



Monitoring and Coordination Forum (“MCF”) – Terms of reference

Purpose

The MCF is a sub-committee of the Council of Financial Regulators (“CoFR”), formed to promote and improve the sharing of information, including best practice, between the Commerce Commission, the Financial Markets Authority, and the Reserve Bank of New Zealand (the “MCF Agencies”) and the understanding of operational activity in areas of shared regulatory remits. The MCF is not a decision-making body. It may make recommendations to MCF Agencies consistent with its purpose.

Objectives

- a. To promote and enable the effective information sharing on regulated entities between the MCF Agencies;
- b. To assist and enable increased coordination and prioritisation of licensing, monitoring and enforcement activity by the MCF Agencies; and
- c. To achieve increased regulatory efficiency for regulated entities through improved sharing of information and monitoring perspectives/insights by the MCF Agencies.

Scope

The objectives of the MCF are focused on:

- a. those financial institutions holding one or more licences under the regulatory scope and functions of the Banking (Prudential Supervision) Act 1989, the Insurance (Prudential Supervision) Act 2010, the Non-bank Deposit Takers Act 2013, and the Financial Markets Conduct Act 2013¹; and
- b. all matters relevant to the achievement of the functions, duties, and powers of the MCF Agencies to support the effective and responsive regulation of the financial system in New Zealand.

Operationalising the forum

Information sharing

Information is to be shared in accordance with existing Memoranda of Understanding entered into by each MCF Agency, and the provisions of the legislation under which each MCF Agency operates. The intention is for there to be an open and transparent sharing of

¹ This clause is intended to define the scope of the entities that will be covered by the MCF rather than all legislation that applies to regulated entities. Legislation other than those Acts referred to in this clause may apply to regulated entities, e.g., the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and the Credit Contracts and Consumer Finance Act 2003.

information between the MCF Agencies in accordance with their legislative remits and powers to achieve the Objectives.

In order to achieve this the MCF will have as an initial focus the work that is required by each MCF Agency (collectively and independently) to ensure the appropriate Information Sharing Memoranda of Understanding, organisational structures and principles and training is in place to meet the objectives of the MCF, including whether any changes may be required or desirable.

Membership

The permanent member organisations of the MCF are the Commerce Commission, the Financial Markets Authority, and the Reserve Bank of New Zealand.

The standing members from each organisation are set out below. Delegates may be appointed by the individual MCF Agencies to act under the authority of these positions. Each MCF Agency will have a designated lead contact.

Commerce Commission

- General Manager, Credit Branch – lead contact
- Investigations and Compliance Manager, Credit Branch
- Engagement and Operations Manager, Credit Branch
- Head of Retail Payments, Market Regulation

Financial Markets Authority

- Director, Deposit Taking, Insurance and Advice – lead contact
- Head of Enforcement
- Director, Specialist Supervision and Response

Reserve Bank of New Zealand

- Director of Prudential Supervision – lead contact
- Director of Specialist Supervision
- Director Financial Stability Assessment & Strategy
- Director of Enforcement and Resolution

Meetings

The MCF will meet monthly initially and where possible at least 15 working days prior to a meeting of CoFR Heads, and then move to quarterly once the MCF is more established. An agenda and any papers will be available at least seven working days before a meeting. All reading supplied will be read before the meeting.

The Chair for each meeting will rotate between MCF Agencies. The Commerce Commission will provide the secretariat for the MCF, taking and distributing minutes of the meetings, arranging the meetings, driving the agenda for the meetings, and supporting the Chair in its responsibilities.

A meeting quorum will be three and comprise of one attendee from each MCF Agency.

Retention and storage of information

Storage of information arising out of the MCF will be carried out in accordance with internal processes at each MCF Agency.

Dispute resolution

Recommendations of the MCF are non-binding on MCF Agencies. Nothing in this Terms of Reference prevents an MCF Agency from independently using its statutory powers. Disagreements between MCF Agencies, which are unable to be resolved within the MCF, are to be referred to the Chief Executives of the MCF Agencies.

Confidentiality

Discussions between MCF Agencies are to be treated as confidential, consistent with the Information Sharing Memoranda of Understanding entered into and between each MCF Agency, and subject to the provisions of the legislation under which each MCF Agency undertakes monitoring and enforcement activities (including the Reserve Bank of New Zealand Act 2021, the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, the Financial Markets Conduct Act 2013, the Credit Contracts and Consumer Finance Act 2003, the Fair Trading Act 1986, the Commerce Act 1986 and the Retail Payment System Act 2022).

Amendment, modification, or variation

This Terms of Reference may be amended, varied, or modified in writing after consultation and agreement by the MCF.

Term

This Terms of Reference will be reviewed annually as part of the first MCF meeting of each calendar year.