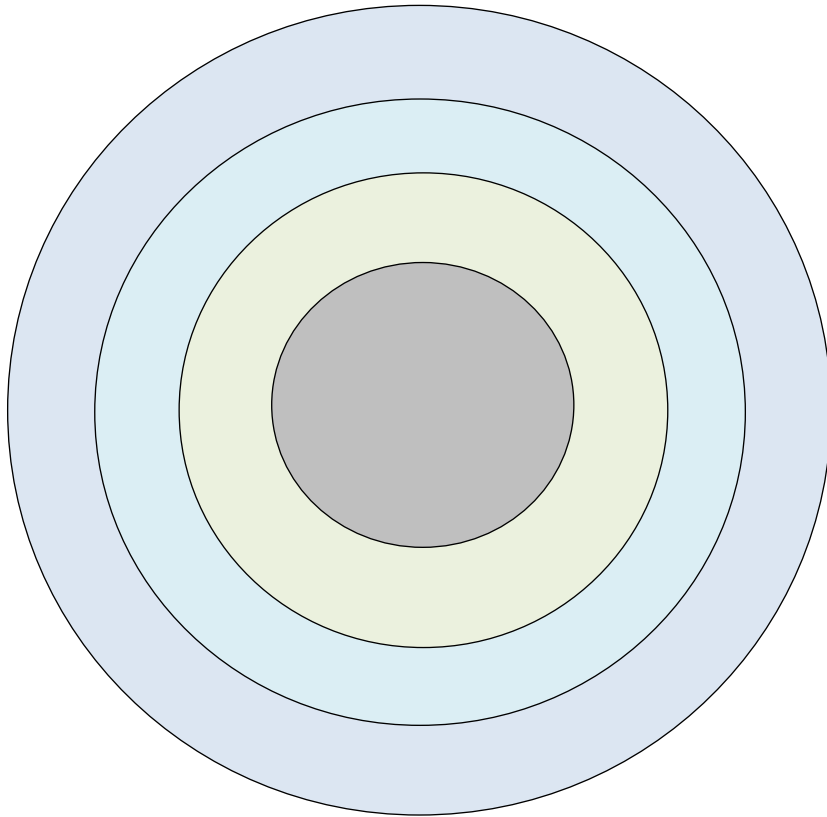


NZBA Priority	
	High
	Medium
	Low

- Current Priorities:**
- Commerce Commission market study
  - Joint Select Committee inquiry into banking competition
  - Financial Markets (Conduct of Institutions) Amendment Bill
  - Deposit Takers Act
  - Credit Contracts Legislation Amendment Act
  - Open data
  - Sustainability and climate

# 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	
	High
	Medium
	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 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
DIA	Department of Internal Affairs
MfE	Ministry for the Environment

Project	Priority	Lead agency	Comment	Next Steps
<b>Market study to investigate banking competition</b>	High	Commerce Commission	<p>On 20 June 2023, the previous Minister of Finance and Minister of Commerce and Consumer Affairs <a href="#">announced</a> a market study into competition in the banking sector for personal banking services.</p> <p>The non-exhaustive initial scope of the market study is available <a href="#">here</a>. A preliminary issues paper was published on 10 August 2023, available <a href="#">here</a>.</p> <p>Submissions on the Preliminary Issues Paper were <a href="#">published on 21 September 2023</a>. Cross-submissions were published on 18 October 2023. NZBA did not prepare a submission on the paper.</p> <p>On 21 March 2024, the Commerce Commission <a href="#">released a draft report</a>, setting out its preliminary findings on the factors affecting competition for personal banking services, and setting out 16 draft recommendations.</p>	<p>NZBA will engage with relevant officials as and where appropriate.</p> <p>The final report will be published by 20 August 2024.</p>
<b>Joint Select Committee inquiry into banking competition</b>	High	FEC	<p>On 13 June 2024, Minister of Finance Nicola Willis <a href="#">requested a Joint Select Committee inquiry into banking competition</a>, with a focus on rural banking and lending. This inquiry will be led by the Finance and Expenditure Committee (<b>FEC</b>) in conjunction with the Primary Production Committee.</p> <p>At this stage, no terms of reference have been published and there has not been any indication of expected timeframes for the inquiry.</p>	<p>NZBA will engage with relevant officials as and where appropriate.</p>
<b>Financial Markets (Conduct of Institutions) Amendment Bill</b>	High	MBIE/FMA	<p>The <a href="#">Financial Markets (Conduct of Financial Institutions) Amendment Act (CoFI)</a> was passed on 29 June 2022. The CoFI regime regulates the conduct of financial institutions by introducing:</p> <ul style="list-style-type: none"> <li>A new conduct licensing system for banks, insurers and non-bank deposit takers such as credit unions.</li> </ul>	<p>NZBA is continuing to engage with relevant officials and regulators on this work, as the focus turns to potential reforms and the licensing process.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<ul style="list-style-type: none"> <li>• A new regime requiring these entities to meet high standards of customer treatment.</li> <li>• A ban on incentives which are based on meeting sales targets.</li> </ul> <p>MBIE expects all obligations in the Act and regulations to be in force by the end of 2024, and any remaining provisions will come into force on 31 March 2025 at latest.</p> <p>On 31 January 2024, <a href="#">the Minister of Commerce and Consumer Affairs announced plans to reform CoFI</a>, noting that "it needs streamlining so financial institutions have certainty and flexibility to get on with the business of delivering for their customers."</p> <p>On 22 May 2024, <a href="#">MBIE released a consultation paper</a> on financial services conduct regulation as part of its 'fit-for purpose' financial services reform. Submissions closed on 19 June 2024.</p> <p>NZBA's submission on this paper is available <a href="#">here</a>.</p>	<p>The FMA began accepting licensing applications for financial institution licenses on 25 July 2023.</p> <p>NZBA will monitor for further updates from MBIE following the end of its 'fit for purpose' consultation.</p>
<b>Review of the RBNZ Act</b>	High	Treasury	<p>In November 2017 the previous Government <a href="#">announced</a> it would undertake a review of the Reserve Bank of New Zealand Act 1989 to create a modern monetary and financial policy framework. The review is being undertaken in two phases.</p> <p>The changes are being implemented through the Deposit Takers Act (<b>DTA</b>) (which will govern RBNZ's regulatory powers and establishes a Depositor Compensation Scheme (<b>DCS</b>)) and the Reserve Bank of New Zealand Act (which outlines how RBNZ is governed and how it operates).</p> <p>The Reserve Bank of New Zealand Bill received Royal Assent on 16 August 2021. The Deposit Takers Bill received Royal Assent on 6 July 2023.</p>	<p>NZBA is preparing a submission on the DTA core standards consultation.</p> <p>The depositor compensation scheme (<b>DCS</b>) is now intended to "go live" in mid-2025.</p> <p>We will continue to work with the RBNZ on the development and</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>The RBNZ released consultation documents on <a href="#">proportionality</a>, the <a href="#">DCS levy framework</a> and <a href="#">SoFA</a> on 31 July 2023. NZBA made submissions on the <a href="#">DCS Levy Framework</a> and <a href="#">SoFA</a> consultations on 25 September 2023.</p> <p>On 11 March 2024, the RBNZ <a href="#">released a consultation document</a> on DCS regulations. The consultation closed on 10 May 2024. NZBA’s submission on the DCS regulations consultation is available <a href="#">here</a>.</p> <p>On 16 May 2024, the RBNZ <a href="#">released a consultation document</a> on core prudential standards to be made under the DTA. The consultation closes on 16 August 2024.</p>	<p>implementation of the DTA.</p>
<p><b>Credit Contracts Legislation Reform</b></p>	<p>High</p>	<p>MBIE</p>	<p>On 31 January 2024, the Minister of Commerce and Consumer Affairs <a href="#">announced plans to reform the Credit Contracts and Consumer Finance Act (CCCFA)</a>.</p> <p>The announcement notes that “over-prescriptive lending laws have led to Kiwis missing out on loans,” with reforms intended to ensure vulnerable customers are protected without preventing customers from accessing credit that they can afford.</p> <p>The Government is working through a two-phase process to <a href="#">amend the CCCFA</a>:</p> <ul style="list-style-type: none"> <li>Phase 1 included a review of prescriptive affordability regulations (repealed under the <a href="#">CCCF Amendment Regulations 2024</a>) and subsequent amendments to the Responsible Lending Code. NZBA’s submission on MBIE’s consultation on the Responsible Lending Code is available <a href="#">here</a>.</li> <li>Phase 2 has involved a wider review of financial services through MBIE’s ‘fit for purpose’ financial services review. NZBA’s</li> </ul>	<p>NZBA will continue to engage with the Government, policy-makers and regulators in relation to any proposed changes to the legislation and regulations.</p> <p>We will monitor for any further announcements following submissions closing on MBIE’s ‘fit for purpose’ consultation on 19 June.</p>

Project	Priority	Lead agency	Comment	Next Steps
			<p>submission on MBIE’s consumer credit legislation paper is available <a href="#">here</a>.</p> <p>On 2 July 2024, <a href="#">MBIE published an updated Chapter 5 of the Responsible Lending Code</a>. The updated Chapter 5 and CCCF Amendment Regulations come into force on 31 July 2024.</p>	
Open data	High	MBIE	<p>In March 2018, Payments NZ (PNZ) <a href="#">announced</a> an API pilot involving banks, payment providers and large retailers. The pilot tested two API standards – Account Information and Payment Initiation – and provided valuable insights into the design of a shared API framework. Following the success of the pilot, an API standards service was launched to the industry in May 2019. <a href="#">As at 30 May 2024</a>, participants are expected to have standardised APIs technically and operationally ready for use by the API Centre’s third parties.</p> <p>On 10 November 2022, the previous Minister of Commerce and Consumer Affairs announced that banks will be the first sector to implement a consumer data right, also referred to as “open banking”.</p> <p>On 22 June 2023, MBIE released an exposure draft of the <a href="#">Customer and Product Data Bill</a>. The Bill will set a regulatory framework for a consumer data right in New Zealand. NZBA’s submission on the exposure draft is <a href="#">here</a>.</p> <p>In its March 2024 Draft Report, the Commerce Commission recommended that the Government should set clear deadlines and work with industry to ensure open banking is fully operational by June 2026.</p> <p>On 16 May 2024, <a href="#">a revised Customer and Product Data Bill was introduced to Parliament</a>. The Bill is currently awaiting its first reading.</p>	NZBA intends to submit on the Customer and Product Data Bill as part of the Select Committee process.

Project	Priority	Lead agency	Comment	Next Steps
<b>Sustainability and climate change</b>	High	Multiple agencies	<p>In August 2023, the Environment Committee <a href="#">initiated an inquiry</a> into climate adaptation. NZBA’s submission on the consultation can be found <a href="#">here</a>.</p> <p>In September 2023, MfE released a discussion document on its proposed <i>National Policy Statement for Natural Hazard Decision-making</i>. NZBA’s submission on the consultation can be found <a href="#">here</a>.</p> <p>On 23 May 2024, <a href="#">the Finance and Expenditure Committee opened an inquiry into climate adaptation</a> (including community/managed retreat). This inquiry considered submissions provided to the Environment Committee as part of its 2023 inquiry. Submissions on this consultation closed on 16 June 2024.</p>	NZBA will continue to engage with relevant officials on climate change matters throughout 2024, particularly in relation to a potential Climate Adaptation Bill.
<b>RBNZ Macro-prudential Policy</b>	Medium	RBNZ	<p>On 23 January 2024, the RBNZ <a href="#">launched a consultation</a> on activating debt to income (<b>DTI</b>) restrictions and loosening loan to value ratios (<b>LVR</b>) for residential lending.</p> <p>The RBNZ proposes setting the DTI policy to allow banks to lend:</p> <ul style="list-style-type: none"> <li>• 20% of their residential loans to owner-occupiers with a DTI greater than 6</li> <li>• 20% of their residential loans to investors with a DTI greater than 7</li> </ul> <p>It proposes to ease the LVR settings at the same time, to allow:</p> <ul style="list-style-type: none"> <li>• 20% of owner-occupier lending to borrowers with an LVR greater than 80%</li> <li>• 5% of investor lending to borrowers with an LVR greater than 70%</li> </ul>	

Project	Priority	Lead agency	Comment	Next Steps
			This consultation closed on Tuesday 12 March 2024. NZBA's submission on the consultation can be found <a href="#">here</a> . The DTI and new LVR settings came into effect on 1 July 2024.	
<b>AML/CFT</b>	Medium	MoJ	<p>In March 2023, MoJ opened a consultation on 'early' changes to the AML/CFT regime, which includes an exposure draft and a consultation document. This consultation closed on 14 April 2023. NZBA's submission can be found <a href="#">here</a>.</p> <p>In August 2023, MoJ opened a consultation on a review of <a href="#">the AML/CFT (Class Exemptions) Notice 2018</a>. This consultation closed on 15 September 2023. NZBA's submission on the AML/CFT (Class Exemptions) Notice 2018 is available <a href="#">here</a>.</p> <p>In May 2024, <a href="#">the RBNZ, FMA and DIA published a joint statement</a> on the New Zealand supervisory approach for the various Amendment Regulations that came into force on 1 June 2024.</p>	
<b>Future of Money</b>	Medium	RBNZ	<p>The Future of Money – Te Moni Anamata – is considering the implications for New Zealanders of falling cash use for every-day transactions, including the impacts on the system that supplies, moves and stores it.</p> <p>In early October 2021, the RBNZ released two consultation papers under its Future of Money project, one focusing on Stewardship, and one focusing on a Central Bank Digital Currency. These consultations closed on 6 December 2021. RBNZ released a further consultation on 30 November 2021 outlining options for cash system reform, which closed on 7 March 2022.</p> <p>NZBA prepared industry submissions on the Future of Money consultations which can be found <a href="#">here</a> and <a href="#">here</a>. The RBNZ published a</p>	



Project	Priority	Lead agency	Comment	Next Steps
			<a href="#">summary of responses</a> to the Future of Money consultations in April 2022.	
<b>RBNZ Other</b>	Medium	RBNZ	<p><i>RBNZ Branch Review Consultation</i> The RBNZ is reviewing its policy for branches of overseas banks. It released its key decisions of that review in November 2023, which included restricting all branches in New Zealand to engaging in wholesale business, and limiting the maximum size of an NZ branch to NZ\$15 billion in total assets. The RBNZ released a <a href="#">third consultation paper</a> alongside the announcement of its key decisions in November 2023, with submissions closing on 5 December 2023.</p> <p><i>RBNZ Review of Connected Exposures Policy (BS8) for Banks</i> The RBNZ recently reviewed its Connected Exposures Policy for locally incorporated banks. In October 2023, the RBNZ published the <a href="#">final version</a> of its Connected Exposures Policy. The update to BS8 takes effect from 1 October 2023.</p> <p><i>RBNZ Liquidity Policy Review</i> The RBNZ has consulted on its Liquidity Policy Review. The consultation paper can be found <a href="#">here</a>, and NZBA’s submission <a href="#">here</a>. The RBNZ has published a summary of the submissions it received and noted a further consultation is expected during 2023. The RBNZ has opened a further consultation on its Liquidity Policy Review, which closed on 12 May 2023. NZBA’s submission can be found <a href="#">here</a>. On 5 December 2023, the RBNZ <a href="#">released a Summary of Submissions and Key Decisions</a>.</p>	
<b>Digital Identity Trust Framework</b>	Medium	DIA	In July 2020, the previous Cabinet agreed to establish the Digital Identity Trust Framework in legislation. In February 2021, that Cabinet approved policy proposals that underpin the Digital Identity Trust Framework,	

Project	Priority	Lead agency	Comment	Next Steps
			<p>including the establishment of an Accreditation Authority and Governance Board.</p> <p>In September 2021, the Digital Identity Services Trust Framework Bill was introduced to Parliament. It was referred to Economic Development, Science and Innovation Committee, with submissions to the Select Committee due 2 December, with a <a href="#">report</a> published 19 April 2022. NZBA's submission on the Bill can be found <a href="#">here</a>. The Bill was passed on 30 March 2023.</p>	
<b>Modern Slavery</b>	Medium	MBIE	<p>In April 2022, MBIE released a consultation paper on a legislative framework for addressing modern slavery and worker exploitation. NZBA made a submission on this paper, which can be found <a href="#">here</a>.</p>	<p>In July 2023 the previous Government <a href="#">announced</a> that it intended to introduce legislation in 6-12 months that establishes a public register to enable transparency over organisations and businesses' supply chains.</p>
<b>Beneficial Ownership of New Zealand Companies and Limited Partnerships</b>	Low	MBIE	<p>On 19 June 2018, MBIE released a discussion document seeking feedback on what requirements there should be on New Zealand companies and limited partnerships to hold and disclose information about their beneficial owners: <a href="#">Increasing the transparency of the beneficial ownership of New Zealand Companies and Limited Partnerships</a>.</p> <p>On 2 August 2018 NZBA <a href="#">submitted</a> on MBIE's discussion paper on beneficial ownership.</p>	<p>MBIE anticipated it would release a draft Bill for public consultation in early 2023. We have yet to receive any updates on the status of this Bill.</p>

Project	Priority	Lead agency	Comment	Next Steps
			On 22 March 2022, the previous Minister of Commerce and Consumer Affairs announced the Government's proposal to introduce a new beneficial ownership register for limited partnerships and companies.	