



Cabinet Economic Development Committee

Minute of Decision

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Financial Markets (Derivatives Margin and Benchmarking) Reform Amendment Bill: Policy Approval and Approval for Introduction

Portfolio Commerce and Consumer Affairs

On 13 February 2019, the Cabinet Economic Development Committee:

1

S9(2)(f)(iv)

2 **noted** that the Bill:

- 2.1 amends a number of existing Acts to remove impediments to compliance with foreign margin requirements for Over-The-Counter (OTC) derivatives;
- 2.2 establishes a new licensing regime for administrators of financial benchmarks under the Financial Markets Conduct Act 2013;

3 **agreed** that:

- 3.1 the Financial Markets Authority be given the power to compel:
 - 3.1.1 a licensed administrator of a financial benchmark to continue administering that benchmark for a specified period and in accordance with specified requirements;
 - 3.1.2 a contributor to a benchmark to continue providing data or information to the administrator of the financial benchmark for a specified period and in accordance with specified requirements;
- 3.2 civil liability, including a maximum pecuniary penalty of \$200,000 in the case of an individual or \$600,000 in any other case, should attach for non-compliance with the powers described in paragraph 3.1 above;

4 **approved** the Financial Markets (Derivatives Margin and Benchmarking) Reform Amendment Bill for introduction, subject to the final approval of the Government caucus and sufficient support in the House of Representatives;

5 **agreed** that the Bill be introduced in late February or early March 2019;

6 **agreed** that the government propose that the Bill be:

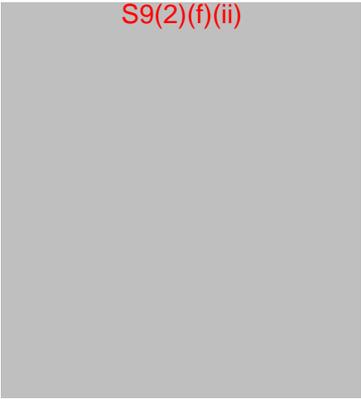
6.1 referred to the Finance and Expenditure Committee for consideration;

6.2 enacted by 1 September 2019.

Janine Harvey
Committee Secretary

Present:

S9(2)(f)(ii)



Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister of Commerce and Consumer Affairs

PROACTIVELY RELEASED