

Financial Markets Conduct (Climate-related Disclosures – Commonwealth Bank of Australia New Zealand) Exemption Notice 2024

Pursuant to section 556 of the Financial Markets Conduct Act 2013, the Financial Markets Authority, being satisfied of the matters set out in section 557 of that Act, gives the following notice.

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Notice

1. Title

This notice is the Financial Markets Conduct (Climate-related Disclosures – Commonwealth Bank of Australia New Zealand) Exemption Notice 2024.

2. Commencement

This notice comes into force on 1 March 2024.

3. Revocation

This notice is revoked on the close of 28 February 2029.

4. Application

An exemption granted by this notice applies to the following accounting periods of Commonwealth Bank of Australia, being a registered bank that is 'large' by virtue of section 461Q(3) of the Act:

- (a) the accounting period commencing on 1 July 2023 (which is the commencement of the period in relation to which CBA Group would be required to deliver climate statements to the Registrar for lodgement under section 461ZI of the Act); and

(b) subsequent accounting periods.

5. Interpretation

(1) In this notice, unless the context otherwise requires, –

Act means the Financial Markets Conduct Act 2013

ASB means ASB Bank Limited (company number 398445; NZBN 9429039435743)

CBA means Commonwealth Bank of Australia (ACN Number 123123124)

CBA Group means CBA, its New Zealand branch, CBA Funding (NZ) Limited (company number 931499; NZBN 9429037735074) and CBA Investments (No 4) Limited (company number 931501; NZBN 9429037731960)

FMA means Financial Markets Authority

registered bank has the same meaning as in section 2(1) of the Banking (Prudential Supervision) Act 1989.

(2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

6. Exemption

CBA is exempted from its obligations under section 461ZB(3)(a) of the Act to the extent that the section requires CBA to include in its climate statements, climate reporting for:

(a) ASB and its subsidiaries; and

(b) ASB Holdings Limited (company number 428135; NZBN 9429039342768).

7. Conditions

(1) The exemption in clause 6 is subject to the following conditions –

(a) the climate statements prepared for the CBA Group are accompanied by a written notification to the Registrar that the CBA Group is relying on this notice in respect of the accounting period to which the CBA Group's climate statements relate;

(b) the climate statements prepared for the CBA Group include a specific reference on how to find, when it is lodged, the ASB climate statements for the relevant accounting period; and

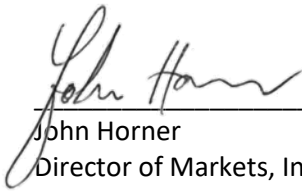
(c) CBA notifies the FMA, as soon as practicable, of any changes:

(i) to the CBA Group structure, and any change to the legal structure of ASB including its subsidiaries; and

(ii) to the nature of the operations or assets of ASB Holdings Limited, including a change in control or ownership or financial arrangement, that would require it to lodge climate statements.

(2) The exemption in clause 6(b) is subject to the condition that ASB Holdings Limited does not undertake any material activity other than acting as the holding company of ASB and a subsidiary of CBA.

Dated at Wellington this 21st day of February 2024.



John Horner
Director of Markets, Investors and Reporting
Financial Markets Authority

Statement of Reasons

This notice comes into force on 1 March 2024 and is revoked on 28 February 2029, and applies to Commonwealth Bank of Australia (**CBA**) and its group members that have a presence in New Zealand.

CBA is an overseas bank registered by the Reserve Bank of New Zealand and is a climate reporting entity as a 'large' registered bank under section 461Q(3) of the Financial Markets Conduct Act 2013 (**Act**) which is required to prepare group climate statements under section 461ZB(3)(a) of the Act.

This notice allows CBA to report only in relation to certain group members (**CBA Group**) and exempts CBA from reporting in relation to other group members (being ASB Holdings Limited and ASB Bank Limited and its subsidiaries) that are required otherwise to form part of the climate statements to be prepared for CBA's New Zealand business under section 461ZB(3)(a) of the Act. With the exception of ASB Holdings Limited, the subsidiaries excluded from the CBA Group climate statements will be included in other climate statements pursuant to section 461ZA of the Act.

The exemption is subject to a number of conditions. These include the requirement for CBA to notify the Registrar that it is relying on this exemption, to include a specific reference on how to find, when it is lodged, the ASB Bank Limited climate statements for the relevant accounting period in its CBA Group climate statements, to notify the Financial Markets Authority (**FMA**) of any changes to the legal structure of CBA Group and any changes to the nature of the operations or assets of ASB Holdings Limited that would require it to lodge climate statements.

The FMA, after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemption because:

- the New Zealand branch of CBA operates with a high degree of business separation from ASB Bank Limited and its subsidiaries. Accordingly, the structure of the CBA Group distinguishes it from the other overseas registered banks with both New Zealand branches and subsidiaries and therefore warrants this entity-specific exemption;
- the climate statements prepared for the CBA Group would otherwise not reflect the true nature of the different members' operations which are significantly separate and independent of one another; and
- ASB Holdings Limited would likely be excluded from the CBA Group climate statements on the basis that it is immaterial information. It would also not add any further value or information to what will already be in ASB Bank Limited's group climate statements (given it is the holding company of ASB Bank Limited).

The FMA is satisfied that the granting of the exemption is necessary and desirable in order to promote the purposes of the Act, specifically:

- accurate, and understandable information be provided to CBA's primary users, to assist those persons to make decisions relating to financial products or the provision of financial services; and
- avoids unnecessary compliance costs and promotes flexibility as it removes the unnecessary duplication of reporting for the same entities in other required individual or group climate statements where the businesses have distinct primary users. Such duplication in this circumstance, is not considered helpful to the primary users of the climate statements.

The FMA is further satisfied the exemption is not broader than is reasonably necessary to address the matters that give rise to the exemption as:

- the exemption will not affect the CBA Group members' abilities meet their respective obligations under the Act, including the obligation to keep proper CRD records under section 461V of the Act, to report in accordance with the climate-related disclosure framework as defined in section 9AA of the Financial Reporting Act 2013, and to deliver the climate statements to the Registrar for lodgement within four months of its balance date under section 461ZI of the Act. CBA Group will, in all other respects, need to comply with Part 7A of the Act; and
- the primary users of all CBA Group members will have public access to all climate statements prepared by ASB Bank Limited and its subsidiaries via the Climate-related Disclosures Register.