



20 APRIL 2026

Briefing to the incoming Minister

**FMA briefing to the incoming Minister of
Commerce and Consumer Affairs**

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Executive summary

The Financial Markets Authority (FMA) – Te Mana Tātai Hokohoko is an independent Crown entity and New Zealand's principal conduct regulator of financial markets. It was established in 2011 following the collapse of the finance companies between 2007 and 2009. Our statutory objective is to promote and facilitate the development of fair, efficient, and transparent financial markets, and to promote the confident and informed participation of businesses, investors and consumers in financial markets.

Since the National-led government was formed in November 2023, the FMA has worked with your predecessors and its policy agency, MBIE, on a series of work programmes to support economic growth and reduce unnecessary regulatory burden. This includes the transfer of consumer credit regulation to the FMA, the creation of a single conduct licence for regulated firms, changes to the climate-related disclosures regime, capital markets development, and supporting innovation to enable a future-focused financial system. AML/CFT responsibilities are also being moved from the FMA to DIA.

This work is a key part of legislation that currently sits before the House at the second reading stage. The FMA is looking to work with you and MBIE to ensure delivery of these policy changes ahead of the House rising for the 2026 General Election.

A core focus for the FMA is to be future-focused, enabling innovation and flexibility in financial markets. This includes removing unnecessary regulatory burden. The FMA uses its exemption power to exempt firms from certain legislation where appropriate. The FMA has recently done this to support the development of 'green bonds' in New Zealand's capital markets and to mitigate regulatory burden on offshore firms that prepare climate statements both here and overseas.

Focusing on the future means the FMA promotes innovation, supports competition and enables economic growth. The FMA is building on its successful 2025 pilot regulatory sandbox for innovative firms by introducing a provisional 'on-ramp' licence to enable more firms to test certain types of products for a fixed period. The FMA also engages with policymakers on future-proofing regulatory frameworks to support a productive environment for virtual assets such as cryptocurrencies, tokenisation and payment services.

The FMA's regulatory approach is to engage regularly with the senior leadership of firms and consumer representatives to drive good outcomes for consumers and markets, and to deter misconduct before it occurs. The FMA uses a range of regulatory tools to address misconduct, from feedback letters and private and public warnings to stop or direction orders, to civil/criminal proceedings.

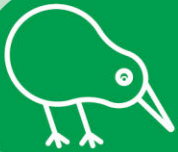
The FMA has significant high-profile investigations currently underway, including into the Auckland-based property investment company Du Val and the South Island-based investment firm Chance Voight. The FMA has a \$5 million appropriation for litigation expenses. Despite active management, this level of funding is being tested by cases currently in progress, when considered with new cases that are likely to occur.

The FMA continues to monitor the impact of the war in the Middle East on financial markets in New Zealand and around the globe. We will provide you with updates on this at our regular scheduled meetings.

Overview

Key contacts	Chair – Steven Bardy (Acting) Chief Executive – Samantha Barrass
Established	Financial Markets Authority Act 2011
Status	Independent Crown Entity
Our role	<p>As New Zealand’s principal conduct regulator of financial markets, we have a range of functions:</p> <ul style="list-style-type: none">• Licensing of a range of firms and professionals to provide certain financial products and services.• Supervision of the industry to ensure they comply with the law and to maintain dialogue on risks to the outcomes we want to see for consumers and markets.• Investigation and enforcement activities to hold to account those whose conduct harms the operation of our financial markets, raise standards of behaviour, and deter misconduct.• Policy and guidance that assists firms and professionals to set expectations and comply with the law. We keep under review the law and practices relating to financial markets and participants. We grant exemptions or designations to ensure proportionate and appropriate regulation of products and services.• Information and resources to help consumers make better investment and financial decisions.• Environmental scanning to identify the most significant risks and opportunities to deliver our statutory purpose and priorities.
Annual budget (Opex)	\$77.9 million operating budget, approx 85% funded via industry levies \$5 million litigation fund (entirely Crown funded)
Directors	The Board is made up of 8 members
Staff	320 total staff, based in Auckland (62.5%), Wellington (35%), Christchurch (1.25%) and remote (1.25%)

FMA's regulatory system at a glance



\$143 billion

total KiwiSaver assets under management (at December 2025)

3,448,750

KiwiSaver members (at March 2026), over two-thirds of NZ's population



\$140 billion

total funds under management by non-KiwiSaver managed investment schemes (at December 2025)

\$56.2 billion

total funds under management by Discretionary Investment Management Services (at June 2025)



\$767 billion

total assets held by registered banks (at February 2026)



\$246.9 billion

NZX market capitalisation (at December 2025)



More than **\$250 million**

returned to customers by banks and insurers as a result of issues requiring remediation identified since the FMA/RBNZ Conduct & Culture reviews in 2018/19



More than **\$60 million**

in penalties awarded against entities since July 2022

Our licensed and regulated population includes:



- 1,680 Financial Advice Providers
- 69 Managed Investment Scheme Managers



- 130 domestic licensed auditors
- 1,022 FMC audits



70+ Climate Reporting Entities (subject to law change)



1,000+ AML/CFT reporting entities

Priority law reform

The Government is progressing reforms announced in January 2024 to streamline and improve the effectiveness of financial services regulation. Alongside the transfer of anti-money laundering and the countering financing of terrorism responsibilities to DIA from the FMA, there is a package of bills currently progressing through Parliament:

Credit Contracts and Consumer Finance Amendment Bill

The Bill will transfer regulatory responsibility for the Credit Contracts and Consumer Finance Act from the Commerce Commission to the FMA, making the FMA the sole conduct regulator of financial services. The intent is to simplify and streamline the regulation of financial services, remove undue compliance costs for participants, and improve consumer outcomes. The FMA is actively working with the Commerce Commission, MBIE, and industry to support a smooth transition.

The Bill is currently awaiting its second reading. The FMA supports:

- amending the Bill at the Committee of the whole House to include a fixed transfer date of 1 July 2026, as proposed in an Amendment Paper released by the previous Minister; and
- progressing the Bill through its remaining stages as soon as practicable.

Market participants are currently raising the uncertainty over the credit transfer as an issue of regulatory burden with the FMA.

Timely passage of this Bill is essential to enable this change on 1 July 2026 and reduce operational risk related to the transfer.

Financial Markets Conduct Amendment Bill

This Bill amends financial markets legislation and is currently partway through its second reading. Changes include:

- Simplification of the fair conduct programme requirements under the CoFI regime
- Creation of a single conduct licence for firms regulated by the FMA
- Adding FMA on-site inspection, power and change in control approval requirements
- Embedding long-standing FMA exemptions
- Adjusting disclosure rules to reduce unnecessary regulatory burden.

The FMA supports these changes, which will reduce unnecessary regulatory burden and provide us with important regulatory tools to be a proactive, effective and efficient regulator.

The Bill also includes changes to reduce the number of entities subject to the mandatory climate-related disclosure regime by excluding MIS managers and listed issuers with a market capitalisation under \$1 billion. The FMA has provided interim relief to these entities by confirming it will take a no-action approach during the 2025/26 reporting period.

Policy work programme

Use of FMA's exemptions and designations to promote growth and innovation

The FMA seeks to minimise regulatory burden when the benefits of regulation do not outweigh its costs. We have wide powers to make secondary legislation to exempt classes of, or individual, persons or transactions from some legal requirements.

Avoiding unnecessary compliance costs and facilitating innovation or flexibility in financial markets are both grounds to grant an exemption.

The Board has a standing Exemptions Division, which makes decisions on class exemptions, designations, and some individual exemptions.

We currently have over 40 class exemptions and around 100 individual exemptions in place. FMA exemptions can only be in force for up to 5 years. In 2026, we are completing a review of 14 class exemptions expiring in 2026, as well as progressing the development of 2 new class exemptions.

Capital markets

The FMA continues to actively support MBIE with your predecessors' work to develop and grow New Zealand's capital markets. Underpinning this work is the joint FMA/NZX-sponsored Capital Markets 2029 report published in 2019.

Significant changes already made include making prospective financial information for equity securities offers optional and reducing the cost of listing on the NZX.

The FMA has also granted several exemptions to help develop the sustainability or 'green' bond market and provide relief to some climate reporting entities. The FMA is also finalising a new class exemption providing relief for issuers from certain unsolicited offer provisions when buying back their own quoted debt securities.

Scoping for further work includes considering several industry proposals for reforms. This also includes considering the regulatory settings around wholesale investments, where investors do not have the same protections as retail investors. We support consultation to explore all these issues.

The FMA continues to engage with MFAT, the NZX and its Singaporean counterparts about the New Zealand-Singapore Comprehensive Strategic Partnership. The agreement commits New Zealand and Singapore to work together on capital markets development and explore a 'fintech' bridge to support innovative fintech firms operating in both markets.

Innovation and the future of financial services

Technology-enabled innovation can benefit consumers, businesses, and New Zealand by improving access to products and services, strengthening competition, reducing the cost of doing business, and supporting economic growth.

New Zealand is in the early stages of developing a modern digital financial system and rolling out the building blocks for this, including open banking standards, consumer data rights, and digital identity services. The FMA understands the importance of building a future-focused financial sector and embracing innovation that will strengthen the efficiency and competitiveness of the financial system. Our current

innovation priorities encompass the sandbox initiative, 'on-ramp' licence, and exploring the role of artificial intelligence (AI), digital assets and tokenisation, and payment services.

Operational focus: regulatory sandbox and use of AI in financial advice

The FMA's regulatory sandbox supports innovative firms to test products and services before full launch. Insights from the pilot, completed in February 2026, will be published mid-year. The next phase is a provisional 'on-ramp' licensing programme offering time-limited, proportionate licensing with phased obligations as a pathway to a full licence. Key design features will be tested with external stakeholders in mid-2026.

We are also currently considering the use of AI in financial advice. We are looking to better understand which use cases are being developed by industry, which technologies are being deployed, and what guidance (if any) industry would like from the FMA. We held an industry roundtable on 15 April 2026 to kick-start the work in this area. We are planning to engage with firms and startups with a mix of short surveys, individual meetings and roundtable discussions.

Policy focus: Payment services, digital assets, and custody

Our innovation policy workstream examines how the law and practices relating to financial markets and their participants are changing across three key, interrelated areas.

- **Payments:** We are supporting MBIE to develop options for a modern, proportionate regulatory framework for payment service providers (PSPs). While payments have evolved through digital wallets, open banking, and buy-now, pay-later services, the next wave of innovation (driven by blockchain technologies such as stablecoins) offers potential for faster, cheaper, and more borderless settlement.¹ Feedback from FMA's sandbox and innovation roundtable indicates current settings favour banks and constrain non-bank PSPs, limiting investment, scale, and choice compared with international peers that have introduced dedicated payment frameworks. We are also supporting the RBNZ's payments modernisation work programme.
- **Digital assets:** In parallel, the FMA is using sector insights from our discussion paper *Tokenisation in financial markets*² to shape work on digital assets and future regulatory options. We are looking to improve near-term regulatory certainty for firms operating in this area, and to inform any potential future law reform.
- **Custody:** We are also considering practices governing custody of client assets. The IMF's 2017 Financial Sector Assessment Program noted New Zealand custodians are not subject to prudential requirements or ongoing supervision, and recommended licensing and FMA oversight, which remains unimplemented. Since then, assets held in custody have grown, and market developments, including the rise of digital assets, have led to some assets being held outside existing protections. An FMA discussion paper will be published before the end of June this year.

¹ We have recently published a designation relating to Easy Crypto's Stablecoin (ECDD) [Financial Markets Conduct \(ECDD Holdings Limited Stablecoin\) Designation Notice 2026 | Financial Markets Authority](#). Easy Crypto was a participant in the FMA sandbox pilot.

² See [Submissions report: Tokenisation in financial markets](#)

Enforcement

The FMA identifies and deals with market conduct that poses a risk to investors or customers. It is a critical part of our work. The purpose of enforcement is to hold to account those who breach their legal obligations and to deter others from engaging in misconduct.

The FMA has a range of powers and remedies to address misconduct or potential harm, offering greater flexibility than litigation. These include tools such as public and private warnings, direction orders, stop orders and action plans to tackle misconduct. Should an issue escalate to litigation, both civil and criminal proceedings remain an option under our legislation.

The FMA receives an appropriation of \$5 million per year to bring litigation cases or to defend itself. Any unspent money is returned to the Crown at the end of the year.

The FMA's position is that while the litigation portfolio is actively managed, the current level of funding is being tested by the cases that are currently in progress, when taken together with new cases that are likely to arise, particularly given the recent expansions in the FMA's remit.

FMA action has led to more than \$60 million in penalty payments being returned to the Crown over the past four years.

Key ongoing enforcement cases

Investigation into Du Val and associated entities

The Auckland-based Du Val Property Group of companies (Du Val Group) raised money from investors using the wholesale investor exclusion to the Financial Markets Conduct Act. Wholesale investors do not have the same protection as retail investors, but fair dealing rules still apply, covering misleading conduct and false representations.

The FMA first took regulatory action against the Du Val Group in 2021 because of concerns about the way its wholesale products were promoted. The FMA also issued a direction order, which was upheld in the High Court, and a public warning.

In August 2024, around 70 Du Val Group entities were placed into interim receivership. Cabinet then placed the Du Val Group into statutory management to protect investors, creditors and the public interest. The most recent statutory manager report suggests the firm's debt is \$226 million, down from \$300 million when it was placed into statutory management.

Chance Voight

Chance Voight Investment Corporation Limited (Chance Voight) is a South Island-based investment firm that raised around \$51 million from more than 100 investors between 2021 and 2025 using the wholesale investment exclusions. Following complaints, the FMA opened an investigation in September 2025.

The group principal, Bernard Whimp, has a history of legislative and regulatory issues dating back to 2003.

In December 2025, the FMA applied to place Chance Voight and 5 of its main subsidiaries into liquidation in connection with an ongoing investigation into Chance Voight.

The Court appointed PwC New Zealand (now Teneo Financial Advisory New Zealand) as interim liquidators. The FMA took this action because it held serious concerns about the management of the Chance Voight Group, which appeared to be insolvent, failed to supply information to the FMA and may have broken financial markets laws.

The liquidation applications are opposed by Mr Whimp. A hearing has been scheduled for July 2026 at the Christchurch High Court.

The FMA investigation remains ongoing, with the FMA and the interim liquidators continuing to receive information from investors, creditors, and other parties.

Watchlist issues

Tackling financial fraud and scams

Scams are a material and ongoing threat to New Zealand, damaging consumer trust and confidence in financial markets. The FMA continues to treat scam-related harm linked to financial products and services as a regulatory priority. The FMA's response is risk-based and targeted, and focused on:

- Regulatory and enforcement action within the scope of the FMA's statutory powers, which typically involves the use of a public warning (noting most scam actors are offshore, so New Zealand enforcement actions are limited). FMA issued 110 warnings in the year to 30 June 2025.
- Disruption of the scam infrastructure, including reporting to domains via FMA-held trusted flagger relationships and website takedown requests (more than 1,000 websites suspended in 2025).
- Intelligence collection, analysis and sharing to support disruption activity.
- Consumer warnings and guidance to deter harm and support informed decision-making.

Domestically, we support and participate in the New Zealand Anti-Scam Alliance. We also support global anti-scam efforts through bilateral and multilateral engagement with our international counterparts.

Key upcoming documents

Over the next few months, you will receive key documents from the FMA for either your information, tabling or for feedback.

Response to Letter of Expectations

Each year the Minister of Commerce and Consumer Affairs issues a Letter of Expectations to the Board to communicate the Government's strategic and performance expectations for the FMA. The FMA will respond promptly to your letter for the 2026/27 year upon receipt.

Statement of Performance Expectations

Our [Statement of Performance Expectations](#) (SPE) sets out our financial forecast for the financial year 1 July to 30 June. It is prepared in line with the Crown Entities Act 2004 and should be read together with the current Statement of Intent. You will receive the FMA's draft SPE for 2026/27 by 30 April 2026.

NZX General Obligations Review

This is an annual report on how well the stock market operator is meeting its statutory obligations. It is published before the end of June of each year.

Financial Conduct Report

This [report](#) was first published last year. It sets out the FMA's area of focus for the year ahead. It is published in June every year.

KiwiSaver report

The FMA is required under the KiwiSaver Act to publish a report annually on the 'principal matters transacted under the Act'. The report must be with you by the end of September each year. It typically attracts significant attention from KiwiSaver providers and the media.

Annual Report

This is our [yearly report](#) of progress against the Statement of Intent, results against the Statement of Performance Expectations as well as an overview of key activities and achievements.

Appendix: Attendees at your regular meetings

FMA Board



Craig Stobo: Board Chair, Regulatory Oversight Committee Chair

Craig Stobo is a professional director with experience as a diplomat, economist, chief investment officer and chief executive. He is currently the Chair of the Local Government Funding Agency and NZ Windfarms Ltd. His qualifications include a Bachelor of Arts, First Class Honours in Economics from Otago University, an Advanced Management Programme from Wharton School of the University of Pennsylvania, and an Associate Member of the CFA Society New Zealand. He is the former chief executive of BT Funds Management and has previously held a variety of director and chair roles, including AIG Insurance New Zealand, Precinct Properties Limited and Fliway Group Limited.

Current term ends May 2029

Steven Bardy: Deputy Chair, Acting Chair



Steven is a senior executive with extensive experience as a regulator and advisor in financial services, financial services regulation, compliance and risk management. He consults with the World Bank and foreign governments on financial services regulation and is a senior advisor to Principia Advisory, a European-based global leader in ethics consulting. He was previously Managing Director of Promontory Australia, an IBM company, and a senior executive leader at the Australian Securities and Investments Commission. He served as the inaugural chair of the Assessment Committee of the International Organisation of Securities Commissions

(IOSCO) and an ASIC representative on the IOSCO Board. He has also worked in the finance and tax practices of the Australian and US offices of an international law firm, held ministerial advisor positions in the Victorian Government, and held senior risk and compliance positions at an Australasian Bank, and consulted on strategy in both Australia and Europe. Steven holds a BEc and an honours LLB degree from the Australian National University and an MBA from the London Business School.

Current term ends February 2027

Samantha Barrass: Chief Executive

Samantha has been Chief Executive of the Financial Markets Authority since 2022. She has overseen the successful introduction of several regulatory regimes covering financial advice, banking, insurance and climate-related disclosures. Samantha grew up in Christchurch and started her career as an economist at the Reserve Bank of New Zealand. She has more than three decades of regulatory experience and has worked for industry associations, including at the UK's Financial Conduct Authority and the London Investment Banking Association. Before returning to New Zealand to be Chief Executive of the FMA, she was the Chief Executive of the Gibraltar Financial Services Commission and the Chief Executive of the UK's Business Banking Resolution Service.



