



COVERSHEET

Minister	Hon Cameron Brewer	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Proposed amendment to Financial Markets Authority (Fees) Regulations 2011	Date to be published	20 October 2026

List of documents that have been proactively released

Date	Title	Author
September 2026	Proposed amendment to Financial Markets Authority (Fees) Regulations 2011	Office of the Minister of Commerce and Consumer Affairs
23 September 2026	Financial Markets Authority (Fees) Regulations 2011: Proposed Amendment ECO-26-MIN-0191 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 Economic Policy Committee

Proposed amendment to Financial Markets Authority (Fees) Regulations 2011

Proposal

- 1 This paper seeks Cabinet's agreement to amend the Financial Markets Authority (Fees) Regulations 2011 to better align fees with the actual costs incurred by the Financial Markets Authority (**FMA**) in two areas:
 - 1.1 reducing the fee for financial markets supervisor re-licensing applications to reflect a streamlined assessment process, and
 - 1.2 enabling the FMA to recover certain additional costs incurred when processing applications for exemptions and declarations under the Credit Contracts and Consumer Finance Act 2003 (**CCCFA**).

Relation to government priorities

- 2 These proposals align with the Government's priorities of reducing unnecessary regulatory costs, improving the efficiency of financial services regulation, and supporting economic growth through better regulation.

Executive Summary

- 3 This paper seeks Cabinet's agreement to amend the Financial Markets Authority (Fees) Regulations 2011.
- 4 The FMA licenses and supervises financial markets supervisors. Following a review of its supervisory and licensing practices, the FMA has developed a streamlined re-licensing approach that is expected to reduce assessment time from around 45 hours to approximately 4 hours per application.
- 5 Separately, amendments made earlier in 2026 enabled the FMA to recover staff-time costs associated with assessing CCCFA exemption and declaration applications, but did not include provision for recovering other costs, such as expert advice or Gazette publication costs, creating an inconsistency with equivalent fee settings under Part 3 of Schedule 1 of the Financial Markets Conduct (Fees) Regulations 2014.
- 6 I therefore recommend reducing the supervisor re-licensing application fee from \$8,021.25 to \$713 (including GST), reflecting the lower assessment time required under the new approach. In addition, the paper seeks agreement to enable the FMA to recover other costs incurred in processing CCCFA exemption and declaration applications, including the costs of expert advice and Gazette publication, where such costs arise.

Background

Financial markets supervisor re-licencing

- 7 Financial markets supervisors (**supervisors**) are licenced by the FMA under the Financial Markets Supervisors Act 2011. Supervisors are appointed to look after investor interests on debt securities, registered schemes (including KiwiSaver schemes), specified managed funds and superannuation schemes, and retirement villages. To keep operating, supervisors must apply to renew their licence between 9 and 12 months before their current licence expires. The Financial Markets Supervisors Act 2011 requires that supervisors re-apply for licenses every 8 years.
- 8 There are five licensed supervisors in New Zealand due to begin the re-licensing process in February 2027. These include: Anchorage Trustee Services Limited, Covenant Trustee Services Limited, New Zealand Guardian Trust Company Limited, Public Trust, and Trustees Executors Limited.
- 9 The FMA has undertaken an assessment of its supervisor monitoring and re-licensing practices and considers that improvements can be made. The FMA plans to simplify how it assesses applications from supervisors needing to renew their licences.
- 10 The FMA has regular ongoing engagement and supervision activities with supervisors, and issues reports on supervisor performance and onsite monitoring visits. The FMA reports that supervisors have demonstrated strong engagement, embraced implementation feedback, and are generally compliance focused. Further, the Financial Markets Supervisors Act 2011 requires supervisors to notify the FMA of any material change that may affect their ability to continue meeting their licence conditions.
- 11 On this basis, the FMA is implementing a streamlined re-licensing approach that relies on targeted attestations that licence conditions continue to be met, no material changes other than those already reported, and systems and controls remain effective. As a result, the FMA expects applications to require less assessment time – dropping from 45 hours to about 4 hours.

Credit Contract and Consumer Finance Act 2003 exemptions and declarations

- 12 The Financial Markets Authority (Fees) Amendment Regulations 2026 came into force on 1 July 2026 and added a new regulation 5A to the Financial Markets Authority (Fees) Regulations 2011 (**the Regulations**) which enables the FMA to charge a fee to recover costs involved in assessing applications to grant certain exemptions from obligations under the Credit Contracts and Consumer Finance Act 2003 (CCCFA) and declarations.

- 13 However, new regulation 5A does not enable the FMA to charge for other costs it may incur during the processing of these exemption applications. These are, specifically, costs relating to obtaining expert advice or assistance and printing or publishing notices in the Gazette. This means the CCCFA exemption and declaration fee does not align with the fee structure in Part 3 of Schedule 1 of the Financial Markets Conduct (Fees) Regulations 2014, which is also administered by the FMA and includes the ability for the FMA to pass on these costs (if any) as a standard part of the fee regulations.

Proposed amendments to the Regulations

Reduced supervisor re-licencing fee

- 14 Supervisor re-licensing involves assessing whether licensed supervisors continue to meet the requirements to hold a supervisor licence under the Financial Markets Supervisors Act 2011. An application for supervisor re-licensing carries a fee that enables the FMA to recover costs, set in the Regulations. Cost recovery is appropriate because licensing provides a direct benefit to the applicant.
- 15 As a result of the streamlined re-licencing approach, the FMA expects average application assessment times to drop from 45 hours to 4 hours. I propose to reduce the supervisor re-licencing fee to \$713 (including GST). This more accurately reflects the cost incurred in assessing applications under the new approach:

Current fee: \$8,021.25 including GST	Proposed new fee: \$713 including GST
Based on average assessment time of 45 hours at current FMA hourly rate (\$178.25)¹. Additional hourly charges of \$178.25 per hour may apply where application takes more than 52 hours to assess.	Based on estimated average assessment time of four hours at current FMA hourly rate (\$178.25). Additional hourly charges of \$178.25 per hour may apply where application takes more than five hours to assess.

- 16 The proposed new fee allows the FMA to charge \$178.25 (including GST) per additional hour spent by FMA staff, if the application takes more than five hours to process. The FMA must provide the applicant notice of the additional fee and a reason why the application will take longer to process. The ability to charge hourly rates for complex applications is part of the FMA fee model that applies alongside the current re-licensing application fee. This also applies to the other FMA market services licence fees, such as the fees to be licensed as a financial advice service provider or a financial institution under the Financial Markets Conduct Act 2014.

¹ \$178.25 including GST is standard hourly rate used in FMA fees including under regulation 3(1A)(c) of the Financial Markets Authority (Fees) Regulations 2011 and the Financial Markets Conduct (Fees) Regulations 2014.

- 17 I intend for the new fee to be in place by February 2027, when the next financial markets supervisor re-licencing round begins. Any delays in amending the regulations may mean applicants will be required to pay the current re-licensing fee of \$8,021.25 (including GST). In this circumstance, I intend to consider amendments to the regulations to allow supervisors who pay the current fee to be paid back the difference between the current and the proposed fees. This would help ensure applicants are not disadvantaged by implementation timing.

Ability for FMA to charge for other costs incurred in processing CCCFA exemptions and declarations

- 18 As part of processing applications to grant certain exemptions from obligations under the CCCFA and declarations, the FMA may incur costs other than FMA staff time needed to complete application assessments. These additional costs could be for obtaining expert advice (e.g. legal advice) or printing and publishing in the New Zealand Gazette. Regulation 5A of the Regulations does not currently enable the FMA to charge for these additional costs.
- 19 The ability to charge for these costs incurred by FMA is included in the Financial Markets Conduct (Fees) Regulations 2014 (see Part 3 of Schedule 1) upon which the CCCFA exemption and declaration fee in regulation 5A was based. It was an oversight not to include these costs in regulation 5A.
- 20 The cost of publishing a notice in the New Zealand Gazette run by the Department of Internal Affairs costs \$0.77 per word up to 5,000 words. The cost of obtaining expert advice or assistance would be based on relevant professional rates for particular services if any are necessary (e.g. legal advice). The FMA has advised that it rarely incurs these costs because most applicants procure their own services (e.g. their own legal advice).
- 21 I propose to amend the Regulations to enable the FMA to charge for additional costs incurred in processing CCCFA exemption and declaration applications (if any).

Cost-of-living Implications

- 22 There are no cost-of-living implications from the proposals to amend the Regulations.

Financial Implications

- 23 There are no financial implications from the proposals to amend the Regulations.

Legislative Implications

- 24 Proposals in this paper require amendments to secondary legislation: the Financial Markets Authority (Fees) Regulations 2011 relying on section 67 of the Financial Markets Authority Act 2011. The regulations bind the Crown.

Impact Analysis

Regulatory Impact Statement

- 25 The Ministry of Business, Innovation and Employment has assessed the policy proposals and consider that the following proposals are exempt from Regulatory Impact Analysis (RIA) and Cost Recovery Analysis Summary (CRAS) requirements due to having minor economic impacts: financial markets supervisor re-licencing application fee, and amendment to Credit Contracts and Consumer Finance Act 2003 exemption and declaration application costs.

Climate Implications of Policy Assessment

- 26 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to the policy proposals, as the CIPA criteria are not met.

Population Implications

- 27 This paper does not have any direct population implications.

Human Rights

- 28 There are no human rights implications arising from the proposals in this paper.

Use of external Resources

- 29 No external resources were used in association with this paper.

Consultation

- 30 The Treasury, Ministry for Regulation and the Financial Markets Authority have been consulted. The Department of Prime Minister and Cabinet has been informed.
- 31 The Ministry of Business, Innovation and Employment (MBIE) consulted financial markets supervisors in New Zealand on the proposed new supervisor re-licencing fee. All five supervisors expressed support for reducing the supervisor re-licensing application fee to \$713 (including GST), with additional charges applying for more complex applications following notification of reasons for those charges. All five supervisors also agreed that the proposed new fee appropriately reflects the expected cost of assessing a streamlined supervisor re-licensing application.
- 32 MBIE did not consider consultation on the proposed CCCFA exemption and declaration application costs necessary, as officials did not expect industry to provide any additional information following earlier consultation on the Financial Markets Authority (Fees) Amendment Regulations 2026 where the fees consulted on were intended to be based on Part 3 of Schedule 1 of the Financial Markets Conduct (Fees) Regulations 2014 which includes the ability for the FMA to charge for other costs incurred in assessing exemption and declaration applications. The FMA has advised officials that, in practice, they will inform applicants if their application is likely to incur additional costs for expert advice, and that it is rare to need these in practice.

Communications

- 33 The Minister for Commerce and Consumer Affairs intends to announce the proposals through a media release.

Proactive Release

- 34 MBIE will proactively release this paper within 30 business days on the MBIE website.

Recommendations

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

- 1 **note** the Financial Markets Authority will be implementing a streamlined financial markets supervisor re-licencing approach that is expected to reduce the time required to complete assessments of re-licencing applications from 45 hours to about 4 hours;
- 2 **note** that the current financial markets supervisor re-licencing application fee is \$8,021.25 including GST, which reflects an average assessment time of 45 hours at the current Financial Markets Authority hourly rate of \$178.25 (including GST) set in regulation 3 of the Financial Markets Authority (Fees) Regulations 2011;
- 3 **agree** to amend the Financial Markets Authority (Fees) Regulations 2011 to:
 - 3.1 reduce the financial markets supervisor re-licencing application fee to \$713 (including GST);
 - 3.2 enable the Financial Markets Authority to charge for additional hours required to complete an assessment of a supervisor's re-licencing application where the application takes more than 5 hours to assess, at the current Financial Markets Authority hourly rate of \$178.25 (including GST);
- 4 **note** that regulation 5A of the Financial Markets Authority (Fees) Regulations 2011 enables the Financial Markets Authority to charge a fee to recover costs involved in assessing applications for exemptions from obligations under the Credit Contracts and Consumer Finance Act 2003 and declarations but not for other costs it may incur in the assessment of these applications;
- 5 **note** that regulation 5A of the Financial Markets Authority (Fees) Regulations 2011 was intended to be based on Part 3 of Schedule 1 of the Financial Markets Conduct (Fees) Regulations 2014 which includes the ability for the Financial Markets Authority to charge for other costs incurred by the Financial Markets Authority in assessing exemption and declaration applications;
- 6 **agree** to amend the Financial Markets Authority (Fees) Regulations 2011 to enable the Financial Markets Authority to charge for costs it may incur to complete assessment of Credit Contracts and Consumer Finance Act 2003 exemption and declaration applications (excluding Financial Markets Authority staff time);

- 7 **authorise** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above recommendations;
- 8 **note** that if regulations reducing the supervisor re-licencing application fee are not in force by the start of the re-licencing round in February 2027, applicants will be charged the current fee of \$8,021.25 (including GST) despite the FMA assessing applications using its new streamlined process, and that in this circumstance the Minister of Commerce and Consumer Affairs will consider whether the Financial Markets Authority should be authorised to pay applicants the difference between the current fee and the proposed new fee;
- 9 **authorise** the Minister of Commerce and Consumer Affairs to make minor or technical changes to the above policy decisions, and additional policy decisions consistent with the general policy intent of this paper, on issues that arise during the drafting and passage of these regulations.

Authorised for lodgement

Hon Cameron Brewer

Minister of Commerce and Consumer Affairs