

Financial Markets Conduct (Conduct of Financial Institutions – Westpac Banking Corporation) Exemption Notice 2025

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

Contents

	Page
1 Title	1
2 Commencement	1
3 Revocation	1
4 Interpretation	1
5 Application	2
6 Exemption	2
7 Conditions	2

Notice

1 Title

This notice is the Financial Markets Conduct (Conduct of Financial Institutions – Westpac Banking Corporation) Exemption Notice 2025.

2 Commencement

This notice comes into force on 6 October 2025.

3 Revocation

This notice is revoked on the close of 5 October 2030.

4 Interpretation

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

Act means the Financial Markets Conduct Act 2013

associated product has the same meaning as in section 446F(2) of the Act

consumer has the meaning set out in section 446P(1) of the Act

exempt customer means a consumer—

- (a) who became a customer of WBC when the person resided outside New Zealand; or
- (b) who—
 - (i) currently resides in New Zealand but intends to reside outside New Zealand; and



- (ii) requires the provision of a relevant service or an associated product by WBC when residing outside New Zealand; or
- (c) who—
 - (i) did not become a customer of WBC as a result of conduct of WBC that was intended to target consumers in New Zealand; and
 - (ii) requires the provision of a relevant service or an associated product in relation to funds or property held outside New Zealand or other activities carried on outside New Zealand

relevant service has the same meaning as in section 446F(1) of the Act

WBC means Westpac Banking Corporation (ACN 007 457 141)

WNZL means Westpac New Zealand Limited.

- (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.

5 Application

The exemption in clause 6 applies to WBC if, in relation to a relevant service or an associated product that it provides to an exempt customer, it is—

- (a) licensed to carry on banking business in Australia; and
- (b) licensed, authorised or otherwise permitted to carry on banking business or to provide the relevant service or the associated product in the jurisdiction from which it provides that service or product (if the service or product is provided from a jurisdiction other than Australia).

6 Exemption

WBC is exempted from subpart 6A of Part 6 of the Act in respect of the provision of a relevant service or an associated product to an exempt customer.

7 Conditions

- (1) The exemption in clause 6 is subject to the following conditions in respect of the provision of a relevant service or an associated product to an exempt customer:
 - (a) WBC provides the relevant service or the associated product from outside New Zealand and not as part of WBC's New Zealand business; and
 - (b) WBC does not distribute, or authorise or instigate the distribution of, any advertisement for a relevant service or an associated product that is intended to target consumers in New Zealand, other than an advertisement—
 - (i) that—
 - (A) is distributed only to consumers in New Zealand who are exempt customers; or
 - (B) is directed at consumers in New Zealand who intend to reside outside New Zealand and may require the provision of a relevant service or an associated product by WBC when residing outside New Zealand; and
 - (ii) that contains the information in subclause (2); and

- (c) WBC must take reasonable steps to ensure that before, or, if not practicable before, as soon as practicable after, commencing to provide a relevant service or an associated product that is designed to be provided to consumers to an exempt customer, the exempt customer is informed in writing, in a clear and effective manner, of the following matters—
 - (i) that the provision by WBC of the relevant service or the associated product is regulated by the laws and regulatory requirements of the overseas jurisdiction that is identified by WBC and that any complaint or dispute that arises in respect of that service or product is to be determined by the laws and dispute resolution processes of that jurisdiction; and
 - (ii) how to make a complaint in relation to WBC's provision of the relevant service or the associated product, including how to make a complaint to any external dispute resolution scheme; and
 - (d) if a consumer in New Zealand who is an exempt customer at the date of commencement of this notice has not been informed in writing of the matters set out in subclause (1)(c) in relation to a relevant service or an associated product that is designed to be provided to consumers, WBC must take reasonable steps to ensure that the consumer is informed in writing of those matters as soon as practicable after the commencement of this notice.
- (2) For the purposes of subclause (1)(b)(ii), the information is—
- (a) a statement that the relevant service or the associated product is being provided by WBC from the overseas jurisdiction referred to in paragraph (c) below, and not by WBC's New Zealand branch or by WNZL; and
 - (b) a statement to the effect that WBC has been granted an exemption from requirements under the Act that provide for financial institutions to treat consumers fairly, in relation to the provision of a relevant service or an associated product to an exempt customer; and
 - (c) a statement that identifies the overseas jurisdiction whose laws and regulatory requirements principally govern the provision by WBC of the relevant service or the associated product; and
 - (d) a statement to the effect that any dispute that arises in respect of the provision of the relevant service or the associated product is to be determined by the laws and the dispute resolution processes of the overseas jurisdiction referred to in paragraph (c) above and not those of New Zealand; and
 - (e) a brief description of how to contact WBC and how to make a complaint in relation to WBC's provision of the relevant service or the associated product, including how to make a complaint to any external dispute resolution scheme.

Dated at Auckland this 1st day of October 2025.



Michael Hewes
Director, Deposit Taking, Insurance and Advice
Financial Markets Authority

Statement of Reasons

This notice comes into force on 6 October 2025 and is revoked on 5 October 2030. It applies to cross-border services provided by Westpac Banking Corporation (**WBC**), an overseas bank that is licensed to carry on banking business in Australia. WBC is also a registered bank in New Zealand and licensed as a financial institution under Part 6 of the Financial Markets Conduct Act 2013 (**Act**).

This notice relates to cross-border services provided by WBC from outside New Zealand to certain consumers in New Zealand (**Cross-border Services**). This is limited to existing customers of WBC who have moved to New Zealand, consumers intending to move overseas, and consumers who approach WBC for services that relate to activities the consumer carries on overseas.

This notice exempts WBC from subpart 6A of Part 6 (**subpart 6A**) of the Act, which regulates the conduct of financial institutions, in relation to the provision of Cross-border Services.

The broad effect of the exemption is that WBC does not have to comply with requirements designed to ensure that financial institutions treat consumers fairly, in respect of the Cross-border Services. The exemption only applies to the provision of Cross-border Services and WBC will still have to comply with the requirements designed to ensure financial institutions treat consumers fairly in respect of other relevant services and associated products provided to consumers in New Zealand, including through its New Zealand branch.

The exemption for the Cross-border Services requires WBC to be licensed to carry on banking business in its home jurisdiction of Australia, and licensed, authorised or otherwise permitted to carry on banking business or to provide the relevant services in any other jurisdiction from which it provides the services. Conditions prevent WBC distributing advertisements that target New Zealand consumers (other than in very limited circumstances with appropriate disclosures included) and require it to give customers information (through terms and conditions or otherwise) directed at making it clear, in relation to services that are designed to be provided to consumers, that the provision of the services, and any disputes, will be governed by the laws of Australia or other overseas jurisdiction the services are provided from.

The Financial Markets Authority (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 exemption supports a level playing field and consistency of treatment with other overseas banks that are not registered banks in New Zealand and that provide similar overseas services to consumers in New Zealand without being subject to subpart 6A. The exemption recognises that, but for WBC being a registered bank in New Zealand, it would not be required to comply with subpart 6A to provide the Cross-border Services:
- the exemption recognises that the factors connecting the Cross-border Services to New Zealand are limited. The services are provided outside New Zealand in respect of activities that are or will be carried on outside New Zealand, that will be regulated in the overseas jurisdiction, and, in some cases, to consumers who resided outside New Zealand initially or who intend to reside outside New Zealand:
- in circumstances where consumers are existing customers of WBC who have moved to New Zealand, or who approach WBC as an overseas bank for services the bank provides in an overseas jurisdiction, and are, in relation to services that are designed to be provided to consumers, informed that the provision of the services and resolution of any disputes is governed by the laws of the overseas jurisdiction rather than by New Zealand law, granting the exemption supports the informed participation of New Zealand consumers in carrying on overseas activities, continued access to services that are generally not offered by local banks in New Zealand, and the ability of consumers to move across borders without unnecessary barriers, inconvenience and costs:

- as such, the FMA is satisfied that the granting of the exemption is desirable in order to promote the purposes of the Act, specifically to promote and facilitate the development of fair, efficient and transparent financial markets, to promote the confident and informed participation of consumers in the financial markets, to promote innovation and flexibility in the financial markets, and to avoid unnecessary compliance costs:
- given the limited application of the exemption to the Cross-border Services provided to restricted categories of consumers, and conditions that restrict the Cross-border Services to those provided from outside New Zealand, restrict advertising that targets New Zealand consumers, and that relate primarily to the overseas activities of those consumers, the FMA is satisfied that the exemption is not broader than is reasonably necessary to address the matters to which it relates.