

Regulatory initiatives affecting the financial sector – forward plan

Group	Q3 2021	Q4 2021	2022
All firms	<p>Issues papers</p> <ul style="list-style-type: none"> • Money and Cash – the Reserve Bank’s stewardship role (RBNZ) • Central Bank Digital Currency – possible case for NZ (RBNZ) <p>Discussions start</p> <ul style="list-style-type: none"> • Banknote processing machine standards 2022 (RBNZ) • (Banks, cash in transit industry, independent ATM operators, business equipment manufacturers, retailers) <p>Thematic Review</p> <ul style="list-style-type: none"> • Launch of the joint RBNZ and FMA cross-sector thematic review on Governance. Sampled firms (banks, non-bank deposit takers, insurers and KiwiSaver providers) will be required to complete a self-assessment questionnaire and provide requested documentation. 	<p>Issues papers</p> <ul style="list-style-type: none"> • New forms of electronic money (may not be issues paper format) (RBNZ) • Changes to the cash system (RBNZ) <p>Discussions start</p> <ul style="list-style-type: none"> • Banknote processing machine standards 2022 (RBNZ) <p>Thematic Review (onsite visits)</p> <ul style="list-style-type: none"> • Governance thematic review – non-bank deposit takers and insurers (RBNZ & FMA) 	<p>Consultation starts</p> <ul style="list-style-type: none"> • Update to FMA Guide to Good Conduct (Expected Q1) • FMA publishes Regulatory Approach Guidelines. Not a consultation, but a document of material importance to firms (and a clear influence on Conduct guide above). (Expected Q1). <p>Thematic Review (onsite visits)</p> <ul style="list-style-type: none"> • Governance thematic review – banks and KiwiSaver providers – Q1 (FMA & RBNZ)



Group	Q3 2021	Q4 2021	2022
Banks and non-bank deposit takers	<p>Consultation starts</p> <ul style="list-style-type: none"> Implementation and funding options for Conduct of Financial Institutions regime (September) (MBIE) Consultation on changes to Loan-to-Value restrictions for mortgage lending (RBNZ) 	<p>Consultation starts</p> <ul style="list-style-type: none"> Likely exposure draft of the legislation for deposit takers and deposit insurance (RBNZ) Consultation on implementing Debt-to-Income restrictions and/or interest rate floors for mortgage lending (RBNZ) <p>Consultation closes</p> <ul style="list-style-type: none"> Implementation and funding options for Conduct of Financial Institutions regime (October) (MBIE) <p>Implementation</p> <ul style="list-style-type: none"> Revised Loan-to-Value restrictions for mortgage lending (RBNZ) 	<p>Consultation starts</p> <ul style="list-style-type: none"> Deposit Takers Bill – opportunity for the sector to engage through select committee process. (Bill likely to be introduced by early 2022.) Liquidity policy (BS13) – policy review (RBNZ)
Banks	<p>Consultation starts</p> <ul style="list-style-type: none"> Regulations for disclosure requirements of ‘perpetual preference shares’ (MBIE) <p>Publication and supervisory engagement</p> <ul style="list-style-type: none"> Liquidity thematic report on banks’ compliance with liquidity policy (BS13) published. Findings addressed with supervisors. <p>Stakeholder Engagement</p> <ul style="list-style-type: none"> Discussions with NZBA and PNZ about the payment system’s performance. This will feed into a review of the payment system. (RBNZ) <p>Implementation</p> <ul style="list-style-type: none"> Capital review – changes to Conditions of Registration (during September with changes in place before 1 October) and Disclosure Orders in Council (consultation during Q4 2021) Outsourcing policy transition (until September 2023) 	<p>Consultation starts</p> <ul style="list-style-type: none"> Consultation on Standardised Measurement Approach for Operational Risk (Q4 2021 or H1 2022) (RBNZ) Consultation on changes to Connected Exposures (BS8) (RBNZ) Branch policy review (RBNZ) Dashboard review (RBNZ) <p>Commencement</p> <ul style="list-style-type: none"> New disclosure requirements for ‘perpetual preference shares’ (MBIE) 	<p>Consultation starts</p> <ul style="list-style-type: none"> Consultation on the operational framework for the countercyclical capital buffer (RBNZ) Consultation on liquidity policy review for banks (RBNZ)



Group	Q3 2021	Q4 2021	2022
Insurers	<p>Consultation starts</p> <ul style="list-style-type: none"> Implementation and funding options for Conduct of Financial Institutions regime (September) (MBIE) Exposure draft of Insurance Contract Law legislation (late Q3) (MBIE) IPSA review – policyholder security (RBNZ) Solvency standards (RBNZ) Exposure draft of Interim Solvency Standard (RBNZ) Solvency Standard quantitative impact study 	<p>Consultation starts</p> <ul style="list-style-type: none"> IPSA review – enforcement regimes and distress management (RBNZ) <p>Consultation closes</p> <ul style="list-style-type: none"> Implementation and funding options for Conduct of Financial Institutions regime (October) (MBIE) Exposure draft of Insurance Contract Law legislation (mid Q4) (MBIE) Solvency Standard feedback statement, incorporating quantitative impact study results (RBNZ) <p>Other policy development</p> <ul style="list-style-type: none"> Officials developing advice to inform decisions for a bill modernising the EQC Act, to enable the bill to be introduced in 2021. 	
Managed investment schemes / KiwiSaver providers	<p>Implementation/Engagement</p> <p>MIS Value for Money Pilots (FMA)</p>	<p>Commencement</p> <ul style="list-style-type: none"> Arrangements for new KiwiSaver default providers - 1 December (MBIE) KiwiSaver default provider transition (MBIE/FMA) MIS Value for Money assessment (FMA) – and on-going Thematic review of Integrated Financial System labelling of KiwiSaver and MIS (FMA) 	<p>Implementation</p> <ul style="list-style-type: none"> KiwiSaver default provider transition ongoing (MBIE/FMA) <p>Supervisory engagement</p> <ul style="list-style-type: none"> DIMS Thematic Review (FMA) MIS liquidity survey follow up (scope and timing TBC)
Financial Advice Providers	<p>Guidance</p> <ul style="list-style-type: none"> FAP full licensing seminars commence Cyber resilience guidance (FMA) 	<p>Guidance</p> <ul style="list-style-type: none"> FAP full licensing seminars continue Record Keeping guidance 	<p>Implementation</p> <ul style="list-style-type: none"> Full licensing ongoing throughout the year (closes March 2023)
Supervisors	<p>Implementation/Engagement</p> <ul style="list-style-type: none"> KiwiSaver Value for Money Pilots (FMA) MIS Sector Risk Assessment (FMA) 	<p>Implementation</p> <ul style="list-style-type: none"> MIS Value for Money assessment (FMA) – and on-going KiwiSaver default provider transition (MBIE/FMA) 	<p>Implementation</p> <ul style="list-style-type: none"> KiwiSaver default provider transition ongoing (MBIE/FMA)



Group	Q3 2021	Q4 2021	2022
Credit providers	<p>Implementation</p> <ul style="list-style-type: none"> Regulations to specify exemptions from certification (from 1 Oct 2021) 	<p>Commencement</p> <ul style="list-style-type: none"> New requirements under the CCLAA and relevant regulations – 1 Oct 2021 – including: <ul style="list-style-type: none"> New duties on directors and senior managers Lender inquiries into suitability and affordability Consumer lenders and mobile traders to be certified (fit and proper person assessment for directors and senior managers) Updated Responsible Lending Code in force (except Chapter 12 – in force 1 February 2022) 	<p>Implementation</p> <ul style="list-style-type: none"> Regulations to specify Annual Return content (to be provided by consumer credit providers to Commerce Commission from 2024 – TBC)
FMC reporting entities	<p>Regulatory forbearance</p> <ul style="list-style-type: none"> No action approach for eligible entities affected by auditor shortage. One-month extension to file audited financial statements and comply with certain reporting deadlines. More details: https://www.fma.govt.nz/news-and-resources/covid-19/temp-extension-reporting 	<p>Regulatory forbearance</p> <ul style="list-style-type: none"> No action approach for eligible entities affected by auditor shortage. One-month extension to file audited financial statements and comply with certain reporting deadlines. More details: https://www.fma.govt.nz/news-and-resources/covid-19/temp-extension-reporting 	
Financial Market Infrastructures	<p>Consultation starts</p> <ul style="list-style-type: none"> Approach to setting standards for designated FMIs (RBNZ/FMA) Approach to assessing systemic importance of FMIs (RBNZ/FMA) 		

Timing to be confirmed

Banks

- Review of stress-testing framework (RBNZ)
- Residential Mortgage Backed Securities (RMBS): development of high grade RMBS standard to address shortages of high quality liquid assets (RBNZ)
- Restructuring the Banking Supervision Handbook (RBNZ)
- Future of Payments work stream: the first phase will involve a review of the current payments system to be completed Q3 2021. The timeline for future work will follow this review (RBNZ).

All Firms

- Executive Accountability Regime (RBNZ, MBIE, FMA)