



COVERSHEET

Minister	Hon Cameron Brewer	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Financial Markets Conduct Amendment Bill: Approval to Release Amendment Paper	Date to be published	5 October 2026

List of documents that have been proactively released

Date	Title	Author
13 August 2026	Financial Markets Conduct Amendment Bill: Approval to Release Amendment Paper	Office of the Minister of Commerce and Consumer Affairs
20 August 2026	Financial Markets Conduct Amendment Bill: Approval to Release Amendment Paper LEG-26-MIN-0166 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 on the grounds that it is confidential advice to Government.

In Confidence

Office of the Minister of Commerce and Consumer Affairs

Cabinet Legislation Committee

Financial Markets Conduct Amendment Bill: Approval to Release Amendment Paper

Proposal

- 1 This paper seeks approval to release the attached Amendment Paper to the Financial Markets Conduct Amendment Bill (**FMC Amendment Bill**), which removes health and life insurers from 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 In October 2025, the Cabinet Economic Policy Committee (ECO) agreed to adjustments to the CRD regime to increase the reporting thresholds for listed issuers, remove the requirement for MIS managers to report and reduce director liability for the reports [refer ECO-25-MIN-0166]. These changes were referred to the select committee for the FMC Amendment Bill and considered alongside the Bill as reported back to the House.
- 4 In May 2026, ECO agreed to make a further adjustment to the CRD regime to exclude the nine insurers whose businesses are 'wholly or predominantly' the provision of health or life insurance. This is because these insurers have limited exposure to material climate-related risks, provide disclosures of limited usefulness and face compliance costs that are not proportionate to their level of risk [refer ECO-26-MIN-0093].
- 5 The Financial Services Council (**FSC**) and the health and life insurers support the change. Lawyers for Climate Action have criticised the removal of health and life insurers from the CRD regime on the basis that it risks weakening the overall integrity of the regime.
- 6 The attached Amendment Paper removes health and life insurers from the CRD regime by making amendments to the FMC Amendment Bill.
- 7 Cabinet's policy intent has been given effect in the Amendment Paper through a bright-line test. An insurer will not be required to report where 75 per cent or more of its business is derived from health and/or life insurance. Following discussions between officials and insurers on the drafting, this approach was preferred to a test based on whether an insurer's business is "wholly or predominantly" the provision of

health or life insurance, as it provides a clearer and more certain basis for determining whether reporting is required.

- 8 The Amendment Paper also makes some minor and technical amendments to the FMC Amendment Bill for clarification purposes.

Regulatory analysis

- 9 A regulatory impact statement relating to the removal of health and life insurers from the CRD regime was prepared in accordance with the necessary requirements. It was attached to the Cabinet paper that sought approval of the policy.

Consistency with principles of responsible regulation

- 10 A Consistency Accountability Statement is not required because the FMC Amendment Bill was introduced before 1 July 2026 (refer clause 2(2) of Schedule 1 of the Regulatory Standards Act 2025).

Compliance

- 11 The Amendment Paper complies with each of the following:
 - 11.1 the principles of the Treaty of Waitangi;
 - 11.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - 11.3 the principles and guidelines set out in the Privacy Act 2020;
 - 11.4 relevant international standards and obligations;
 - 11.5 the [Legislation Guidelines](#) (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Consultation

- 12 The Treasury, Ministry for Regulation, Ministry for Cities, Environment, Regions and Transport, Ministry of Foreign Affairs and Trade and the Financial Markets Authority were consulted on this paper. The Department of Prime Minister and Cabinet was informed.
- 13 MBIE has had discussions with the FSC about the CRD regime and the costs of disclosure for health and life insurers.
- 14 Following ECO's decision to remove health and life insurers, MBIE also consulted with the health and life insurers about the best way to reflect the policy decision in legislation.

Binding on the Crown

- 15 The Amendment Paper makes amendments to the Financial Markets Conduct Act 2013, which binds the Crown.

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.

Definition of Minister/department.

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

Commencement of legislation

- 21 The clauses in the Amendment Paper will come into force on the day after the date of Royal Assent of the FMC Amendment Bill, except for clause 18, new section 421A(3A), which will come into force on a date set by Order in Council, at the latest three years after Royal Assent.

Parliamentary stages

- 22 I intend to release the Amendment Paper before the Committee of the whole House stage of the FMC Amendment Bill. This Bill has had its second reading.

Proactive Release

- 23 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 May 2026, the Cabinet Economic Policy Committee agreed to exclude health and life insurers from the climate-related disclosures regime so that they will no longer be required to prepare climate statements under the Financial Markets Conduct Act 2013 [ECO-26-MIN-0093].
- 2 **note** that the attached Amendment Paper, which amends the Financial Markets Conduct Amendment Bill (the Bill), has been prepared to reflect the change outlined at paragraph 1;

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

- 3 **note** that the Amendment Paper also gives effect to some minor and technical amendments to the Bill that clarify the policy intent of the relevant provisions;
- 4 **note** that the Bill **Confidential advice to Government** has had its second reading;
- 5 **agree** that the Amendment Paper be released as soon as practicable.

Authorised for lodgement

Hon Cameron Brewer

Minister of Commerce and Consumer Affairs