

Council of Financial Regulators – Deferral of regulatory initiatives affecting the financial sector

Updated 9 April 2020

The table provides a comprehensive list of the regulatory initiatives that are being deferred during the Covid-19 crisis.

These deferrals will enable banks and other financial services firms to focus their efforts more effectively on continuing to operate smoothly and providing credit and other support to individuals and businesses.

Initiative	New Timetable	Lead agency / Links
Financial Markets (Conduct of Institutions) Amendment Bill – currently at Committee stage in Parliament.	Deadline for submissions extended to 30 April 2020	Finance and Expenditure Committee https://www.parliament.nz/en/pb/sc/make-a-submission/document/52SCFE_SCF_BILL_93443/financial-markets-conduct-of-institutions-amendment-bill
Financial Market Infrastructures Bill – currently at Committee stage in Parliament.	Deadline for submissions extended to 30 April 2020	Finance and Expenditure Committee https://www.parliament.nz/en/pb/sc/make-a-submission/document/52SCFE_SCF_BILL_93550/financial-market-infrastructures-bill
Fair Trading Amendment Bill – currently at Committee stage in Parliament	Deadline for submissions extended to 26 April 2020	Economic Development, Science and Innovation Committee https://www.parliament.nz/en/pb/sc/make-a-submission/document/52SCED_SCF_BILL_93552/fair-trading-amendment-bill
Credit Contracts regime – deferral of commencement	Commencement of new part 5A of the CCLAA relating to fit and proper person certification will be delayed from 1 September 2020 to no earlier than 1 March 2021. Commencement of the new regulations and other remaining provisions of the CCLAA will be delayed from 1 April 2021 to no earlier than 1 October 2021. These dates will be reviewed every three months and any changes will be advised.	Ministry of Business, Innovation and Employment (MBIE) https://www.mbie.govt.nz/business-and-employment/consumer-protection/review-of-consumer-credit-law/changes-to-consumer-credit-law-2020/

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	No change to the start date for provisions of the CCLAA relating to mobile traders and high-cost loans. These will come into force on 1 June 2020.	
Credit Contracts regime - exemptions	Credit Contracts and Consumer Finance (Exemptions for Covid-19) Amendment Regulations 2020 made on 1 April 2020.	Ministry of Business, Innovation and Employment (MBIE) Regulations at: http://www.legislation.govt.nz/regulation/public/2020/0055/latest/LMS330467.html
Financial Advice regime	Implementation of new financial advice regulatory system under Financial Services Legislation Amendment Act delayed from 29 June 2020 to early 2021 (March at the earliest) Transitional licensing application window will be extended until the same date. New Code of Professional Conduct for Financial Advice Services will come into force on that date. Disclosure regulations delayed so that commencement dates can be updated.	Ministry of Business, Innovation and Employment (MBIE) https://www.mbie.govt.nz/business-and-employment/business/financial-markets-regulation/regulation-of-financial-advice/ Financial Markets Authority (FMA) https://www.fma.govt.nz/news-and-resources/covid-19/implementation-of-new-zealands-new-financial-advice-regime-has-been-delayed-until-early-2021/
Capital requirements for banks	Start date for new requirements postponed by 12 months to 1 July 2021. Consultation on exposure drafts of the revised policy also postponed.	Reserve Bank of New Zealand https://www.rbnz.govt.nz/regulation-and-supervision/banks/consultations-and-policy-initiatives/active-policy-development/review-of-the-capital-adequacy-framework-registered-banks
Review of the bank liquidity thematic review (and subsequent review)	External-facing work deferred for at least six months	Reserve Bank of New Zealand https://www.rbnz.govt.nz/regulation-and-supervision/banks/prudential-requirements/liquidity-policy

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of the liquidity policy (BS13)		
Review of the Insurance (Prudential Supervision) Act 2010	External-facing work deferred for at least six months	Reserve Bank of New Zealand https://www.rbnz.govt.nz/regulation-and-supervision/insurers/consultations-and-policy-development-for-insurers/active-policy-development/review-of-the-insurance-prudential-supervision-act-2010
Standard terms for Residential Mortgage Obligations	External-facing work deferred for at least six months	Reserve Bank of New Zealand https://www.rbnz.govt.nz/markets-and-payments/domestic-markets/review-of-mortgage-bond-collateral-standards
Cyber resilience guidelines for all regulated entities	External-facing work deferred for at least six months	Reserve Bank of New Zealand
Complying with AML/CFT verification requirements	Guidance for reporting entities under AML/CFT Act during COVID-19 alert levels. Assists firms in applying a risk based approach.	Financial Markets Authority/Reserve Bank of New Zealand/Internal Affairs https://www.fma.govt.nz/news-and-resources/covid-19/guidance-complying-with-amlcft-verification-requirements-during-covid-19-alert-levels/
Revisions to banks' disclosure of regulatory breaches	External-facing work deferred for at least six months	Reserve Bank of New Zealand https://www.rbnz.govt.nz/regulation-and-supervision/banks/consultations-and-policy-initiatives/active-policy-development/public-disclosure-of-bank-breaches
Review of stress-testing framework and planned bank stress-tests	External-facing work deferred for at least six months	Reserve Bank of New Zealand https://www.rbnz.govt.nz/financial-stability/stress-testing
Revising process for approving banks' internal capital adequacy models for credit risk	External-facing work deferred for at least six months	Reserve Bank of New Zealand
Future of cash: standards for banknote-processing machines.	External-facing work deferred for at least six months	Reserve Bank of New Zealand https://www.rbnz.govt.nz/notes-and-coins/future-of-cash
Financial reporting deadline extended for audited financial statements	Two month extension for FMCA reporting entities, NZX listed issuers and auditors with balance dates from 31 December 2019 to 31 May 2020	Financial Markets Authority https://www.fma.govt.nz/news-and-resources/covid-19/covid-19-managing-impacts-on-fmc-reporting-entity-annual-reporting-and-audits/
Financial reporting deadline further	Further two month extension for FMCA	Financial Markets Authority

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extended for audited financial statements	reporting entities, NZX listed issuers and auditors with reporting dates up to 31 July 2020	https://www.fma.govt.nz/news-and-resources/covid-19/fma-to-extend-deadline-for-financial-reporting/
Managing impacts on FMC reporting entity annual reporting and audits	Guidance to auditors on financial reporting obligations.	Financial Markets Authority https://www.fma.govt.nz/news-and-resources/covid-19/covid-19-managing-impacts-on-fmc-reporting-entity-annual-reporting-and-audits/
Audit quality review for audit firms	Deferred	Financial Markets Authority https://www.fma.govt.nz/news-and-resources/media-releases/fma-update-on-covid-19/
Review of KiwiSaver default providers	Terms of current default providers extended by five months to 30 November 2021 Request for proposals to be issued in H2 2020 (instead of H1)	Ministry of Business, Innovation and Employment (MBIE) https://www.mbie.govt.nz/have-your-say/review-of-kiwisaver-default-provider-arrangements/
KiwiSaver significant financial hardship applications	Guidance provided to supervisors and providers on alternative steps to verify identity and financial circumstances. Applies during Level 4 lockdown.	Financial Markets Authority https://www.fma.govt.nz/news-and-resources/covid-19/thinking-making-kiwisaver-hardship-withdrawal/
Restricted schemes member confirmation notice	Two month extension to provide member confirmation notice after balance date	Financial Markets Authority https://www.fma.govt.nz/news-and-resources/covid-19/fma-to-extend-deadline-for-financial-reporting
Thematic review on liquidity management by Managed Investment Schemes	Deferred	Financial Markets Authority https://www.fma.govt.nz/news-and-resources/media-releases/fma-update-on-covid-19/
Review of the Reserve Bank of New Zealand Act – Phase 2	Consultation period on third round extended by six months to 23 October 2020	Phase 2 Review Team (The Treasury and Reserve Bank of New Zealand) https://treasury.govt.nz/news-and-events/reviews-consultation/reviewing-reserve-bank-act/public-consultation-and-updates/public-consultation-third-round-reserve-bank-act-review
Open Banking and consumer data rights	Proposed consultation on possible introduction of consumer data right delayed	Ministry of Business, Innovation and Employment (MBIE) https://www.mbie.govt.nz/business-and-employment/business/competition-regulation-

		and-policy/payment-systems-open-banking-and-consumer-data/
Outsourcing policy for banks	Transition period extended by 12 months. Affected banks need to be fully compliant by 1 October 2023	Reserve Bank of New Zealand https://www.rbnz.govt.nz/regulation-and-supervision/banks/prudential-requirements/outsourcing-policy
Review of property insurance affordability and availability	Deferred for the time being	The Treasury The Treasury has informed the insurance industry that this work has been deferred.
Review of the Earthquake Commission Act	Scoping work deferred	The Treasury See also: https://eqcinquiry.govt.nz/
All non-urgent or time critical monitoring and information gathering	Deferred	Financial Markets Authority https://www.fma.govt.nz/news-and-resources/media-releases/fma-update-on-covid-19/

Other initiatives

Initiative	Details	Lead agency/Link
Consumer credit	Additional guidance on the application of the Credit Contracts and Consumer Finance Act in the current environment, in particular in respect of responsible lending and hardship (published on 2 April).	Commerce Commission https://comcom.govt.nz/_data/assets/pdf_file/0021/214086/Responsible-lending-guidance-COVID-19-April-2020.pdf
Consumer credit	Guidance for borrowers who are considering applying for a new loan or having difficulties making payments under their existing loans in the Covid environment. The guidance draws the borrower's attention to alternative solutions and links to other government agency information.	Commerce Commission
Consumer credit	Intelligence gathering to understand things such as what lenders are operating, what are their offers and how are they marketing their products.	Commerce Commission