

SEPTEMBER 2025

Consultation: Proposed class exemption for entities incorporated in foreign jurisdictions from New Zealand climate reporting duties

About this consultation

The Financial Markets Authority – Te Mana Tātai Hokohoko (**FMA**) is considering a class exemption for some climate reporting entities (**CREs**) incorporated in foreign jurisdictions from the climate reporting duties in Part 7A of the Financial Markets Conduct Act 2013 (the **FMC Act**). This would apply where the foreign entity is required by its home jurisdiction laws to undertake climate reporting comparable to that required by Part 7A of the FMC Act.

If granted, the exemption would allow foreign entities to lodge their home jurisdiction climate or sustainability reports on the New Zealand Climate-related Disclosures (**CRD**) Register. The exemption would be subject to conditions, including that the entity must make available information about its reliance on the exemption.

Next steps

We welcome your feedback on the exemption proposal in response to the specific questions in this paper, as well as any other general comments. Please use the feedback form provided on the web page for this consultation at <https://www.fma.govt.nz/business/focus-areas/consultation>.

Note that all feedback received is subject to the Official Information Act 1982 and may be made available on our website or other external channels. See the feedback form for more information about your privacy and confidentiality options.

Submissions close at **5pm on Friday 24 October 2025**. After this date, we will consider all submissions, finalise our policy proposal and, if the exemption is granted, work to get it in place.

This consultation is for foreign listed issuers, overseas banks, overseas insurers, primary users of climate statements and other interested parties.

It asks for feedback on the need for, and the content of, a proposed exemption for foreign entities from New Zealand climate reporting duties.

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Background

The CRD regime and its purposes

In October 2021 the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act (CRD Act) was enacted. The CRD Act amended the FMC Act by including a new Part 7A entitled “Climate-related disclosures for certain FMC reporting entities with higher level of public accountability”.

These mandatory climate-related disclosures are aimed at helping New Zealand meet its international obligations and achieve its target of net zero carbon by 2050. The intention is that by improving transparency and revealing climate-related information within financial markets, our financial system and economy will become more resilient and climate change risks will be addressed.

Part 7A applies to entities called climate reporting entities (**CREs**), comprising:

- large listed issuers of quoted equity securities or quoted debt securities (over \$60 million in market capitalisation or quoted debt, respectively. Issuers listed on growth markets are excluded)
- registered banks, credit unions and building societies with total assets over \$1 billion
- licensed insurers with total assets over \$1 billion or annual gross premium revenue over \$250m, and
- managers of registered schemes, such as KiwiSaver schemes and investment funds (other than restricted schemes) with greater than \$1 billion in total assets under management.

There are four sets of duties under Part 7A of the FMC Act. These duties relate to:

- a) keeping proper records relating to CREs’ responsibility to make climate-related disclosures
- b) preparing climate statements
- c) lodging those statements with the Companies Office, so they are publicly available
- d) assurance of greenhouse gas emissions disclosures in climate statements.

The CRD Act also amended the Financial Reporting Act 2013 (**FR Act**) to allow the External Reporting Board (**XRB**) to make climate standards to govern the preparation of climate statements. The FR Act states that the purpose of climate standards is to provide for, or promote, climate-related disclosures, in order to¹:

- a) encourage entities to routinely consider the short-, medium-, and long-term risks and opportunities that climate change presents for the activities of the entity or the entity’s group; and
- b) enable entities to show how they are considering those risks and opportunities; and
- c) enable investors and other stakeholders to assess the merits of how entities are considering those risks and opportunities.

The XRB has issued climate standards, called the Aotearoa New Zealand Climate Standards (**NZ CS**), which are based on the international Task Force on Climate-related Financial Disclosures (**TCFD**) recommendations. The NZ CS were developed in alignment with the TCFD framework, which focuses on four core areas: governance, strategy, risk management, and metrics and targets. The NZ CS were

¹ Refer to section 19B of the Financial Reporting Act 2013.

released in December 2022 and became mandatory for approximately 180 of New Zealand's most economically significant entities starting in January 2023.

There have been many international developments in climate and sustainability reporting since the NZ CS were issued:

- In June 2023, the International Sustainability Standards Board (**ISSB**) issued two standards: one for general sustainability reporting (IFRS S1), the other for climate-related disclosures (IFRS S2).
- Numerous jurisdictions have imposed CRD obligations or are in the process of doing so, including Australia, the European Union, United Kingdom, China, Japan, Singapore, Malaysia, Canada and California. Some have imposed standalone CRD obligations, while others have implemented CRD as a broader set of sustainability reporting obligations.
- In October 2023 the TCFD disbanded, with the ISSB Standards marking the culmination of the work of the TCFD.

This consultation focuses on the development of mandatory climate reporting regimes overseas, and aspects of how these regimes should be recognised in New Zealand.

This paper does not cover the possibility of any class exemption allowing a New Zealand-incorporated CRE to use a broadly equivalent overseas standard to align with its parent's or subsidiary's reporting. The XRB has consulted about international alignment and is currently considering next steps.

FMA's power to grant class exemptions

We have powers to exempt persons from compliance with requirements in the FMC Act and associated regulations.²

Before we do so, we must be satisfied that the exemption is necessary or desirable to promote one or more of the following purposes of the FMC Act³:

- to promote the confident and informed participation of businesses, investors, and consumers in financial markets
- to promote and facilitate the development of fair, efficient and transparent financial markets
- to provide for timely, accurate and understandable information to assist investment or financial decisions
- to ensure appropriate governance arrangements apply to financial products and services, and allow for effective monitoring and reduce governance risks
- to avoid unnecessary compliance costs
- to promote innovation and flexibility in the financial markets.

We must also be satisfied that the exemption is not broader than is reasonably necessary to address the matters that gave rise to it.

We can only grant exemptions (including renewing existing exemptions) where we are satisfied that the statutory requirements are met. We need information from you to support our decision-making, so we encourage you to provide feedback about why (or why not) an exemption is necessary or desirable to promote one or more of the purposes detailed above.

² See sections 556, 557 and 561A of the FMC Act.

³ See sections 3 and 4 of the FMC Act.

Why we are considering a class exemption

Current regulatory settings for foreign CREs

CREs include entities incorporated outside New Zealand. Part 7A of the FMC Act uses the term “overseas company” to refer to certain overseas banks and insurers. In this paper we use the term “foreign CREs” to include those entities plus foreign listed issuers with a listing on the NZX. The reporting obligations for foreign CREs are:

- **Large registered banks or large licensed insurers**

Overseas companies that qualify as large registered banks or large licensed insurers are required to prepare and lodge climate statements in accordance with XRB’s NZ CS for their New Zealand business only.⁴

- **Large listed issuers**

Foreign CREs that qualify as large listed issuers are required to prepare and lodge climate statements in accordance with NZ CS for their global business.⁵

However, foreign listed issuer CREs that have a secondary listing on the NZX can elect to rely on the [Financial Markets Conduct \(Climate-related Disclosures for Foreign Listed Issuers\) Exemption Notice 2024](#). Depending on whether the entity has a ‘large presence’ in New Zealand,⁶ this exemption provides full relief from Part 7A of the FMC Act or the ability to only report on the CRE’s New Zealand business in accordance with NZ CS.

Problem statement

As mandatory climate reporting regimes continue to emerge globally, foreign CREs may incur increased compliance costs from having to meet multiple, often overlapping, reporting obligations across various jurisdictions.

For example, the 13 Australian incorporated CREs listed in Table 1 below have completed one or two years of climate reporting in New Zealand in compliance with the New Zealand CRD regime. However, from 1 January 2025, they are now subject to Australian sustainability reporting obligations.⁷ Moving forward they will be required to maintain sustainability records and prepare sustainability reports under the Australian climate reporting obligations and in accordance with Australian Sustainability Reporting Standard AASB S2 issued by the Australian Accounting Standards Board (AASB). These reports will include their New Zealand businesses.

⁴ Section 461ZB, FMC Act.

⁵ Section 461Z – ZA, FMC Act.

⁶ ‘Large presence’ is defined in Clause 5(3) of the Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024.

⁷ We understand all 13 Australian incorporated CREs are in Group 1 for the Australian regime.

We have heard that for some Australian entities their New Zealand revenue is small in the context of the broader group; if listed, their New Zealand trading volumes are minimal; the local share registry or New Zealand customer base is relatively small – making the cost of duplicated reporting disproportionately high. Reporting on the Australasian group business using AASB S2 will give investors and other stakeholders a fair view of:

- a) how the Australasian business as a group routinely considers the short-, medium-, and long-term risks and opportunities that climate change presents for the activities of the group, including New Zealand activities where material; and
- b) how it considers those risks and opportunities; and
- c) enable investors and other stakeholders to assess the merits of how the entity is considering those risks and opportunities.

We are also aware that some Australian entities do have a significant presence in New Zealand, in terms of either shareholder numbers, gross New Zealand revenue or gross New Zealand assets.

The purpose of this paper is to seek feedback on options to deal with the problem, and the costs and/or benefits of granting or not granting exemption relief. This will help determine whether relief is appropriate in view of the statutory test for FMA exemptions and the purposes of the FMC Act.

Scope of foreign CREs

Table 1 below shows the number of current foreign incorporated CREs subject to New Zealand's CRD regime by category and jurisdiction:

| Home jurisdiction | Registered bank branches | Licensed insurer branches | Foreign listed issuers | Total |
|-------------------|--------------------------|---------------------------|------------------------|-----------|
| Australia | 3 | 4 | 6 | 13 |
| China | 3 | - | - | 3 |
| Hong Kong | 1 | - | - | 1 |
| Japan | 1 | - | - | 1 |
| Jersey | - | - | 1 | 1 |
| The Netherlands | 1 | - | - | 1 |
| United Kingdom | - | - | 3 | 3 |
| United States | 2 | - | - | 2 |
| Total | 11 | 4 | 10 | 25 |

Table 2 below shows the number of current foreign incorporated CREs that aren't currently eligible to rely on an existing individual or class exemption to be fully exempt from Part 7A of the FMC Act:

| Home jurisdiction | Registered bank branches | Licensed insurer branches | Foreign listed issuers | Total |
|-------------------|--------------------------|---------------------------|------------------------|-----------|
| Australia | 1 | 4 | 2 | 7 |
| China | 3 | - | - | 3 |
| Hong Kong | - | - | - | - |
| Japan | 1 | - | - | 1 |
| Jersey | - | - | - | - |
| The Netherlands | 1 | - | - | 1 |
| United Kingdom | - | - | - | - |
| United States | - | - | - | - |
| Total | 6 | 4 | 2 | 12 |

Approach to date

Our approach to date in respect of foreign entities doing business in New Zealand that are CREs has been multifaceted. It has included the following:

- For **foreign listed issuers** we have tailored relief in our 2024 class exemption notice depending on whether the entity has a 'large presence' in New Zealand.⁸
- For **overseas banks and insurers** we granted a class exemption that simplifies the requirements around signing climate statements.⁹
- For some overseas entities, such as registered bank branches, we have looked at their individual circumstances, and considered factors such as whether the foreign entity is voluntarily doing climate reporting based on TCFD principles, the number of New Zealand primary users of climate statements, and the value to those users in receiving climate statements that are specific to the New Zealand business rather than the global business. The individual exemptions for foreign entities we have granted to date are on our website: <https://www.fma.govt.nz/business/legislation/exemptions/>

We have approved two individual exemption applications this year where the applicants were seeking relief from having to do both New Zealand and Australian mandatory climate related disclosures. In those cases,

⁸ Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024 | [fma.govt.nz](https://www.fma.govt.nz)

⁹ Financial Markets Conduct (Climate-related Disclosures – Overseas Banks and Insurers) Exemption Notice 2024 | [fma.govt.nz](https://www.fma.govt.nz)

we decided to grant individual exemption relief to the Australian applicants from all the duties in Part 7A of the FMC Act. This was subject to several conditions, including that the applicants comply with the Australian CRD regime.

One of the key reasons for granting these exemptions is that the FMA was satisfied that the climate reporting required in Australia, and the nature and extent of regulatory oversight for Australian entities and their assurance practitioners are of high quality and broadly equivalent to those that apply in New Zealand. As such, primary users will have access to broadly similar, and equivalent, information to the information they would otherwise receive.

Limitations of continuing with current approach

One option available to us is to continue with the current approach of granting individual exemption relief to foreign CREs that are subject to both the New Zealand regime and a mandatory regime in their home jurisdiction, as and when they need the relief.

We don't favour that option for two main reasons:

- 1) It is not an efficient use of resources for both the FMA and CREs where entities need to apply individually for exemptions
- 2) It does not give certainty to new entrants to the New Zealand market that are incorporated offshore. One of the recurring themes we have been seeing in recent consultations regarding the regulatory settings for our financial markets is that participants desire certainty.

Proposed exemption

Proposed scope of exemption

The scope of the proposed exemption is still to be determined and depends on feedback received in response to this consultation.

We are considering an approach to climate reporting similar to our approach to Part 7 FMC Act financial reporting requirements for foreign entities contained in the [Financial Markets Conduct \(Overseas FMC Reporting Entities\) Exemption Notice 2021](#) and [Financial Markets Conduct \(Overseas Registered Banks and Licensed Insurers\) Exemption Notice 2021](#) (legislation.govt.nz). This proposed approach is also consistent with the criteria for recognising overseas reporting under section 203 of the Companies Act 1993 in relation to financial reporting.

The effect of this approach would be:

- Foreign CREs (namely bank branches, insurer branches, and foreign listed issuers) incorporated in certain approved jurisdictions (detailed in a Schedule to the exemption notice) are exempted from Part 7A of the FMC Act.
- Foreign CREs prepare mandatory climate reporting in accordance with relevant approved overseas climate reporting standards specified in a Schedule to the exemption notice, and file that reporting in New Zealand.
- The FMA would effectively rely on the relevant overseas regulator for each exempted entity to monitor compliance with the home jurisdiction requirements.

The benefits of this approach are:

- The exemption will only be available to foreign CREs regulated by the laws of a jurisdiction where the FMA is satisfied that the climate reporting required in that jurisdiction, and the nature and extent of regulatory oversight for those entities and their assurance practitioners are of high quality and broadly equivalent to those that apply in New Zealand. As such, primary users will have access to broadly similar, and equivalent, information to the information they would otherwise receive.
- Entities do not face unnecessary compliance costs resulting from duplicative reporting.
- The securities regulators in the jurisdictions listed in the Schedule to the notice will be signatories to the International Organization of Securities Commissions (**IOSCO**) Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (the **IOSCO MOU**), or a signatory to a bilateral agreement with the FMA. The FMA will therefore be able to seek assistance from relevant regulators if compliance concerns arise.

There may be additional considerations regarding the scope of the exemption.

Approved foreign jurisdictions

Approved foreign jurisdictions detailed in a Schedule would be those where the FMA is satisfied that the nature and extent of the mandatory climate related disclosures regime, and regulatory oversight of reporting

entities and assurance practitioners, is 'broadly equivalent to New Zealand and of a high quality'. The factors we would consider when assessing this include, but are not limited to:

- independent and accountable regulator responsible for regulatory oversight
- foreign regime is consistent with the legislative purposes of New Zealand's CRD¹⁰
- mandatory record-keeping requirements
- enforcement provisions for non-compliance available to foreign regulator, and
- minimum assurance requirements similar to those in New Zealand.

The relevant overseas regulator would also need to be a signatory to the IOSCO MOU, or a signatory to a bilateral agreement with the FMA.

Approved foreign climate reporting standards

Approved foreign climate reporting standards detailed in a Schedule would be those that the FMA is satisfied are broadly equivalent to NZ CS and of a high quality. The factors we would consider when assessing this include, but are not limited to:

- reporting standards are based on TCFD recommendations or ISSB standards, and
- application of foreign reporting standards would result in broadly equivalent information to that required by NZ CS.

Proposed foreign jurisdictions and climate reporting standards to include in Schedules

We have assessed the Australian CRD regime and AASB S2 and concluded that they satisfy the criteria detailed above.

Therefore, we propose to include AASB S2 as an approved climate reporting standard in Schedule 1 of any initial exemption notice and Australia as an approved jurisdiction in Schedule 2. We note Australia is a signatory to the IOSCO MOU.

We welcome views on whether any other standards and countries should be included in any initial exemption notice. We expect as other countries adopt comparable CRD regimes they will be added into the Schedules to the notice, after assessment by the FMA. The XRB in its recent [*Request for Information – The international alignment of climate reporting*](#) (April 2025 | xrb.govt.nz) set out a useful summary of what is happening in overseas jurisdictions. A summary is included in Appendix 1.

Proposed exemption conditions

We propose the exemption includes the following conditions:

- The entity must comply with its home jurisdiction CRD regime.

¹⁰ As defined in section 19B of the Financial Reporting Act 2013 and detailed on page 4 of this document.

- The entity must lodge climate statements, including any associated assurance report, prepared in accordance with its home jurisdiction's climate reporting and assurance requirements on the New Zealand CRD Register within 4 months of its balance date.
- The entity must make available information about its reliance on the exemption in various ways, e.g. statement in annual report, NZX's Market Announcement Platform, letter to Registrar of CRD register.

We are not proposing a condition that a foreign CRE must file in New Zealand separate climate statements for its New Zealand business using the home jurisdiction's climate reporting and assurance requirements, at the same time it must file its group climate statements. We believe this approach will avoid unnecessary compliance costs, and the group reporting will be sufficient to:

- a) give primary users a fair view of how the foreign business as a group routinely considers the short-, medium-, and long-term risks and opportunities that climate change presents for the activities of the group, including New Zealand activities where material, and how it considers those risks and opportunities; and
- b) enable investors and other stakeholders to assess the merits of how the entity is considering those risks and opportunities.

We welcome views on whether the proposed conditions are needed, as well as views on any additional conditions.

Other options we have considered

We have considered a wide variety of options for the proposed exemption.

One option is to grant a class exemption to exempt foreign incorporated CREs completely from complying with Part 7A of the FMC Act with no conditions attached.

The effect of this option would be that only New Zealand incorporated CREs would be subject to our CRD regime. This would mirror the Australian legislative approach, which only imposes sustainability reporting requirements on Australian incorporated entities. However, this option is arguably inconsistent with the policy intent of Part 7A of the FMC Act, which expressly requires overseas banks and insurers to prepare and lodge climate statements for their New Zealand businesses and therefore could be viewed as overly broad.

Another option is to grant a class exemption from Part 7A of the FMC Act for CREs incorporated in Australia only, on the condition they prepare and lodge a Sustainability Report prepared in accordance with AASB S2, and an assurance report prepared in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) and ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010), on the New Zealand CRD Register.

This option would respond to recent stakeholder feedback to the XRB that Australia is the priority. However, if other jurisdictions implement mandatory climate reporting regimes with broadly equivalent standards to New Zealand, then we would be required to consider and possibly issue an additional class exemption (normally a 6 to 9 month process).

Questions

Status quo

| | |
|----|--|
| Q1 | Do you agree with the problem statement on page 6, including why the status quo does not work effectively for overseas CREs? If you disagree, please let us know why. |
| Q2 | <p>Please explain the impact of the status quo on the following stakeholders. Where appropriate, provide details of the costs (including compliance costs) and any benefits.</p> <ul style="list-style-type: none">• Primary users• Foreign listed issuers• Overseas banks• Overseas insurers |
| Q3 | Is a class exemption from Part 7A of the FMC Act required or are there other interventions we could consider? Please give reasons for your view. |

Proposed scope and conditions of the exemption

| | |
|----|---|
| Q4 | Do you agree with the proposed scope and conditions of the exemption? If you disagree, please let us know why. |
| Q5 | Do you agree with the criteria for approving foreign jurisdictions and climate reporting standards? If you disagree, please let us know why. |
| Q6 | Do you agree with our view that Australia's mandatory climate reporting regime and AASB S2 are broadly equivalent to New Zealand's settings? If you disagree, please let us know why. |
| Q7 | Do you believe there are any other relevant jurisdictions that would currently meet our suggested criteria for inclusion in the proposed exemption notice? Please give reasons for your view. |
| Q8 | <p>Please explain the impact of the proposed exemption and conditions on the following stakeholders. Where appropriate, please provide details of the costs and any benefits.</p> <ul style="list-style-type: none">• Primary users• Foreign listed issuers• Overseas banks• Overseas insurers |
| Q9 | Should it be a condition that a foreign CRE must file in New Zealand separate climate statements for its New Zealand business using an approved overseas standard, at the same time it must file its group climate reporting? If so, in what circumstances should this be required? |

| | |
|-----|--|
| Q10 | The proposed relief overlaps with the existing foreign listed issuers CRD exemption. Do you believe the existing foreign listed issuers CRD exemption should remain as is, if this new exemption is granted? |
| Q11 | Are any additional conditions required if exemption relief is granted? |

| | |
|--------------|---------------------------------|
| Other | |
| Q12 | Do you have any other comments? |

Appendix

Foreign CRD reporting regimes

The XRB in its recent [*Request for Information – The international alignment of climate reporting*](#) (April 2025 | [xrb.govt.nz](#)) set out a useful summary of what is happening in overseas jurisdictions.

Australia

In September 2024, the AASB issued standards based on IFRS S1¹¹ (AASB S1 as a voluntary standard) and IFRS S2¹² (AASB S2 as a mandatory standard). AASB S2 incorporates the elements of AASB S1 that must be applied for climate reporting purposes. We expect the first reporting against AASB S2 to be publicly available in the second quarter of 2026.

There are differences between IFRS S2 and the Australian regime. For example, the Australian primary legislation contains specific requirements on scenario analysis (number of scenarios and temperature outcomes) that are not in IFRS S2. Additionally, AASB S2 does not include the requirement in IFRS S2 to disclose industry-based metrics, and to refer to and consider the applicability of the disclosure topics and metrics identified in industry-based guidance that accompanies IFRS S2.

The XRB has published an [interoperability tool](#) explaining the differences and similarities for each requirement from NZ CS to AASB S2 and vice versa.

Other jurisdictions' use of IFRS S2

The XRB notes other jurisdictions, including Japan, China, Singapore, the United Kingdom, Canada, Brazil and Nigeria, have adopted or are in the process of adopting or aligning to the ISSB standards. However, diverse approaches are being taken; 'adoption' of or 'aligning to' the ISSB standards means different things from jurisdiction to jurisdiction. Also, the date at which mandatory reporting begins is also variable. For example, China intends to introduce ISSB-aligned climate-related disclosures by 2027. The date of application of some jurisdictions' standards (such as Canada and the UK) is currently unclear. In December 2024, the Chinese Ministry of Finance (CMOF) finalised the Basic Standards for Corporate Sustainability Disclosure that can be applied by Chinese enterprises on a voluntary basis. CMOF has stated that it plans to issue standards (starting with climate) for listed and non-listed companies by 2027, laying the foundation for a national sustainability disclosure system by 2030.

Other jurisdictional standards

Like New Zealand, some jurisdictions that have introduced or are introducing mandatory sustainability or climate reporting are issuing jurisdiction-specific standards. These include the European Union's European Sustainability Reporting Standards (ESRS) and rules being developed by some states of the United States,

¹¹ International Financial Reporting Standard S1 General Requirements for Disclosure of Sustainability-related Financial Information.

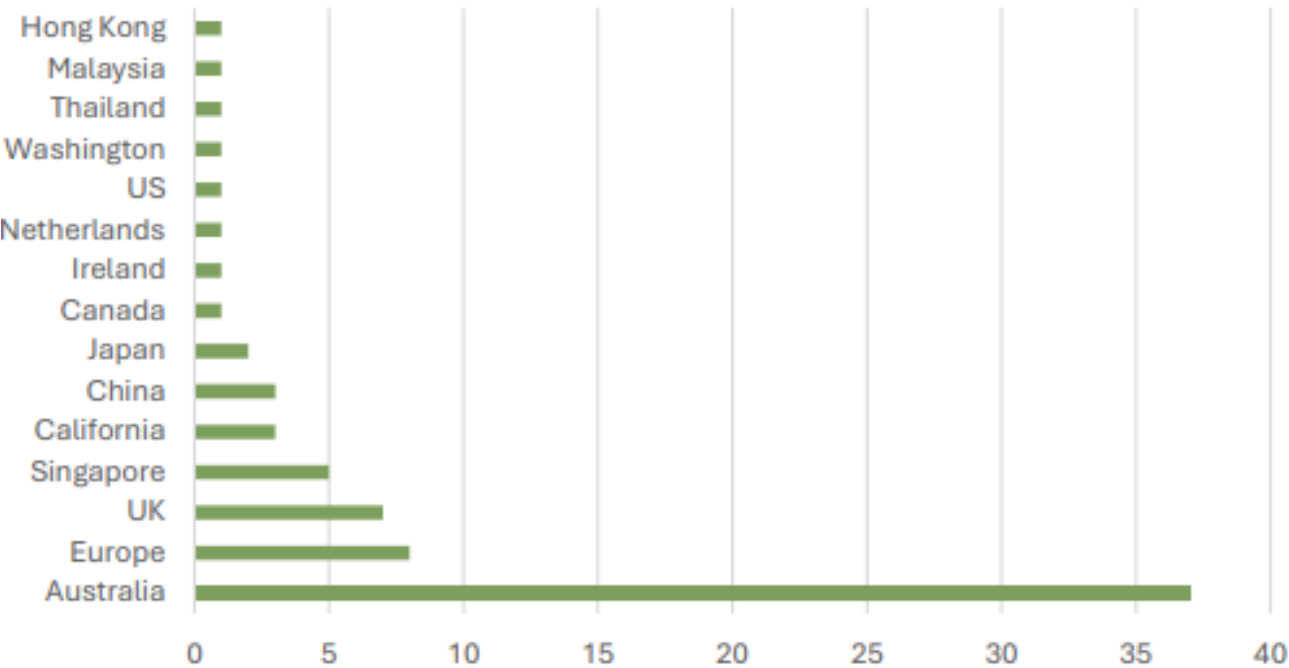
¹² International Financial Reporting Standard S2 Climate-related Disclosures.

such as California, New York and Illinois. These standards can have different requirements and definitions. For example, Europe has adopted a ‘double materiality’ principle, which states that an entity should disclose the impact of its activities on people or the environment, as well as the impact of sustainability risks on the entity. NZ CS, IFRS S2 and AASB S2 do not require double materiality. More disclosures can be required under the double materiality principle and so compliance costs could be higher. However, double materiality disclosures can be an effective mechanism to better understand reputational or other risks and opportunities to an entity.

Comparing NZ CS with these standards is difficult because there is uncertainty about the content of developing standards or a rapid evolution in existing standards. For example, the ESRS that were issued in 2023 are to be simplified, but the changes and commencement date are unknown.

Feedback on XRB RFI¹³

In its request for information (RFI), the XRB asked which overseas jurisdictions are the most important for you (as a CRE or a primary user of climate statements). 74 of the 84 submitters (88%) provided feedback on this question. The most frequently referred to jurisdiction was Australia:



The XRB found that many submitters – especially those with cross-jurisdictional operations – expressed strong support for some form of mutual or unilateral recognition, noting that it could reduce duplication of climate reporting efforts, lower compliance costs and administrative burden, and lead to improved efficiency and better resource allocation. They also emphasised that recognition would enhance the comparability and credibility of disclosures, as well as streamline assurance processes across jurisdictions.

One recurring theme seen by the XRB was the desire for trans-Tasman mutual recognition between New Zealand and Australia. Entities operating in both jurisdictions highlighted the need to align NZ CS with

¹³ [What we heard: RFI on international alignment of CRD | xrb.govt.nz](#)

Australia's AASB S2, and suggested updates to NZX/ASX listing rules and advocating for exemptions for dual-listed entities to ease compliance requirements.

Submitters proposed various mechanisms to operationalise mutual recognition, including formal bilateral agreements between regulators, unilateral recognition via FMA exemptions, and equivalence frameworks allowing New Zealand entities to report under AASB S2 or IFRS S2.