

Board conflicts of interest

Policy statement | Te ito o te kaupapa-here

This Board policy sets out the requirements for identifying, declaring, and managing any conflicts of interest that Board members may have with RBNZ matters.

Objectives | Te whaingā

This policy ensures that:

- the Board and its members comply with the obligation to disclose interests and manage conflicts of interests in the Reserve Bank of New Zealand Act 2021 (the Act)
- both the Board and RBNZ carry out their functions and duties and exercise their powers impartially and in the public interest
- RBNZ's reputation and the public's trust and confidence in RBNZ are maintained.

Contents | Te kiko

1. [Identifying interests and conflicts of interest](#)
2. [Circumstances where conflicts of interest arise](#)
3. [Declaring interests](#)
4. [Managing conflicts of interest](#)
5. [More information and help | Ngā whakamāramatanga me te awhina](#)

1. Identifying interests and conflicts of interest

1.1. Approach to identifying interests

The Board takes a conservative approach to identifying interests and conflicts of interest to ensure that:

- members fulfil and are seen to fulfil their duty to act in the interests of the RBNZ and not in their personal interests
- RBNZ can carry out, and be seen to carry out its functions and to exercise its powers impartially and in the public interest.

1.2. Being interested

Board members are interested in a matter when they, their partner, or close relative:

- stand to gain or lose financially from a matter
- have a financial interest in a person to whom the matter relates
- are otherwise directly or indirectly interested in the matter.

A **matter** refers to RBNZ's performance of its functions, the exercise of its powers, and a contract or arrangement entered into or proposed to be entered into by RBNZ.

A **close relative** includes the member's spouse, civil union partner, de facto partner, child, or parent.

1.2.1. Consequences of being interested

A member who is interested in a Board or RBNZ matter:

- must not vote or take part in any discussion or decision of the Board or any committee relating to the matter
- must not sign on behalf of the Board any document relating to the entry into a transaction or the initiation of the matter
- is to be disregarded when forming a quorum for that part of a Board or committee meeting during which a discussion or decision relating to the matter occurs or is made.

1.3. Identifying conflicts of interest

Members are responsible for identifying any actual or potential conflict of interest that arises in their role as an RBNZ Board member.

There is a conflict of interest whenever a member's duties or responsibility to RBNZ could be affected by some other duty, loyalty or personal interest that the member may have.

A member should consider whether:

- their other duty, loyalty or personal interest could create an incentive for them to act in a way that may not be in the best interests of RBNZ
- a reasonable outside observer could conclude that a potential conflict of interest existed, even if the member's personal belief is that there is no actual conflict.

This judgement must be made by individual members considering the relevant facts and context, the criteria for conflict, and the conservative approach.

If any doubt remains the matter should be treated as a potential conflict of interest.

2. Circumstances where conflicts of interest arise

2.1. Circumstances that present conflicts of interest

The following circumstances are identified as presenting a conflict of interest and must always be declared.

1. The member, their partner or close relative:
 - has shares or equivalent interest in a regulated institution.
 - is a director or employee of a regulated institution or a holding company of a regulated institution.
 - has personal financial exposures to a regulated institution of more than \$50,000. A financial exposure means a creditor relationship with the institution, such as money deposited with it or holding a bond issued by it.
2. The member has an extensive and ongoing professional relationship with a regulated institution, e.g. he or she acts as legal adviser, consultant, auditor etc. to the institution.
3. The member is a member or CEO, of a body corporate, or is a trustee or holds a similar position with an entity that has significant or material financial exposures to and/or shareholdings in a regulated institution. The name of the entity and the regulated institution must be disclosed. Trustee roles are excluded where there is no discretion over investments e.g. an external fund manager is used.

2.2. Circumstances that present potential conflicts of interest

In the following circumstances, interests must be declared because of the potential for a conflict of interest, although actual conflicts may depend on the circumstances at the time.

1. The member's parent or child is an employee or a director of a regulated institution.
2. The member is a member of another company registered and doing business in New Zealand, including as an overseas company.
3. The member has a current or had a recent close business or personal relationship with a member or CEO of a regulated institution.
4. The member has an occasional but ongoing professional relationship with a regulated institution, e.g. he or she acts as legal adviser only occasionally.
5. The member has significant debt owing to a regulated institution, e.g. more than \$1,000,000.

A regulated institution – for the purposes of this policy, this includes a person applying for authorised status under RBNZ legislation, e.g. a person applying to be registered as a bank.

2.3. Circumstances unlikely to present conflicts of interest

Some interests may be considered too remote to be likely to give rise to a conflict of interest. The following are unlikely to give rise to conflicts of interest and do not need to be declared. If in doubt, members should contact the General Counsel.

1. Transactional or current accounts held with banks or non-bank deposit takers below \$50,000 in value.
2. Temporary (i.e. less than a week) high balances, such as following the sale of a house.
3. Membership or affiliation with public interest groups whose activities are not connected to the RBNZ's functions.
4. Members have Trustee roles where there is no discretion over investments e.g. an external fund manager is used.

2.3.1. Shares and other financial assets in trusts

Shares and other financial assets held in trusts are considered to be held by the member or partner/spouse personally when:

- the member or partner/spouse is a beneficiary of the trust
- the member or partner/spouse has any discretion over the acquisition and disposal of the assets held in the trust.

In other cases, members should declare beneficial interests in trusts that have significant financial exposures to regulated institutions.

3. Declaring interests

3.1. Making a declaration

Members have an ongoing obligation to disclose their personal interests in Board matters and identify actual or potential conflicts by making a declaration to the Board Chair. If the Chair is unavailable or is also interested, the disclosure is made to the deputy or temporary Chair. Details of interests must also be disclosed to the Board Secretariat so that they may be recorded in the Board Interests Register.

The General Counsel is available to the Board to discuss and guide disclosure.

Declarations must be made:

- on joining the Board
- whenever a matter arises in which the member is interested
- as soon as practicable after the member becomes aware that they are interested.

Declarations must include:

- the nature of the interest

- the monetary value of the interest, or the extent of the interest if the monetary value cannot be quantified.

3.1.1. Reviewing declarations

Members will keep their declarations up to date and will review them before any decision-making meeting of the Board. They can declare any amendment to their previous declaration at the outset of such a meeting or in advance to the Board Secretary. Members will be asked by the Board Secretariat to review and sign their declaration in the Interests Register on an annual basis.

3.1.2. Privacy

Declarations are personal information under the Privacy Act 2020, and access to them will only be for a valid purpose connected with the governance or operation of the RBNZ.

Declarations are stored securely by the Board Secretary.

Summarised interests are included in the Board papers for each Board meeting.

3.1.3. Failure to make a declaration

The Board Chair must notify the Minister of a failure to disclose an interest and/or to comply with the consequences of being interested, and the matters that are affected by this as soon as practicable after becoming aware of the failure.

4. Managing conflicts of interest

4.1. Assessing declarations

The Chair is responsible for assessing declarations of interest and the extent to which they are likely to impair the member's ability to fully participate in Board meetings, or receive information in connection with the Board or the RBNZ's activities.

The Chair will take into account the extent to which the interest has the potential, in the Chair's view, to inhibit the member from complying with their duties as specified in the Act.

4.2. Options available for managing actual and potential conflict

4.2.1. Permission to act

The Chair may give permission for a member to act in relation to a matter, despite the member being interested, if the Chair is satisfied it is in the public interest to do so.

This permission must be notified to the Board prior to the matter's consideration by the Board. It must also be recorded in the RBNZ annual report.

The permission may state conditions that the member must comply with, and can be amended or revoked in the same way it is given.

Occasions are likely to be rare where it is in the public interest for a member to act in respect of a matter they are interested in. An example of where the Chair may permit the member to act is if the member brings invaluable industry insight and knowledge to a policy discussion, to the extent the Board would make an inferior decision without the member's contribution.

Members will never be permitted to act in respect of a commercial transaction entered into by the RBNZ where they have any kind of financial interest.

4.2.2. Consequences of being interested are sufficient

The Chair may determine that the nature and extent of the member's interests are not so extensive to cause the member to breach a duty under the Act, but rather one of the following options (as applicable) is sufficient:

- The member is restricted from voting on a decision to which the matter relates.
- The member must not sign any document relating to the entry into a transaction or the initiation of a matter.
- The member is disregarded for the purposes of forming a quorum of a meeting during which a discussion or decision relating to the matter is made.

4.2.3. Relinquishing interests

The member may be requested to relinquish the relevant interest, for example they may be requested to step down from or decline an offer of a directorship, or they may be required to divest a shareholding in a regulated institution.

4.2.4. Other restrictions for members who are Directors of other entities

When a member is a director of another entity and is interested in a matter, in addition to not being permitted to act, they will not be permitted access to Board papers or other non-public information relating to the matter and are not permitted to discuss the matter with any RBNZ employee.

5. More information and help | Ngā whakamāramatanga me te awhina

For assistance with identifying conflicts of interest or making declarations, contact the General Counsel.

Other links

- [Office of the Controller and Auditor General – Conflicts of interest good practice guide](#)
- [Reserve Bank Act 2021 \(ss. 61-68\)](#)

Document information

Version	1.4
Released on	25 February 2026
Next review	December 2027
Owner	General Counsel
Authoriser	RBNZ Board Chair