

# ENGAGEMENT ROADMAP

Note: The Engagement Roadmap below may change as the regulations are developed.

Market participants FMA Ministry of Business, Innovation and Employment (MBIE)

Date	Engagement/feedback opportunity	Planning
October / December 2013	<b>Consultation – Stage 1</b> Provide feedback to MBIE on draft FMC Regulations and proposals for Phase 1: <ul style="list-style-type: none"> <li>Market services licenses</li> <li>Limited disclosure and other requirements for disclosure exclusions (including crowd funding and peer-to-peer lending)</li> <li>Proposals for disclosure document content and processes</li> </ul>	Develop strategy for new business opportunities, structure and approach
October / December 2013	<ul style="list-style-type: none"> <li>Engage with FMA on draft licensing standards and processes</li> <li>FMC Lab Series: Licensing standards and processes</li> </ul>	Develop strategy for new business opportunities, structure and approach
December 2013 / January 2014	<b>Consultation – Stage 2</b> Provide feedback to MBIE on draft FMC Regulations and proposals for Phase 2: <ul style="list-style-type: none"> <li>Financial Product Markets</li> <li>Governance for managed investment schemes</li> <li>DIMS provider conduct obligations</li> <li>Consultation on licensing fees</li> </ul>	Develop and implement business structures and processes to deliver new conduct standards and (for licensed market services providers) new resource and capability standards
December 2013 / February 2014	<ul style="list-style-type: none"> <li>Engage with FMA on financial reporting changes and fair conduct/dealing standards</li> <li>FMC Lab Series: Fair conduct/dealing standards &amp; governance</li> </ul>	
February / March 2014	Get ready to implement: <ul style="list-style-type: none"> <li>Market services licensing</li> <li>Fair conduct/dealing standards</li> </ul>	
1 April 2014	<ul style="list-style-type: none"> <li>Open for licensing market services providers</li> <li>Fair conduct and dealing standards apply</li> <li>New ways to raise capital available (crowd funding, peer-to-peer lending)</li> </ul>	
April / May 2014	<b>Consultation – Stage 3</b> Provide feedback to MBIE on draft FMC Regulations and proposals for Phase 2: <ul style="list-style-type: none"> <li>Disclosure document content and processes</li> </ul>	Develop strategy for new business opportunities, structure and approach
April 2014	<ul style="list-style-type: none"> <li>Engage with FMA on disclosure standards</li> <li>FMC Lab Series: Disclosure</li> </ul>	
April / December 2014	Get ready to implement: <ul style="list-style-type: none"> <li>New clear disclosure</li> <li>New governance standards</li> </ul>	Develop and implement new business structure and processes to deliver new disclosure and governance standards
1 December 2014	<ul style="list-style-type: none"> <li>New disclosure standards apply</li> <li>Registers open</li> <li>New governance standards apply</li> <li>New ways to raise capital available (stepping stone markets)</li> </ul>	

As at November 2013

## THE FUTURE OF FINANCIAL MARKETS

### BACKGROUND

Over the last two years, the Financial Markets Authority (FMA) has been working on rebuilding market and investor confidence following the global financial crisis, and the failure of finance companies.

In the future there will be better investor information, new licensing and governance rules for issuers and new mechanisms to enable raising of capital. These changes will be implemented when the Financial Markets Conduct (FMC) Act comes into force.

The main purposes of the Act is to:

- promote and facilitate the development of fair, efficient, and transparent financial markets; and
- promote the confident and informed participation of businesses, investors, and consumers in the financial markets.

This will be achieved by raising standards of financial market conduct. The Act will change the way financial products are offered, promoted, issued and sold, and also the on-going responsibilities of those who offer, issue, manage, supervise, deal in and trade them.

# Growing market confidence through fair, efficient, and transparent financial markets built on...

## Clear information for investors

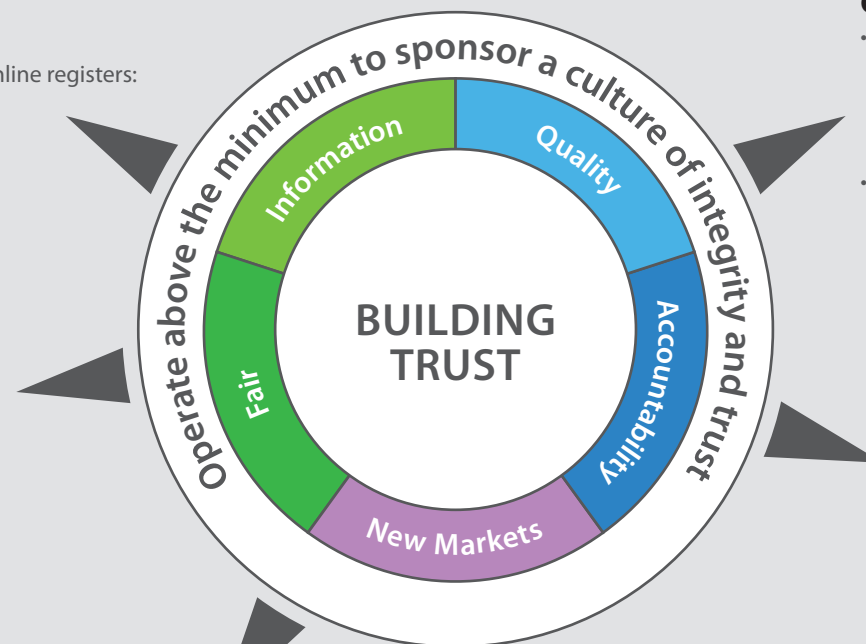
- Clear, concise & effective information in PDS
- Supported by information on publicly searchable online registers:
  - › offers
  - › managed investment schemes
  - › includes on-going disclosure
- Consistent financial information

## Fair conduct & dealing standards

- No misleading or deceptive conduct
- No false, misleading or unsubstantiated representations or dealing

## New ways to raise capital

- Stepping stone financial markets
- Peer-to-peer lending
- Crowd funding



## Competent market services providers

- Through licensing show minimum competence to provide the kind of financial services you are applying for based on:
  - › sufficient financial resources
  - › capacity to meet on-going obligations
- On-going supervision

## Participants held accountable

- Governing documents that are consistent and fit for purpose
- Clear duties for issuers
- Supervision by 'Supervisors' with clear duties & powers to act
- Independent custody

Note: This chart summarises the key impacts sought by the Financial Markets Conduct Act 2013. You can find more information on our website at [www.fma.govt.nz/keep-updated/the-future-of-financial-markets](http://www.fma.govt.nz/keep-updated/the-future-of-financial-markets).

Other significant impacts also contributing to fair, efficient, and transparent financial markets will continue to be achieved through existing regimes including those introduced by the Financial Advisers Act 2008, Financial Service Providers (Registration & Dispute Resolution) Act 2008, Securities Trustees and Statutory Supervisors Act 2011 and Auditor Regulation Act 2011.

## When will market participants need to comply?

Market participants will have up to 24 months to comply with the new legislation, but some parts of the FMC Act will come into force before others. As the FMC regulations are developed we will provide details and guidance on the timeline for changes.

## What should market participants do now?

Market participants need to start thinking about the new requirements and the 'readiness' of their own operations. This includes whether they will need to be licenced and for what services, how they might need to address new disclosure rules or new governance requirements, and crucially, by when.

## Talk to us

We have launched a new website [www.talktous.fma.govt.nz](http://www.talktous.fma.govt.nz) to give New Zealanders the opportunity to share their thoughts and tell us what they think is important for the future of New Zealand's financial markets. On the site we'll be asking for feedback on our proposals and you can also ask us questions about any of the future changes.

## Key contacts

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