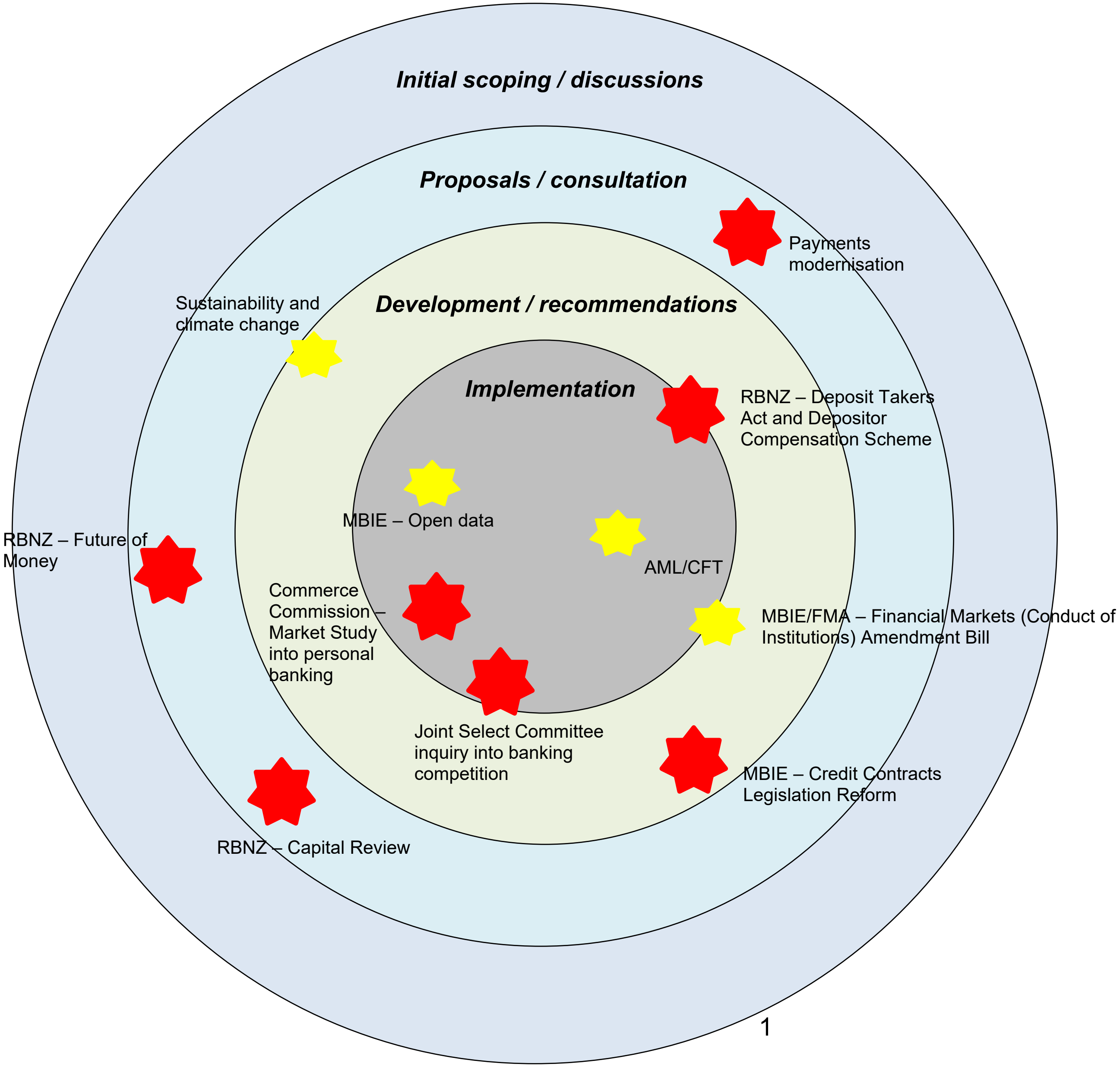
Regulatory Radar – August 2026

Current as of 7 August 2026



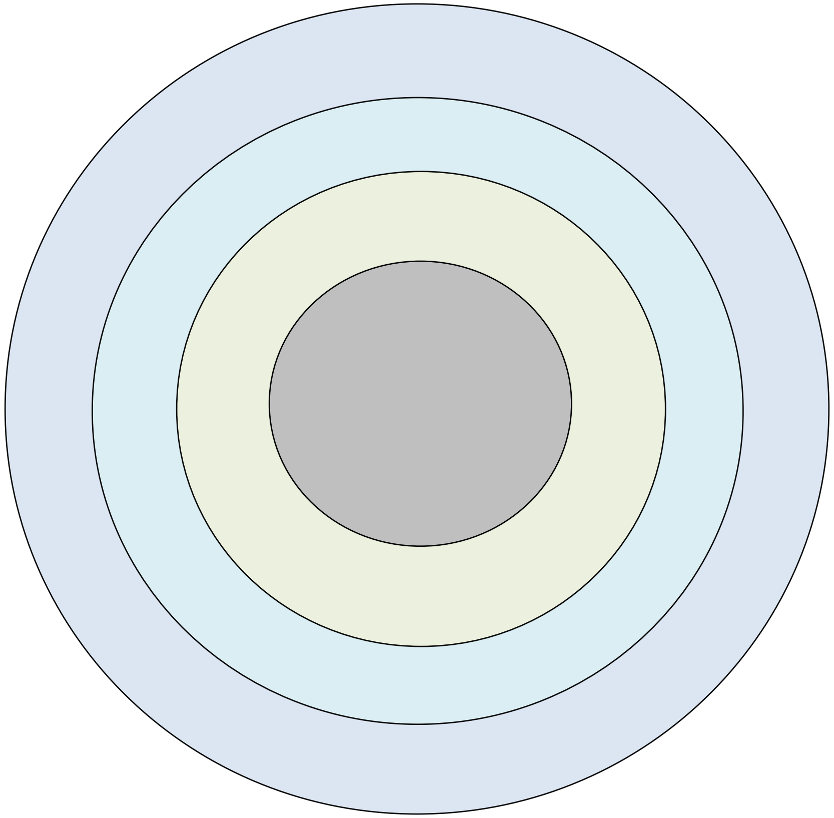
NZBA Priority	
(red)	High
(yellow)	Medium
(green)	Low

Current Priorities:

- RBNZ access to cash consultation
- Payments modernisation
- RBNZ capital review
- Commerce Commission market study
- Joint Select Committee inquiry into banking competition
- Financial Markets (Conduct of Institutions) Amendment Act
- Deposit Takers Act
- Credit contracts legislation reform

New Zealand Banking Association
Te Rangapū Pēke

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
Future of Money and "Keeping cash local" consultation	High	RBNZ	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. On 25 February 2026, RBNZ announced a consultation on its proposal to require banks to provide a minimum level of cash services across New Zealand. In brief, the proposal would require cash withdrawal, deposit and exchange services to be provided by banks within a "walkable distance" of 3km for urban customers, and a "reasonable driving distance" of no more than 15km or 30km for people living rurally or remotely, respectively. Following feedback on the scope of the proposal, the process by which the consultation was released, and significant media interest, the date for submissions was extended to 31 July 2026. Following the close of submissions, on 3 August 2026 RBNZ noted its intention to continue to work with the banks to develop a solution, with its preferred approach being "to work with banks to explore how this can be done on a voluntary basis".	NZBA will continue to engage with its members and RBNZ, as appropriate, following the close of submissions on 31 July 2026.
Payment modernisation	High	Multiple agencies	Following the Finance and Expenditure Committee's inquiry into banking competition, its final report (published on 22 August 2025) recommended that New Zealand push towards modernising its payments system, including working towards real-time payments. The Government's response on 13 November 2025 supported this recommendation.	NZBA will continue to monitor the ongoing payments modernisation workstreams, and engage with regulators and policymakers where appropriate.

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			There have subsequently been several workstreams looking to address perceived issues in the current payments system, including: • On 22 May 2026, MBIE released a discussion document on whether New Zealand's rules for payment services are clear and fit for purpose, with an eye towards possible objectives and approaches for any future reform. NZBA's submission of 3 July 2026 is available here. • On 6 July 2026, RBNZ updated its page on "Modernising New Zealand's payments system". RBNZ intends to publish an issues paper on the topic in due course.	
RBNZ review of deposit takers capital settings	High	RBNZ	On 31 March 2025, RBNZ announced it will be conducting a review of its key capital settings. This review will assess whether the existing capital requirements are set at the appropriate level to support a stable financial system. On 30 July 2025, RBNZ published a report prepared by Oliver Wyman comparing New Zealand bank capital ratios to international peers. On 25 August 2025, the RBNZ published a consultation paper on its review. Submissions closed on 3 October. NZBA's submission is available here. On 17 December 2025, RBNZ published decisions on key capital settings for deposit takers. Key features of the final decisions include: • For Group 1 deposit takers, a reduction in Tier 1 capital ratio requirements relative to the previously set 2028 settings as well as a reduction in comparison with existing capital requirements, alongside the introduction of a requirement for additional loss absorbing capacity (**LAC**) instruments. • For Group 2 deposit takers a reduction in both Tier 1 and total capital ratio requirements.	NZBA intends to submit on the Tranche 3 standards and crisis preparedness packages (also see below - Deposit Takers Act and Depositor Compensation Scheme). NZBA will continue to engage with the RBNZ and other stakeholders as appropriate, including in response to the notified upcoming consultations.

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			• More granular standardised risk weights. • Removal of Additional Tier 1 capital instruments. On 27 February 2026, RBNZ released additional background information, including a summary of submissions and policy decisions and a cost benefit analysis. In the same announcement, RBNZ confirmed its plan to consult in: • March / April 2026 on exposure drafts of changes to Banking Prudential Requirements, intended to come into force on 1 October 2026. • June / September 2026 on an exposure draft of the Capital Standard, as well as detailed policy for LAC requirements and potential transitional arrangements. • February 2027 on an exposure draft of LAC requirements. On 13 April 2026, RBNZ released exposure drafts of changes to Banking Prudential requirements for consultation. NZBA's submission, dated 22 May 2026, is available here. On 18 June 2026, RBNZ released an exposure draft of the Capital Standard as part of its Tranche 3 DTA consultation, and a package of crisis preparedness policies, including the design of LAC instruments. Submissions on Tranche 3 and the crisis preparedness policies close on 11 September 2026.	
Market study to investigate	High	Commerce Commission	On 20 June 2023, the previous Minister of Finance and Minister of Commerce and Consumer Affairs announced a market study into competition in the banking sector for personal banking services.	NZBA will continue to engage with relevant

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banking competition			On 20 August 2024, the Commerce Commission released the final report, which sets out 14 recommendations on the Government, regulators and the banking industry. On 19 September 2025, the Commerce Commission released a 12-month report to update the Minister of Finance and Minister of Commerce and Consumer Affairs on progress across the 14 recommendations.	officials as and where appropriate. NZBA's media release in response to the final report is available here.
Joint Select Committee inquiry into banking competition	High	FEC	On 13 June 2024, Minister of Finance Nicola Willis requested a Joint Select Committee inquiry into banking competition, with a focus on rural banking and lending. This inquiry was led by the Finance and Expenditure Committee (**FEC**) in conjunction with the Primary Production Committee. The terms of reference for the inquiry were published on 14 August 2024, and are available here. Submissions closed on 25 September 2024 and are available here. On 22 August 2025, the FEC released its final report setting out 19 recommendations on regulators and the banking industry. The Government accepted or partially accepted all recommendations in a 13 November 2025 release. On 11 and 18 February 2026, major banks and regulators, including the Commerce Commission and RBNZ, appeared before the FEC. In July 2026, the FEC released a briefing on the response to the inquiry into banking competition, outlining the progress made to date and the Committee's opinion on next steps.	NZBA will continue to engage with relevant officials as and where appropriate as industry and regulators progress with the recommendations.
Financial Markets (Conduct of	High	MBIE/FMA	The Financial Markets (Conduct of Financial Institutions) Amendment Act (**CoFI**) was passed on 29 June 2022. The CoFI regime regulates the conduct of financial institutions by introducing:	The FMA began accepting licensing applications for financial

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Institutions) Amendment Act			• A new conduct licensing system for banks, insurers and non-bank deposit takers such as credit unions. • A new regime requiring these entities to meet high standards of customer treatment. • A ban on incentives which are based on meeting sales targets. The CoFI regime commenced on 31 March 2025, from which point financial institutions that provide services to consumers need to hold a financial institution licence. On 31 March 2025, the Financial Markets Conduct Amendment Bill was introduced into the House. The Bill was referred to the Finance and Expenditure Committee on 20 May, and submissions closed on 23 June 2025. NZBA's submission on the Bill is available here. Among other changes, the Bill looks to: • Simplify and clarify minimum requirements for fair conduct programmes to allow for more flexibility • Require the FMA to issue a single licence covering different classes of market services • Introduce new change of control powers for the FMA, and provide the FMA with inspection powers to cover all financial markets legislation. On 27 November 2025, then-Minister of Commerce and Consumer Affairs Scott Simpson introduced an Amendment Paper, amending various climate-related disclosure provisions including: • raising the reporting threshold for listed issuers • removing managed investment scheme managers from the regime • adjusting liability settings for the regime.	institution licenses on 25 July 2023. Financial institutions were required to have a financial institution licence by 31 March 2025. The FMC Amendment Bill passed its second reading on 21 July and is currently before the committee of the whole House.

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			These changes follow on from MBIE's consultation in late 2024, as referred to under "Sustainability and climate change" below. NZBA's submission on the Amendment Paper, dated 4 December 2025, is available here.	
Deposit Takers Act and Depositor Compensation Scheme	High	RBNZ	In November 2017 the previous Government announced it would undertake a review of the Reserve Bank of New Zealand Act 1989 to create a modern monetary and financial policy framework. As part of this review, the Deposit Takers Act (**DTA**) (which will govern RBNZ's regulatory powers and establishes a Depositor Compensation Scheme (**DCS**)) was passed on 6 July 2023. In March 2024, the RBNZ published its Proportionality Framework for developing standards under the DTA. On 5 July 2024, the Minister of Finance published the first Statement of Funding Approach for the DCS. NZBA previously submitted on the SoFA consultation (September 2023). On 21 August 2024, the RBNZ released consultation documents on DTA non-core standards and crisis management. NZBA's submissions are available here and here, respectively. The RBNZ published its response to submissions on the non-core standards on 17 July 2025. On 8 November 2024, the Government announced its final policy decisions on the DCS Regulations, including that the levy structure will be calculated using a risk-based method. The Deposit Takers Regulations were published on 28 January 2025. NZBA previously submitted on the levy framework (September 2023) and DCS regulations (May 2024).	The DCS commenced on 1 July 2025. NZBA is currently preparing a submission on the Tranche 3 DTA Standards exposure drafts, and Crisis Preparedness Package, due on 11 September 2026. We will continue to work with the RBNZ on the development and implementation of the DTA. All Core and Non-Core standards are expected to be fully implemented by December 2028.

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			On 6 December 2024, the RBNZ released a consultation document on a draft DCS Transitional Standard. NZBA's submission of 7 February 2025 is available here. On 13 February 2025, the RBNZ released a consultation document on the DCS product hierarchy. NZBA's submission is available here. On 1 May 2025, the RBNZ published its response to submissions on the Liquidity, Depositor Compensation Scheme and Disclosure Standards. On 25 August 2025, the RBNZ published its response to submissions on the Capital Standard. NZBA previously submitted on the Core Standards Consultation (August 2024). On 17 July 2025, the RBNZ published an updated implementation timeline for DTA standards, which will now be issued by 31 May 2027, and come into effect on 1 December 2028. DTA standards were previously planned to come into effect in July 2028. On 30 September 2025, the RBNZ released consultation documents on the use of restricted words under the DTA, and the second tranche of Deposit Takers Regulations, primarily focusing on the regulatory perimeter of the DTA before licensing commences. NZBA's submission on the tranche 2 regulations, of 24 November 2025, is available here. On 30 October 2025, the RBNZ released exposure drafts and draft guidance on the Liquidity, DCS, Lending and Branch standards. NZBA's submission on these "Tranche 1" standards, of 30 January 2026, is available here. On 26 February 2026, the RBNZ released exposure drafts on the Governance; Risk Management; Disclosure Statements; Business Transfers, Holding Entity, and Restricted Activities; and Reporting	

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			Standards. NZBA's submission on these "Tranche 2" standards, of 15 May 2026, is available here. On 18 June 2026, the RBNZ released exposure drafts on the Capital; Internal Models; Operational Resilience; Outsourcing; Disclosure; and Related Party Exposures Standards, alongside a package of crisis preparedness policies. Submissions are due on the "Tranche 3" standards and crisis preparedness policies on 11 September 2026.	
Credit Contracts Legislation Reform	High	MBIE	On 31 January 2024, the previous Minister of Commerce and Consumer Affairs announced plans to reform the Credit Contracts and Consumer Finance Act (**CCCFA**). The announcement noted 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. The Government is working through a two-phase process to amend the CCCFA: • Phase 1 included a review of prescriptive affordability regulations (repealed under the CCCF Amendment Regulations (No 2) 2024) and subsequent amendments to the Responsible Lending Code, which came into force on 31 July 2024. NZBA's submission on the Responsible Lending Code consultation is available here. • Phase 2 involved a wider review of financial services through MBIE's 'fit for purpose' financial services review. NZBA's submission on MBIE's consumer credit legislation paper is available here. On 5 August 2024, the previous Minister announced further reforms to financial services to improve access to credit, including the removal of	Amendments to the CCCFA received Royal Assent on 5 June 2026. NZBA will continue to engage with the Government, policy-makers and regulators in relation to any future proposed changes to the legislation and regulations.

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			personal liability for directors and senior managers of financial institutions, and a transition to a licensing model for consumer lending. A Cabinet paper on these decisions was published on 5 September 2024. On 31 March 2025, the Credit Contracts and Consumer Finance Amendment Bill was introduced to the House. The Bill was referred to the Finance and Expenditure Committee on 20 May, and submissions closed on 23 June 2025. NZBA's submission on the Bill is available here. The Bill looks to, among other things: • Transfer responsibility for the CCCFA from ComCom to the FMA, which includes replacing current certification requirements under the CCCFA with a requirement to hold licences under the FMCA • Remove the due diligence obligations for directors and senior managers • Amend a number of technical aspects of the CCCFA relating to disclosure obligations. On 20 October, the FEC reported back on the Bill, recommending a number of further changes which Government accepted. The Bill received Royal Assent on 5 June 2026, with most provisions coming into force on 6 June 2026, and the balance on 5 December 2026.	
Sustainability and climate change	Medium	Multiple agencies	In August 2023, the Environment Committee initiated an inquiry into climate adaptation. NZBA's submission on the inquiry can be found here. On 23 May 2024, the Finance and Expenditure Committee opened an inquiry into climate adaptation (including community/managed retreat). This inquiry considered submissions provided to the Environment Committee as part of its 2023 inquiry.	NZBA will continue to engage with relevant officials on climate change matters throughout 2026, particularly in relation to a potential Climate

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			Submissions on this consultation closed on 16 June 2024. NZBA appeared in front of the Committee on 16 July 2024 to provide additional oral submissions. The FEC published its report in September 2024. The Government responded to the report on 29 January 2025. On 9 July 2025, MfE released the report *A proposed approach for New Zealand's adaptation framework*, containing the recommendations of the Independent Reference Group on Climate Adaptation. On 9 December 2025, the Planning and Natural Environment Bills were introduced to Parliament. These Bills seek to reform New Zealand's planning and environmental management system, replacing the Resource Management Act. Submissions to the Environment Committee closed on 13 February 2026. NZBA's submission is available here. On 29 January 2026, the Modern Slavery Bill was lodged in Parliament, and was referred to the Education and Workforce Committee on 29 April 2026. NZBA's submission of 28 May 2026 is available here.	Adaptation Bill and the Modern Slavery Bill. The Education and Workforce Committee is due to report back on Modern Slavery Bill on 31 August 2026.
Open data	Medium	MBIE	On 16 May 2024, a revised Customer and Product Data Bill was introduced to Parliament. Submissions on the Bill closed on 5 September 2024. NZBA's submission is available here. In its August 2024 final report, the Commerce Commission recommended that industry and the Government should commit to ensuring open banking is fully operational by June 2026. It also recommended that the Government should support open banking by being an early adopter. On 30 March 2025, the Customer and Product Data Act came into force. On 1 May 2025, the previous Minister of Commerce and Consumer Affairs Scott Simpson confirmed that banking will be the first sector designated under the Act, with an expectation that ANZ, ASB, BNZ and	The CDR regime came into force on 1 December 2025. NZBA will continue to engage with Government, policy-makers and regulators in relation to further developments on open banking standards.

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			Westpac's systems meet the Act's requirements by 1 December 2025, with regulations to be prepared in the coming months. On 15 August 2025, MBIE published exposure drafts of Customer and Product Data regulations on general requirements and more specifically, on banking and other deposit taking. NZBA's submission of 29 August 2025 is available here. On 13 October 2025, MBIE published further draft Customer and Product Data Standards for consultation. NZBA's submission of 24 October 2025 is available here. The final Standards were published in November 2025. The regime commenced on 1 December 2025, with applications for accreditation (by MBIE) now open. On 8 April 2026, MBIE published an exposure draft of open banking amendment regulations. These set out the requirements for designated banks to provide open banking to customers that access online banking via a wider range of digital channels, including channels used primarily by businesses, from 1 June 2027. NZBA's submission of 24 April 2026 is available here. The final Customer and Product Data (Designations for Banking and Other Deposit Taking) Amendment Regulations 2026 and Customer and Product Data (General Requirements) Amendment Regulations 2026 were published on 25 May 2026. On 28 May 2026, MBIE released a further technical consultation relating to delegation requirements under regulation 6 of the General Requirements Regulations and professional trust accounts. NZBA's submission of 19 June 2026 is available here.	
AML/CFT	Medium	MoJ	On 23 September 2024, the Statutes Amendment Bill was introduced to Parliament. The Bill proposed amendments to the identity verification	NZBA will continue to engage with officials and

Project	Priority	Lead agency	Comment	Next Steps
			requirements set out in the AML/CFT Act. NZBA's submission on the Bill is available here. The Governance and Administration Committee provided its report on the Bill in April 2025. The Bill received Royal Assent on 26 November 2025. The Statutes Amendment Act 2025 is available here. On 23 October 2024, Associate Minister McKee announced an "overhaul" of the anti-money laundering regime, which introduces a single supervisor and new funding model. On 18 December 2024, the AML/CFT Amendment Bill was introduced to Parliament. NZBA's submission is available here. On 13 February 2026, the Government launched the new AML/CFT National Strategy 2026-2030. Following this, it released a consultation on the proposed approach for an AML/CFT levy, intended to partially fund the National Strategy. NZBA's submission of 10 April 2026 is available here. The AML/CFT Amendment Bill received Royal Assent on 18 May 2026. As a result: • From 1 July 2026, the Department of Internal Affairs became the single AML supervisor for every reporting entity in New Zealand. • From 1 July 2027, the AML/CFT levy will be payable by reporting entities in specified sectors. From 7-9 July 2025, Associate Minister McKee made a series of announcements regarding further reforms to the AML/CFT Act, including changes to: • Simplify the process to open bank accounts for children • Simplify due diligence requirements for family trusts	other stakeholders as any additional reforms, progress.

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			• Strengthen enforcement powers for Police and regulators to combat financial crime On 1 November 2025, Associate Minister McKee published an exemption notice exempting participating banks from certain AML/CFT obligations when sharing data relating to fraud and scams. On 24 November 2025, the AML/CFT supervisors jointly released a consultation on updates to the Identity Verification Code of Practice. NZBA's submission of 19 January 2026 is available here. The new Identity Verification Code of Practice commenced on 1 July 2026.	
RBNZ Other	Medium	RBNZ	*RBNZ Branch Review Consultation* The RBNZ has reviewed 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 published its final decisions, accompanied by a Regulatory Impact Statement, in November 2024. Key decisions include the restriction of branch operations to wholesale business, and limiting the maximum size of a branch to NZ$15 billion in total assets. RBNZ expects a Branch Standard to come into effect in 2028. *RBNZ Liquidity Policy Review* The RBNZ has consulted on its Liquidity Policy Review. The consultation paper can be found here, and NZBA's submission here. The RBNZ opened a further consultation on its Liquidity Policy Review, which closed on 12 May 2023. NZBA's submission can be found here. On 5 December 2023, the RBNZ released a Summary of Submissions and Key Decisions.	NZBA is continuing to engage with the RBNZ on related matters through the ongoing DTA-related consultations – see "Review of the RBNZ Act" above.

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			On 10 September 2025, the RBNZ opened consultation on Open Market Operations and the Committed Liquidity Facility. NZBA's submission of 31 October 2025 is available here.	