consumer Finance Amendment Act 2026 coming into force on 1 July 2026 and 5 December 2026 necessitate:
  - 1.1 the setting of fees for new creditors to be licensed,
  - 1.2 the setting of fees for entities to apply for the benefit of an exemption or declaration under the Credit Contracts and Consumer Finance Act 2003,
  - 1.3 existing exemptions from the need to be certified being translated into exemptions from the need to be licensed,
  - 1.4 the broadening of an exemption for Buy Now Pay Later contracts relating to the disclosure of cancellation rights affected by the Amendment Act, and
  - 1.5 the updating of model disclosure statements prescribed by the Credit Contracts and Consumer Finance Regulations 2004;
- 2 **agree** to set the application fee to be licensed as a creditor under a consumer credit contract to be \$670 (including GST), with the Financial Markets Authority (FMA) having the ability to charge \$178.25 per hour for an employee or \$230 where the involvement of an FMA member may be required in excess of 4.75 hours that it may take to process such an application;
- 3 **agree** to set the fee for an application seeking the benefit of an exemption or declaration under the Credit Contracts and Consumer Finance Act at \$115, as the starting fee, and \$178.25 for every hour it takes an employee of the FMA to process the application or \$230 per hour for a member;
- 4 **note** that on 28 August 2024, Cabinet agreed to exempt entities currently exempted from certification under the Credit Contracts and Consumer Finance Regulations 2005 from needing to hold a market services licence;
- 5 **note** that the decision in paragraph 2 above will be given effect by the Financial Markets Conduct (Fees) Amendment Regulations 2026, the decision in paragraph 3 above will be given effect by the Financial Markets Authority (Fees) Amendment Regulations 2026, and the decision in paragraph 4 above will be given effect by the Credit Contracts and Consumer Finance Amendment Regulations 2026 and the Financial Markets Conduct Amendment Regulations 2026;

- 6 **authorise** the submission to the Executive Council of the regulations referred to in paragraph 5 above;
- 7 **note** that the regulations referred to in paragraph 5 above all come into force on 1 July 2026, with the exception of some changes to the model disclosure statements prescribed by the Credit Contracts and Consumer Finance Regulations, which will come into force on 5 December 2026;
- 8 **agree** to waive the 28-day rule for all four amendment regulations (aside from the changes referred to in paragraph 7 above that commence on 5 December 2026) on the basis they have little to no immediate practical impact and are necessary to avoid irregularities in the law that would otherwise arise from 1 July 2026;
- 9 **note** that sections 549 and 550 of the Financial Markets Conduct Act 2013 require the Minister of Commerce and Consumer Affairs to have consulted the Financial Markets Authority and, in the case of licensing exemptions, have had regard to the purposes of that Act, and be satisfied the extent of any exemption recommended is not broader than reasonably necessary;
- 10 **note** that section 138 of the Credit Contracts and Consumer Finance Act (as amended on 1 July) requires the Minister of Commerce and Consumer Affairs:
- 10.1 before recommending a change to the exemption in regulation 18L of the Credit Contracts and Consumer Finance Regulations 2004, to have consulted the FMA, have had regard to the purposes of the Act, be satisfied the exemption would not cause significant detriment to debtors, and be satisfied the exemption is necessary or desirable to promote one or more of the purposes of the Act; and
  - 10.2 before recommending the declaration made in the Credit Contracts and Consumer Finance Amendment Regulations 2026, to have consulted with affected parties and the FMA; and
  - 10.3 before recommending all changes to regulations made under section 138, to have consulted with the FMA;
- 11 **note** the advice of the Minister of Commerce and Consumer Affairs that the requirements referred to in paragraphs 9 and 10 have been met; and
- 12 **approve** the proactive release of this Cabinet paper and the Cost Recovery Impact Statement, with appropriate redactions, within 30 business days of these decisions being confirmed by Cabinet.

Authorised for lodgement

Hon Cameron Brewer

Minister of Commerce and Consumer Affairs