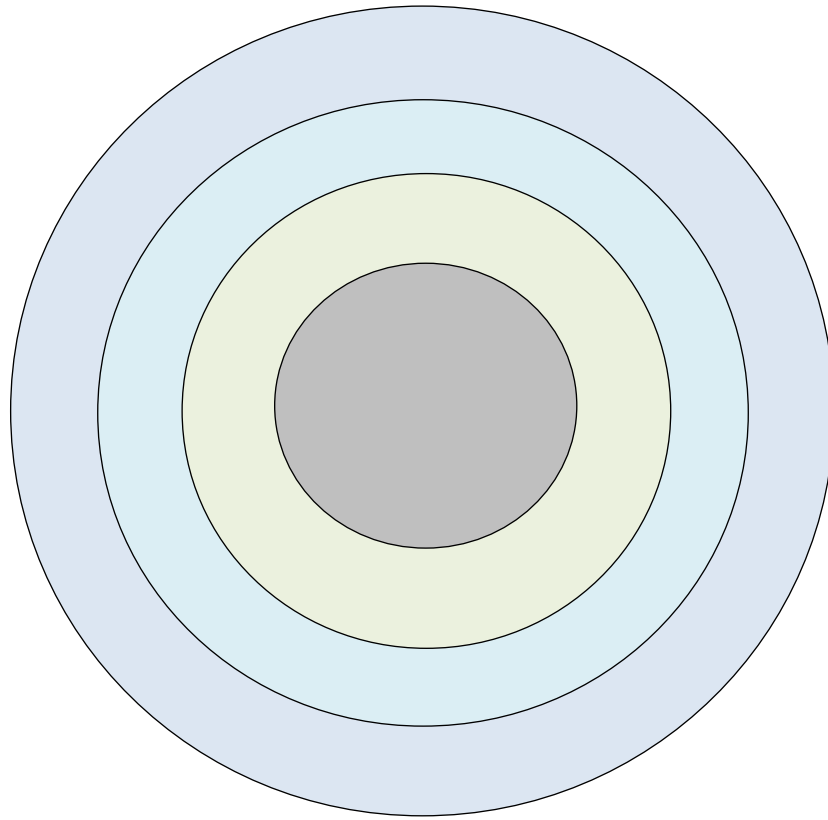


Regulatory Radar – Key



The location of the item in the diagram indicates how far progressed the policy is. At the outer rim it indicates initial scoping. In the centre it indicates that it is being implemented.

NZBA Priority	
<div style="width: 20px; height: 20px; background-color: red; border: 1px solid black;"></div>	High
<div style="width: 20px; height: 20px; background-color: yellow; border: 1px solid black;"></div>	Medium
<div style="width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div>	Low

NZBA Priority measure is based on:

- the significance of the impact that the proposals would have on industry; and
- the priority accorded to the work by the Government or relevant agency.

Current Key Priorities:

- Review of the RBNZ Act
- Review of Capital Adequacy Framework
- Section 99(1A) CCCFA
- CCCFA review
- Open Banking
- Retail Payment Systems

Current Key Priorities lists the priority work areas for NZBA.

Relevant agencies	
MBIE	Ministry of Business, Innovation and Employment
RBNZ	Reserve Bank of New Zealand
IRD	Inland Revenue Department
MoJ	Ministry of Justice
FMA	Financial Markets Authority
LINZ	Land Information New Zealand
MSD	Ministry of Social Development

Project	Priority	Lead agency	Comment	Next Steps
Review of the RBNZ Act	High	Treasury	<p>In November 2017 the Government announced it will undertake a review of the Reserve Bank of New Zealand Act 1989 to create a modern monetary and financial policy framework.</p> <p>The review is being undertaken in two phases. Phase one will involve a review of monetary policy. Phase two will involve a review of the macro-prudential framework and other current Reserve Bank responsibilities where further investigations are desirable.</p> <p>In December 2017 an Independent Expert Advisory Panel was appointed by the Minister of Finance to provide input and support to the Review based on the Terms of Engagement.</p> <p>The Independent Expert Advisory Panel is meeting with officials between December 2017 and March 2018 on issues related to phase 1 and development of the list of issues for phase 2.</p> <p>Treasury has invited submissions on the list of issues that should be considered as part of Phase 2 by 9 March 2018. It is likely that this list will be considered in late March or early April. Once the list of issues for phase 2 has been finalised, Treasury will work with industry participants as the review progresses to policy proposals.</p>	In March NZBA will make a submission to Treasury on the scope of phase 2 of the review.
Review of Capital Adequacy Framework	High	RBNZ	<p>The aim of the review is to ensure that New Zealand has a capital regime that provides a high level of confidence in the solvency of the banking system, while avoiding unnecessary economic inefficiency. This will include consideration of what counts as capital for regulatory purposes, how credit risk and other risks should be measured for regulatory purposes, and the level of minimum capital ratios and buffers.</p> <p>On 1 May 2017 RBNZ released an issues paper to provide stakeholders with the opportunity to provide initial feedback on the</p>	RBNZ published its Capital Review Paper 3: Calculation of Risk Weighted Assets . In March NZBA will make a submission to RBNZ on the consultation.

Project	Priority	Lead agency	Comment	Next Steps
			<p>intended scope of the review, and issues that might warrant attention. Consultation on the issues paper closed on 9 June 2017.</p> <p>In June 2017 NZBA submitted on the issues paper.</p> <p>On 14 July 2017 RBNZ opened public consultation on what type of financial instruments should qualify as bank capital. The issues and options paper set out proposed reforms, with the aim of reducing the complexity of the regulatory regime, providing greater certainty about the quality of capital that banks hold, and reducing the scope for regulatory arbitrage.</p> <p>In September 2017 NZBA submitted on the issues and options paper commenting on the contextual basis for the reform and the reform proposals.</p>	
Section 99(1A) of the Credit Contracts and Consumer Finance Act 2003	High	MBIE	<p>As a result of a letter sent by NZBA in May 2016, the Minister of Commerce and Consumer Affairs is considering amendment to section 99(1A) of the Credit Contracts and Consumer Finance Act 2003 (CCCFA).</p> <p>Section 99(1A) provides that neither the debtor nor any other person is liable for the costs of borrowing in relation to any period during which the creditor has failed to comply with section 17 (initial disclosure) or 22 (variation disclosure).</p> <p>In November 2016 MBIE released a public discussion paper to test different options for the amendment of section 99(1A). The discussion paper includes the letter sent by NZBA as an appendix.</p> <p>In December 2016 NZBA submitted on the discussion paper.</p>	MBIE officials and the Minister of Commerce and Consumer Affairs are currently considering whether reform of section 99(1A) is appropriate.
Credit Contracts and Consumer	High	MBIE	MBIE has been asked by Hon Kris Faafoi, Minister of Commerce and Consumer Affairs, to conduct a review of the 2015 amendments to the	NZBA met with MBIE in February to discuss industry

Project	Priority	Lead agency	Comment	Next Steps
Finance Act (CCCFA) Review			<p>CCCFA (relating to responsible lending, penalties and enforcement, repossession and other lender responsibilities). The purpose of the review is to assess the effectiveness of the reforms against the intended impacts and outcomes:</p> <ul style="list-style-type: none"> • better informed decision making; • reduced predatory and irresponsible lending; and • increased lender compliance with legal requirements. <p>The Minister has also requested MBIE to revisit interest rate caps, particularly as they relate to vulnerable consumers.</p> <p>NZBA is also a member of the Responsible Lending Code Advisory Group. The Responsible Lending Code Advisory Group will continue to meet and NZBA will continue to participate in this forum. The purpose of these meetings is to monitor the impact of the Responsible Lending Code and the relevant legislative amendments.</p>	<p>views on the 2015 reforms, in particular, what's working, what's not working, and any further improvements that could be made.</p> <p>MBIE will publish a discussion paper in mid-2018 and will make recommendations to Cabinet in Q3 2018.</p>
Open Banking	High	MBIE	<p>On 8 September 2017 MBIE published the cabinet paper – <i>Retail payment systems: update on next steps</i> – which formed the basis of the Minister of Commerce and Consumer Affairs' letter to industry participants setting out her expectations regarding the future directions of the payments system.</p> <p>The cabinet paper identifies open banking as being a key issue internationally, and considers that industry-led open banking initiatives would be likely to result in favourable competitive pressures and reduce the need for regulatory action.</p>	<p>NZBA is monitoring international open banking practices and is working with Payments NZ, who is facilitating industry-led API based initiatives.</p> <p>Payments NZ will announce a pilot in early-March involving banks, payment providers and large retailers. The pilot will provide valuable insights into the design of a shared API framework and will</p>

Project	Priority	Lead agency	Comment	Next Steps
				inform the debate around what open banking means for NZ.
Retail Payments Systems	High	MBIE	<p>On 8 August 2017 the Minister of Commerce and Consumer Affairs wrote to industry participants setting out her expectation regarding the future directions of the payments system:</p> <ul style="list-style-type: none"> • Encouraging Payments NZ to advance its <i>Payments Direction</i> initiative, and in particular initiatives that can enable payments innovation to develop and offer a platform for viable alternative to existing payments options. • Encouraging engagement with third parties (eg fintech and start-ups) and merchants on the <i>Payments Direction</i> initiative. • Encouraging improvements in the transparency and usefulness of information provided to merchants by both banks and schemes, to enable them to assess their option for negotiating better merchant service fees. In particular: <ul style="list-style-type: none"> ○ Provision of separate debit and credit fees to merchants and notifications of fee changes. ○ Publishing weighted average annual debit and credit interchange fees, broken down by card-present and card-not-present transactions. <p>Consistent with NZBA's submission, an industry working group – made up of NZBA, issuers, acquirers, schemes and Payments NZ – will recommend:</p> <ul style="list-style-type: none"> • Greater transparency of merchant fees and education for merchants. This is being progressed on a bilateral basis, with acquirers communicating progress to MBIE. 	The industry working group is continuing its work to determine how best to respond to the Minister's request for greater transparency.

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> That MasterCard and Visa provide weighted average interchange reporting on a six monthly basis for; credit/card present, credit/card not present, debit/card present, debit/card not present. That is consistent with the Minister's request and will likely be available before the April deadline. 	
Financial Services Legislation Amendment Bill	Medium	MBIE	<p>In February 2017 MBIE released the exposure draft of the Financial Services Legislation Amendment Bill and also sought feedback on proposed transitional arrangements.</p> <p>In April 2017 NZBA made an industry submission on the exposure draft and proposed transitional arrangements.</p> <p>A Financial Advice Code Working Group (CWG) was appointed in June to prepare a new code of conduct, and officially commenced on 1 August 2017. CWG is expected to have produced a draft code by August 2018 for consultation.</p> <p>The Financial Services Legislation Amendment Bill was introduced into Parliament on 3 August 2017.</p> <p>Most of the differences between the exposure draft and Bill are minor drafting changes, however three variations are worth noting:</p> <ul style="list-style-type: none"> Changing the regulation of wholesale clients compared with retail clients. Amending the civil liability of Financial Advice Providers. Introducing a limited exclusion for lenders under consumer credit contracts and credit-related insurance contracts. 	<p>On 23 February 2018 NZBA submitted to the Economic Development, Science and Innovation Committee on the draft Bill. NZBA's submission can be found here. NZBA also indicated a desire to present its submission to the Committee. The Committee must report back to the House on 7 June 2018.</p> <p>NZBA continues to work with CWG in its development of a new code of conduct.</p>
Trusts Bill	Medium	MoJ	<p>In November 2016 MoJ released an exposure draft of a Bill which will replace the Trustee Act 1956 and update the general law governing</p>	<p>On 5 March 2018 NZBA submitted to the Justice</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>trusts in New Zealand for consultation. A copy of the exposure draft is available here and a copy of the consultation paper is available here.</p> <p>In January 2017 NZBA made an industry submission on the exposure draft.</p> <p>The Trusts Bill was introduced into Parliament on 1 August 2017. The Bill is largely based on 48 of the Law Commission's 51 recommendations. As set out in its 2013 report <i>Review of the Law of Trusts: A Trusts Act for New Zealand</i>. A number of improvements have been made as a result of the submissions on the exposure draft.</p>	Committee on the draft Bill. NZBA's submission can be found here . NZBA also indicated a desire to present its submission to the Committee.
Prescribed Transaction Reporting (PTR)	Medium	MoJ	<p>In November 2016 the Anti-Money Laundering and Countering Financing of Terrorism (Prescribed Transactions Reporting) Regulations 2016 were gazetted. These Regulations come into force on 1 November 2017. As a result of NZBA's engagement with MoJ, FIU and RBNZ, those agencies issued formal written notice of a transitional compliance period for all reporting entities until 1 July 2018.</p> <p>In line with NZBA's advocacy, the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2016, also gazetted in November 2016, exempt a reporting agency that is an 'intermediary institution' from making a PTR in respect of any international wire transfer under the new regime. An intermediary institution, in relation to a wire transfer, is a person that participates in a transfer of funds that takes place through more than one institution but is not an ordering institution or a beneficiary institution.</p>	In March 2017 NZBA will continue to engage with RBNZ, MoJ and FIU on implementation.
Margining of Derivatives	Medium	MBIE / RBNZ / Treasury	On 13 July 2017 RBNZ and MBIE opened public consultation on foreign margin requirements for derivatives. The consultation paper identifies specific impediments in New Zealand insolvency laws and	During 2018, NZBA will continue to work with the agencies on legislative

Project	Priority	Lead agency	Comment	Next Steps
			<p>proposes a number of targeted legislative amendments to address them.</p> <p>In August 2017 NZBA made an industry submission on the consultation. Key submissions included:</p> <ul style="list-style-type: none"> • Rather than attempting "piecemeal" targeted legislative change, NZBA believes that the best approach is for separate standalone legislation to create more certainty in respect of insolvency and priority regimes. However, this should not be at the expense of a timely legislative response. • The scope of derivatives covered by the proposed amendments should include all cleared and uncleared derivatives, regardless of whether there is a regulatory requirement to post margin. • Security over accounts receivable should have priority over all creditors (including preferential creditors) when provided as collateral for margin. • The transfer of collateral for variation margin should be deemed not to be a security interest for the purposes of the Personal Property Securities Act 1999. <p>MBIE has indicated that the agencies expect to make their policy decision in the New Year.</p>	change to bring New Zealand's legislation in line with international practice and the G20 reforms.
Base Erosion and Profit Shifting (BEPS)	Medium	IRD	<p>On 3 August 2017 the Ministers of Finance and Revenue announced the Government's policy decisions on the proposed package of BEPS measures.</p> <p>In combination the new measures will:</p> <ul style="list-style-type: none"> • Stop foreign parents charging their New Zealand subsidiaries high interest rates to reduce their taxable profits in New Zealand. 	In February 2018 NZBA made a submission on the Bill and appeared before the Finance and Expenditure Select Committee in support of its submission.

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> • Stop multinationals using artificial arrangements to avoid having a taxable presence in New Zealand. • Ensure multinationals are taxed in accordance with the economic substance of their activities in New Zealand. • Counter strategies that multinationals have used to exploit gaps and mismatches in different countries' domestic tax rules to avoid paying tax anywhere in the world. • Make it easier for IRD to investigate uncooperative multinational companies. <p>As part of this announcement the Government released the relevant Cabinet papers, policy reports and public submissions. Those documents can be found here.</p> <p>On 8 August 2017 the Minister of Revenue tabled <i>Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting</i> (known as the Multilateral Instrument), which allows several thousand tax treaties around the world to be quickly updated in line with OECD recommendations.</p> <p>During September 2017 IRD undertook further consultation with interested parties and stakeholders (including NZBA) on the legislative design for:</p> <ul style="list-style-type: none"> • the permanent establishment avoidance rule; • key items of the transfer pricing rules; • key items of the hybrid mismatch rules; • the restricted transfer pricing rule for related-party interest; 	

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> the treatment of deferred tax liabilities in the thin capitalisation rules; and the carve-out to the thin capitalisation rules for certain infrastructure investments. <p>On 6 December 2017 the Taxation (Neutralising Base Erosion and Profit Shifting) Bill was introduced to Parliament.</p>	
RBNZ Review of Outsourcing Policy	Medium	RBNZ	<p>In August 2015 RBNZ issued a consultation paper on its outsourcing policy for banks. NZBA submitted on the consultation paper on 4 December 2015.</p> <p>In May 2016 RBNZ published its final consultation paper, with some changes based on feedback received in response to the first consultation paper.</p> <p>In August 2016 NZBA submitted on the final consultation paper, recommending changes to make RBNZ's proposed policy operationally practicable.</p> <p>In February 2017 RBNZ published the final policy decisions for the revised outsourcing policy.</p> <p>Alongside the final decisions, RBNZ also published a summary of submissions and Regulatory Impact Statement.</p> <p>In March 2017 RBNZ published the exposure draft of the revised outsourcing policy.</p> <p>Consultation on the exposure draft closed on 26 May 2017. NZBA made a submission on the exposure draft on behalf of its members.</p>	On 11 December 2017 RBNZ published its guidance for the preparation of a separation plan .
FMA Robo-Advice Consultation	Medium	FMA	<p>In February 2018 FMA published the Financial Advisers (Personalised Digital Advice) Exemption Notice 2018. The exemption permits</p>	FMA has invited applications to provide

Project	Priority	Lead agency	Comment	Next Steps
			financial adviser entities to provide personalised digital advice services to retail clients, provided they are approved and can meet the disclosure, procedural and record-keeping requirements.	personalised digital advice under the exemption. The relevant documents can be found here .
Dashboard	Medium	RBNZ	<p>On 21 September 2017 RBNZ published its final policy decision on the Dashboard. The policy decision sets out the operation and publication process for the Dashboard, and the metrics that will be included.</p> <p>RBNZ lead two trials on the Dashboard:</p> <ul style="list-style-type: none"> • a “limited” trial based on Q3 2017 data; and • a “full” trial based on Q4 2017 data. <p>Prior to the launch of the Dashboard, RBNZ has also been working:</p> <ul style="list-style-type: none"> • to implement a new mechanism to provide for breach reporting; • with NZX and ASX about the interaction of the Dashboard with their requirements. <p>RBNZ is expecting to launch the Dashboard using Q1 2018 data.</p> <p>On 15 November 2017 RBNZ published its follow-up consultation: Updates to Registered Bank Disclosure Statements Arising from Stocktake. The consultation sought feedback on proposed changes to Orders in Council (which impose disclosure statement requirements on registered banks) in order to give effect to the Dashboard approach to quarterly disclosure. NZBA’s submission on the consultation can be found here.</p> <p>Amending Orders in Council were published in the New Zealand Gazette on 22 February 2018 to implement the changes in disclosure needed to coincide with the first Dashboard publication. Subject to the</p>	NZBA will continue to work with RBNZ and members on the implementation of Dashboard.

Project	Priority	Lead agency	Comment	Next Steps
			28 day notice period, these amendments will take effect on 31 March 2018. The Reserve Bank will also update its working copies of the principal Orders on the Banking Supervision Handbook page in late March. The main impact of these changes will be that no bank will be required to publish an off-quarter disclosure statement for a period ending on 31 March 2018.	
Review of mortgage bond collateral standards	Medium	RBNZ	On 17 November 2017 RBNZ published a consultation paper proposing an enhanced mortgage bond standard aimed at supporting confidence and liquidity in the financial system. The consultation paper can be found here .	The consultation closes on 9 March 2018.
Debt-to-Income Ratios (DTI)	Medium	RBNZ	<p>RBNZ noted in the consultation paper: Adjustments to Restrictions on High-LVR Residential Mortgage Lending that it is progressing its work on potential limits to high DTI ratio lending, which would be a potential complement to the new LVR restrictions.</p> <p>RBNZ has formally asked the Government to add a tool allowing it to place limits on DTI ratios for residential mortgage borrowers to its macro-prudential toolkit.</p> <p>RBNZ continues to gather information about the DTI levels of borrowers and assess the potential case for the use of DTI limits.</p> <p>On 8 June 2017 RBNZ released a consultation paper seeking feedback on the addition of DTI limits to its macro prudential toolkit. NZBA's submission on the consultation document can be found here.</p>	The Reserve Bank has published the submissions received on the consultation and a short response here .
Land Transfer Bill	Medium	LINZ	<p>The Land Transfer Bill was introduced on 11 February 2016.</p> <p>NZBA submitted to the Government Administration Committee in April 2016 highlighting its concerns about clause 54 of the Bill, which would have imposed an obligation on mortgagees to verify the identity and</p>	An exposure draft of the new Land Transfer Regulations is expected in March/April 2018. In

Project	Priority	Lead agency	Comment	Next Steps
			<p>authority of the mortgagor. If a mortgagee failed to comply with the clause, it may have been liable to fines or, in the case of fraud, the loss of the mortgage. The New Zealand Law Society also had similar concerns in relation to clause 54.</p> <p>NZBA appeared before the Government Administration Committee in support of its submission in May 2016. The Committee was very receptive to the industry's concerns. Officials were instructed to revisit clause 54 and consult with industry. NZBA subsequently participated in further consultation with LINZ.</p> <p>The Government Administration Committee published their report on the Bill on 15 September 2016. In their report, the Committee accepted NZBA's submissions on clause 54, and agreed it would have imposed significant compliance costs.</p> <p>The Bill had its third reading on 4 July 2017 and received Royal Assent on 10 July 2017. It is likely to come into effect from November 2018.</p>	<p>particular, LINZ will seek feedback on:</p> <ul style="list-style-type: none"> • the substance and drafting of the regulations; • the technical content of standards and directives; • the content of supporting material; and • guidance for lenders.
EQC Act Reforms	Medium	Treasury	<p>Treasury released a discussion document in July 2015 proposing a number of changes to the Earthquake Commission Act 1993.</p> <p>NZBA submitted to Treasury on the discussion document, highlighting its concerns that the proposed reforms could significantly exacerbate the levels of underinsurance facing New Zealand home owners and banks as mortgagees.</p> <p>On 26 June 2017 the Minister of Finance and the Minister Responsible for the Earthquake Commission announced plans to simplify the EQC scheme, in particular, simplifying the relationship between the EQC scheme and private insurance:</p>	<p>An exposure draft of the new Bill is expected in early-2018. Changes to the scheme are anticipated to be implemented in 2020.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> Increasing the monetary cap from \$100,000 (plus GST) to \$150,000 (plus GST) for EQC building cover. Clarifying EQC land cover is for natural disaster damage that directly affects the insured residence or access to it. Standardising the claims excess on EQC building cover at \$1,000. This currently ranges from \$200 to \$1,150 depending on the size of the claim. EQC no longer providing any residential household contents insurance. Requiring EQC claimants to lodge claims with their private insurer who would pass the claim on to EQC (if the property is insured). <p>The reforms will have no impact on the handling and outcome of existing EQC claims.</p>	
Automatic Exchange of Information / Common Reporting Standard	Medium	IRD	<p>The Common Reporting Standard is a framework for allowing the exchange of tax-payer information between countries that have signed up to the Convention on Mutual Administrative Assistance in Tax Matters (which took effect for New Zealand on 1 March 2014). The framework largely mirrors the requirements for New Zealand institutions under FATCA.</p> <p>In September 2014 NZBA submitted on a targeted consultation at the request of IRD.</p> <p>On 7 April 2016 NZBA submitted to IRD on its officials' issues paper, which sought feedback on proposals for implementing the global standard on automatic exchange of information (AEOI).</p>	<p>Reporting financial institutions commenced due diligence procedures on 1 July 2017.</p> <p>From 1 April 2018 to 30 June 2018, reporting financial institutions will submit their AEOI reporting to IRD for the tax year ending 31 March 2018.</p> <p>30 September 2018 is the final date for IRD to</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>In July 2016 IRD announced its final policy decisions on AEOI and published a fact sheet summarising the key legislative proposals.</p> <p>The proposals were introduced in August 2016 as part of the Taxation (Business Tax, Exchange of Information and Remedial Matters) Bill. In September 2016 NZBA made a submission on the Bill and appeared before the Finance and Expenditure Select Committee in support of this submission.</p> <p>In November 2016, the Finance and Expenditure Select Committee reported back on the Bill.</p> <p>In February 2017 the Taxation (Business Tax, Exchange of Information, and Remedial Matters) Bill received Royal Assent.</p> <p>In March 2017 NZBA made a submission to the IRD on its Draft Guidance.</p> <p>In March 2017 IRD called for submissions on reportable jurisdictions. In April 2017 NZBA made a submission to IRD that the USA should not be included on New Zealand's list of reportable jurisdictions.</p>	exchange information with other reportable jurisdictions for the reporting period ending 31 March 2018.
Retirement Savings in Bankruptcy	Low	MBIE	<p>In July 2016 MBIE released a discussion document on the accessibility of retirement savings in bankruptcy for the repayment of creditors. MBIE is proposing to make some of a bankrupt's retirement savings accessible during bankruptcy.</p> <p>In September 2016 NZBA submitted on the discussion document, noting its support for the status quo under the common law, which confirmed KiwiSaver assets should not be accessible in bankruptcy, and highlighting practical and operational issues if this position were to change. NZBA submitted that if it is decided that a uniform approach to retirement savings in bankruptcy is required, MBIE should rather</p>	MBIE are currently considering submissions received on the discussion document.

Project	Priority	Lead agency	Comment	Next Steps
			implement a policy where KiwiSaver and other retirement schemes with equivalent features are not accessible in bankruptcy.	
Changes to KiwiSaver Annual Statements	Low	MBIE	<p>In October 2016, as a result of collaborative work between MBIE, the FMA and the Commission for Financial Capability, MBIE released a discussion document: Changes to Annual Statements for KiwiSaver, Superannuation, and Workplace Savings Schemes.</p> <p>The discussion document's key proposals included changes to annual member statements to show:</p> <ul style="list-style-type: none"> • a dollar figure for the total fees the investor has paid; and • a projected retirement balance lump sum, and projected retirement income. <p>In December 2016 MBIE released Cabinet's policy decisions on the new requirements.</p> <p>In April 2017 the FMA released a consultation paper on the proposed methodology and guidance for calculating total annual fees charged to each KiwiSaver investor.</p> <p>In July 2017 the FMA issued a methodology notice which helps KiwiSaver scheme providers calculate the total fees charged to each investor. The methodology notice, regulatory impact statement, and amended guidance note for managed funds can be found here.</p>	There may be further investigation/analysis by the FMA with a view to requiring annual statements to include information on retirement projections.
Targeted Review of the Commerce Act 1986	Low	MBIE	<p>In November 2015 MBIE released an issues paper: Targeted Review of the Commerce Act 1986.</p> <p>The issues paper addressed three key issues:</p> <ol style="list-style-type: none"> 1) the misuse of market power provisions (section 36 of the Commerce Act 1986); 	Cabinet Papers and Regulatory Impact Statements can be found here .

Project	Priority	Lead agency	Comment	Next Steps
			<p>2) alternative enforcement mechanisms, including the cease and desist regime; and</p> <p>3) the possible introduction of a new 'market studies' function.</p> <p>Submissions on the issues paper closed on 9 February 2016. MBIE received a total of 39 submissions, which they have publicly released. In addition, the Commerce Commission sent a supplementary letter to the Minister.</p> <p>In early June 2016 the Minister called for further cross-submissions on the misuse of market power provisions (which could address any points made in the 39 original submissions and in the supplementary letter from the Commerce Commission). NZBA made a cross-submission on 21 July 2016 supporting the position of its members.</p> <p>Cabinet made decisions on the targeted review of the Commerce Act in May and June 2017. In summary, Cabinet decided to:</p> <ul style="list-style-type: none"> • repeal the cease-and-desist regime; • establish an enforceable undertakings regime; • allow the Minister of Commerce and Consumer Affairs to direct the Commerce Commission to undertake market studies; and • invite the Minister of Commerce and Consumer Affairs to report back by 30 June 2018 before making final decisions on whether to proceed to a section 36 options paper. <p>The Commerce Commission's market studies power will only be exercisable at the direction of the Minister of Commerce and Consumer Affairs. The Commerce Act changes will include a high-level principle that the Minister must have reason to believe has been met before</p>	<p>Parliament will need to legislate for change to the Commerce Act for the market studies power to be introduced. There will be opportunity for public consultation via an exposure draft and through the usual select committee process.</p> <p>MBIE was tasked by the previous Minister to carry out further investigations and analysis to enable her to report back to Cabinet in advance of it making a final decision on whether to proceed to a section 36 options paper.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>initiating a market study (for instance, that the study is likely to be in the public interest or in the long-term interests of consumers).</p> <p>The Commerce Commission will be able to make use of information gathering powers. The terms of reference for each study will establish the scope and timeframe for completion.</p>	
Payment Systems Replacement Project	Low	RBNZ	<p>The Payment Systems Replacement Project (formally known as the Strategic Review of RBNZ's Payment and Settlement System) continues, and steady progress has been made. The first stream of work, the RTGS System, is now in delivery mode and tracking to schedule. Functional testing is underway and attention is turning to the documentation of functional fact sheets for account holders so that they can better understand the end-to-end solution for RTGS.</p> <p>The second stream of work, the CSD System, is at the tail end of the clarification and planning phase. As this phase has taken longer than anticipated, delivery of the project has moved from February 2018 to April 2018.</p> <p>The projection for a joint system 'go live' is now April 2019 (was February 2019).</p>	Having successfully implemented the AVP Service Profile change the focus is now on implementing a schema change for SBI. This change is targeted for the 28-29 July. Both of these changes are prerequisites for the Payment System Replacement and making these changes now reduces the workload and risk for the go live in 2019.
RBNZ Payments Oversight Review	Low	RBNZ	<p>RBNZ consulted in 2013 on its statutory oversight powers for payments and settlement systems which it considered were insufficient and need to be strengthened.</p> <p>In April 2015, RBNZ issued a consultation paper on its proposals to modify the statutory framework for the oversight of FMs. The paper proposed that the designation regime be modified to better support RBNZ's risk-based supervisory approach, in particular, that:</p>	RBNZ has now finalised its overall proposal and in May 2017 Cabinet agreed to a new legislative framework. The framework is with the Parliamentary Counsel Office to draft the revised legislation and an exposure draft of will be open for

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> • There be mandatory designation of FMIIs that are considered systemically important; • The joint regulators have crisis management powers for designated FMIIs; • The joint regulators have a more graduated set of business-as-usual oversight powers, including enforcement and investigation powers for designated FMIIs. <p>In December 2015, RBNZ released a summary of the submission feedback it received on its consultation on a proposed new regulatory framework for designated Financial Market Infrastructures (FMIIs).</p> <p>In March 2016, RBNZ issued a consultation paper on proposed crisis management powers for systemically important financial market infrastructures (SIFMIIs). The proposed crisis management powers form the final part of proposals for a new oversight regime for designated FMIIs. A summary of responses was published in August 2016.</p> <p>RBNZ has now finalised its overall proposal for enhanced oversight framework for financial market infrastructures.</p> <p>The relevant papers can be found here.</p>	public consultation before it is introduced into Parliament. The target for publishing the exposure draft has moved from December 2017 to early 2018 (timeframe yet to be confirmed).
Consumer Guarantees (Removal of Unrelated Party Lender Responsibility) Amendment Bill	Low	Member Bill	<p>This Member's Bill was introduced on 3 December 2015.</p> <p>The purpose of the Bill is to amend the definition of supplier in the Consumer Guarantees Act 1993 to exclude a lender.</p> <p>The Bill stems from a submission in the New Zealand Initiative's paper: Reducing Unnecessary Regulatory Costs: Responding to the Prime Minister's Challenge.</p>	On 2 February 2018 the Economic Development, Science and Innovation Committee published its final report . The Committee recommended that the Bill not proceed.

Project	Priority	Lead agency	Comment	Next Steps
			In October 2016 NZBA submitted to the Commerce Select Committee in support of the Bill, and appeared before the Committee in support of its submission.	
Review of the Search and Surveillance Act 2012	Low	Law Commission / MoJ	<p>The Law Commission and the Ministry of Justice are currently reviewing the Search and Surveillance Act 2012, as is required by section 357 of that Act.</p> <p>In November 2016 they published an issues paper outlining possible concerns with the operation of the Act.</p> <p>In December 2016 NZBA submitted on the issues paper. Our submission focused on Chapter 9, which related to production orders.</p>	The Law Commission / MoJ are awaiting a government response to their recommendations.
Insolvency Practitioner Regulation and Voluntary Liquidations	Low	MBIE	<p>The Insolvency Review Working Group is a panel of experts set up in November 2015 to examine aspects of corporate insolvency law.</p> <p>The Working Group was tasked with looking at voluntary liquidations including phoenix companies, voidable transactions including Ponzi schemes and regulation of insolvency practitioners. The Working Group also has a mandate to examine other areas of potential reform in this area.</p> <p>In late August, the Minister of Commerce and Consumer Affairs announced the release of Report No.1, which covers the topics of insolvency practitioner regulation and issues around voluntary liquidations, for public consultation.</p> <p>In October 2016 NZBA submitted on Report No.1, supporting the introduction of a licensing regime for insolvency practitioners, coupled with minimum competency requirements and ongoing competency requirements. NZBA noted its preferred model for occupational regulation of Insolvency Practitioners is the co-regulation model.</p>	<p>Consultation on Report No. 2 closed on 23 June 2017.</p> <p>NZBA's submission on Report No.2 can be found here.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>In October 2016, on recommendation of the Working Group's Report No. 1, and based on support by submitters, Cabinet agreed to amend the Insolvency Practitioners Bill to introduce a co-regulatory licensing regime for insolvency practitioners, alongside a number of additional amendments aimed at further raising the practice standards of insolvency practitioners and ensuring they act in accordance with their statutory duties.</p> <p>The Government proposes to advance these changes via a supplementary order paper to the Insolvency Practitioner's Bill, currently in the House.</p> <p>The Minister of Commerce and Consumer Affairs released Report No.2 in May 2017, which covers the topics of voidable transactions, Ponzi schemes and other corporate insolvency issues.</p>	
Privacy Act Review	Low	MoJ	The Government has announced that it will repeal and re-enact the Privacy Act, incorporating a number of the recommendations from the Law Commission report.	The Bill is currently being drafted and an exposure draft will be made available for public consultation before the Bill is finalised.
Review of the Insurance (Prudential Supervision) Act 2010	Low	RBNZ	<p>On 30 March 2017 RBNZ published an issues paper on its review of the Insurance Prudential Supervision Act 2010 (IPSA). The issues paper can be found here.</p> <p>The Reserve Bank has indicated that the review of IPSA will progress in three broad phases:</p> <ul style="list-style-type: none"> • This first phase of the review focused on the identification of potential issues. 	RBNZ is commencing Phase 2 of the Review where issues identified will be considered in more detail over the next 12 to 18 months.

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> The second phase will take place over 2017 and 2018 and will entail more in-depth analysis of the issues and confirmation of any policy concerns, including the development of options to address them. The key conclusions from Phase 2 will be presented in an Options Paper for further consultation. In the final phase, any legislative change proposals will be developed. RBNZ expects legislative changes to be introduced to Parliament during 2018 at the earliest. <p>RBNZ has released a feedback statement in which it acknowledges the feedback received from 42 submitters, provides a preliminary timetable for phase two of the review, and outlines how several issues raised by submitters that were not discussed in the issues paper are being taken forward. In general, submitters agreed that there are a number of areas where the effectiveness of the framework introduced by IPSA could be improved or compliance costs reduced.</p>	