

# Regulatory initiatives calendar

| Group                             | Q4 2021   | Q1 2022   | Q2 2022 and beyond   |
|-----------------------------------|---|---|--|
| All firms                         | <p><b>Issues papers</b></p> <ul style="list-style-type: none"> <li>Future of Money – Cash System (Te Moni Anamata – Pūnaha) to be published 30 Nov. Consultation closes March 2022 (RBNZ)</li> </ul> <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>Enforcement framework: principles and criteria (RBNZ) – published 13/10. Consultation closes 24/11</li> </ul> <p><b>Thematic Review</b></p> <ul style="list-style-type: none"> <li>Launch of the joint RBNZ and FMA cross-sector thematic review on Governance. Sampled firms (banks, non-bank deposit takers, insurers and KiwiSaver providers) notified (RBNZ &amp; FMA)</li> </ul> | <p><b>Discussions start</b></p> <ul style="list-style-type: none"> <li>Banknote processing machine standards (RBNZ) (Banks, cash in transit industry, independent ATM operators, business equipment manufacturers, retailers)</li> </ul> <p><b>Thematic Review</b></p> <ul style="list-style-type: none"> <li>Governance Thematic Review – Sampled firms will be required to complete a questionnaire and provide requested documentation (RBNZ &amp; FMA)</li> </ul> | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>Consultation on updated FMA guide to good conduct (H1)</li> <li>FMA publishes Regulatory Approach Framework.</li> </ul> <p><b>Thematic Review (onsite visits)</b></p> <ul style="list-style-type: none"> <li>Governance thematic review – onsite visits begin in a sectorial approach (RBNZ &amp; FMA)</li> </ul>                                 |
| Banks and non-bank deposit takers | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>Likely exposure draft of the legislation for deposit takers and deposit insurance (RBNZ)</li> <li>Consultation on implementing Debt-to-Income restrictions and/or interest rate floors for mortgage lending (RBNZ)</li> </ul> <p><b>Consultation closes</b></p> <ul style="list-style-type: none"> <li>Implementation and funding options for Conduct of Financial Institutions regime (FMA/MBIE)</li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>Revised Loan-to-Value restrictions for mortgage lending (RBNZ)</li> </ul>                                 | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>Liquidity policy (BS13) – policy review (RBNZ)</li> <li>DIMS sector risk assessment (FMA) deferred from Q4 2022.</li> </ul>  | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>Deposit Takers Bill – opportunity for the sector to engage through select committee process. (Bill likely to be introduced in Q2 2022)</li> <li>CoFI licensing fee consultation expected 2022 (MBIE)</li> </ul> <p><b>Engagement</b></p> <ul style="list-style-type: none"> <li>Conduct and Culture follow up (FMA/ RBNZ), six monthly</li> </ul> |



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|--|---|--|--|
| Banks  | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>• Consultation on Standardised Measurement Approach for Operational Risk (Q4 2021 or H1 2022) (RBNZ)</li> <li>• Consultation on changes to Connected Exposures (BS8) (RBNZ)</li> <li>• Branch policy review (RBNZ) – published 20/10.</li> </ul>   | <p><b>Commencement</b></p> <ul style="list-style-type: none"> <li>• New disclosure requirements for ‘perpetual preference shares’ (MBIE)</li> </ul>  | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>• Consultation on the operational framework for the countercyclical capital buffer (RBNZ)</li> </ul> <p><b>Supervisory engagement</b></p> <ul style="list-style-type: none"> <li>• Regulatory returns for DI due September 2022 (FMA)</li> </ul>                              |
| Insurers   | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>• Implementation and funding options for Conduct of Financial Institutions regime (October) (MBIE/FMA)</li> <li>• Solvency Standard feedback statement, incorporating quantitative impact study results (RBNZ)</li> </ul>  | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>• IPSA review – enforcement regimes and distress management (RBNZ)</li> <li>• Exposure draft of Insurance Contract Law legislation (MBIE)</li> </ul> <p><b>Legislation</b></p> <ul style="list-style-type: none"> <li>• A bill modernising the EQC Act to be introduced early 2022 (Treasury)</li> </ul>  | <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>• IPSA review – key officers, governance and disclosure (RBNZ)</li> <li>• CoFI licensing fee consultation expected 2022 (MBIE)</li> </ul> <p><b>Engagement</b></p> <ul style="list-style-type: none"> <li>• Conduct and Culture follow up (FMA/RBNZ), six monthly.</li> </ul> |
| Managed investment schemes / KiwiSaver providers | <p><b>Commencement</b></p> <ul style="list-style-type: none"> <li>• Arrangements for new KiwiSaver default providers – 1 December (MBIE)</li> <li>• KiwiSaver default provider transition (MBIE/FMA)</li> <li>• MIS Value for Money assessment (FMA) – and on-going</li> <li>• Thematic review of Integrated Financial System labelling of KiwiSaver and MIS (FMA)</li> </ul> | <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• KiwiSaver default provider transition ongoing (MBIE/FMA)</li> </ul> <p><b>Supervisory engagement</b></p> <ul style="list-style-type: none"> <li>• DIMS Sector Risk Assessment (FMA)</li> <li>• MIS liquidity survey follow up (scope and timing TBC)</li> <li>• Consultation on DIMS Variation Standard Condition 2. (FMA)</li> <li>• MIS Sector Risk Assessment Report (FMA)</li> </ul> | <p><b>Consultation</b></p> <ul style="list-style-type: none"> <li>• Consultation on exemption proposals for Managed Funds Loan Disclosure Requirements (FMA)</li> </ul> <p><b>Supervisory engagement</b></p> <ul style="list-style-type: none"> <li>• Reg returns MIS/DIMS due Sep 2022 (FMA)</li> </ul>   |
| Financial Advice Providers                       | <p><b>Guidance</b></p> <ul style="list-style-type: none"> <li>• FAP full licensing seminars continue</li> <li>• Record Keeping guidance</li> </ul>  | <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• Full licensing ongoing throughout the year (closes March 2023)</li> </ul> <p><b>Supervisory engagement</b></p> <ul style="list-style-type: none"> <li>• DIMS Sector Risk Assessment (FMA)</li> </ul>   | <p><b>Consultation</b></p> <ul style="list-style-type: none"> <li>• Consultation on regulatory returns – financial advice providers (mid-2022)</li> </ul>  |
| Supervisors                                      | <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• MIS Value for Money assessment (FMA) – and on-going</li> <li>• KiwiSaver default provider transition (MBIE/FMA)</li> </ul>  | <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>• KiwiSaver default provider transition ongoing (MBIE/FMA)</li> <li>• MIS Sector Risk Assessment (FMA)</li> </ul>  |  |



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|------------------------|---|---------|---|
| Credit providers       | <p><b>Commencement</b></p> <ul style="list-style-type: none"> <li>New requirements under the CCLAA and relevant regulations including: <ul style="list-style-type: none"> <li><i>From 1 Oct 2021</i> <ul style="list-style-type: none"> <li>Consumer lenders and mobile traders to be certified (fit and proper person assessment for directors and senior managers)</li> </ul> </li> <li><i>From 1 Dec 2021</i> <ul style="list-style-type: none"> <li>New duties on directors and senior managers</li> <li>Lender inquiries into suitability and affordability</li> <li>Updated Responsible Lending Code in force (except Chapter 12 – in force 1 February 2022)</li> </ul> </li> </ul> </li> </ul> <p><b>Consultation starts</b></p> <ul style="list-style-type: none"> <li>Consultation on benefits and costs of Buy-Now, Pay-Later and options for addressing problems submissions due 16/12 (MBIE)</li> </ul> |         | <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>Regulations specify Annual Return content (to be provided to Commerce Commission by consumer credit providers by 30 June 2024)</li> </ul> |
| FMC reporting entities | <p><b>Regulatory forbearance</b></p> <ul style="list-style-type: none"> <li>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: <a href="https://www.fma.govt.nz/news-and-resources/covid-19/temp-extension-reporting">https://www.fma.govt.nz/news-and-resources/covid-19/temp-extension-reporting</a></li> </ul>   |         |   |

## Timing to be confirmed

### Banks

- Dashboard review (RBNZ)
- Review of stress-testing framework (RBNZ)
- Residential Mortgage Backed Securities (RBNZ)
  - Development of high grade RMBS standard to address shortages of high quality liquid assets
- Restructuring the Banking Supervision Handbook (RBNZ)
- Future of Payments: review of New Zealand's electronic payment systems (RBNZ)
  - This review has been established to assess the capabilities and performance of New Zealand's electronic payments systems relative to the public's needs, international peers, and global benchmarks. The output from the review is a bulletin article (targeted for Q1 2022) detailing our findings and potential areas of further investigation (RBNZ)