



5 MARCH 2025

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 to restore investor confidence following the collapse of a large number of 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.

The FMA works in a dynamic market and policy environment with a sector that has undergone significant regulatory change over the last decade. The FMA is working with MBIE on significant policy programmes in areas such as capital markets development, climate-related disclosures, investment in private assets, and scams. Following [Cabinet decisions](#) to shift responsibility for credit regulation from the Commerce Commission to the FMA, significant work is underway to ensure a smooth transfer, while we await legislation to be passed. With significant policy work already commenced, we are looking to work with you to ensure legislative delivery of this suite of policy changes.

Promoting innovation and flexibility in financial markets is a purpose of the FMA's core legislation. We are launching a pilot regulatory sandbox for fintech firms in 2025, which has been well received by the sector. We also continue to provide support for the Creative HQ FinTech lab and have recently provided clarity to the market on legal obligations for e-money providers.

We are currently embedding several new regulatory regimes that align New Zealand's financial sector with its overseas counterparts. This includes the introduction of the Conduct of Financial Institutions (CoFI) regime, which extends conduct regulation to cover day-to-day banking and insurance. Other changes include the introduction of the Climate-related Disclosures regime, a new financial advice regime and further changes to the relationship between insurers and consumers.

The FMA has invested significant resource into supporting firms with their transition into these regimes via guidance, licensing engagement, and by signalling our regulatory approach. We have granted class and individual exemptions to avoid unnecessary regulatory burden and to ensure that the new regulatory requirements do not restrict New Zealanders' access to financial services and products.

The FMA takes an engagement-led, outcomes-focused approach to our work. This means we look to engage regularly with the senior leadership of firms and consumer representatives to drive good outcomes for consumers and markets, as well as to deter misconduct before it occurs. We will shortly publish our response to a consultation with industry on the outcomes we should focus on. This received significant and strong feedback from the industry, as well as supportive comments from consumer groups. We have taken time to consider their opinions and adjust our approach accordingly.

The FMA's enforcement work focuses on conduct that causes significant harm to investors, consumers, and the integrity of the New Zealand market. Current cases before the Courts will provide important clarity on the standards of conduct required in our financial services sector.

The FMA can provide you with follow-up briefings on any issue of interest. If you require this, your office can contact the FMA's External Relations team.

Overview

Key contacts	Chair – Craig Stobo	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 that aim 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.• 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)	\$71.2 million (2024/25) \$74.6 million (2025/26), excludes transfer of Credit appropriation from the Commerce Commission \$5 million litigation fund (year to June 2025)	
Directors	The Board is made up of <u>9 directors</u>	
Staff	369 total staff, based in Auckland (63%), Wellington (35%) and Christchurch (2%)	

FMA's regulatory system at a glance



\$111.8 billion

total KiwiSaver funds under management (at March 2024)

3,334,654

KiwiSaver members (at March 2024), almost two-thirds of NZ's population



\$107 billion

total funds under management by non-KiwiSaver managed investment schemes (at December 2024)

\$48.3 billion

total funds under management by Discretionary Investment Management Services (at June 2024)



\$743.9 billion

total assets held by registered banks (at December 2024)



\$178.7 billion

NZX market capitalisation (at February 2025)



\$215 million

returned to more than 1.5 million customers by banks and insurers as a result of issues requiring remediation identified since the FMA/RBNZ Conduct & Culture reviews in 2018/19



\$16.7 million

in penalties awarded against entities in fair dealing cases since the Conduct & Culture reviews

Our licensed and regulated population includes:



- 1,567 Financial Advice Providers
- 87 Managed Investment Scheme Managers



- 133 domestic licensed auditors
- 1,230 FMC audits



170 Climate Reporting Entities (approx)



1,023 AML/CFT reporting entities

How we regulate

The FMA adopts an engagement-led approach, seeking to build enduring and constructive relationships with firms and the industry bodies that represent them. This enables us to act as a source of guidance and support rather than just a supervision and enforcement agency. Strong relationships are fundamental to the successful implementation of legislative change.

As an engagement-led regulator, we prioritise early engagement with firms and their senior leaders to promote best practice and mitigate potential harms to investors and markets before they happen. This approach also helps to reduce unnecessary regulatory burden for firms.

We use a range of engagement approaches to meet our statutory objective of fair, efficient and transparent financial markets. These include roundtables, workshops, webinars, roadshows, formal bilateral engagements, speeches and informal meetings. We also look to publicise the findings of any reviews as widely as possible, and to use these reports as tools to drive engagement and understanding of the FMA's approach.

The FMA uses a broad range of tools to respond to harm to consumers and markets, from informal feedback to the use of warnings and stop orders, to civil and criminal proceedings and the removal of market access. The FMA looks to use its tools in a timely and proportionate way to the harm, or potential harm, that is posed to consumer and markets.

Outcomes-focused approach

The FMA is evolving our outcomes-focused approach that prioritises fair consumer and market outcomes. An outcomes-focused approach means we focus on the end results that regulation is aiming to achieve for consumers and markets. This direction aligns with the FMA's statutory objectives and our 2024-2028 Statement of Intent. Our approach has been informed by consultation with industry and takes into consideration over 50 submissions from across New Zealand's finance sector.

By focusing on outcomes, we look to help providers meet their regulatory obligations in line with legislative intentions. This approach ensures compliance efforts are proportionate to market and firm circumstances, and supports flexibility, innovation and reducing unnecessary regulatory burden.

An outcomes-focused approach enables the FMA to:

- address key risks and opportunities for businesses, investors, and consumers
- ensure regulatory interventions are proportionate; and
- provide financial service providers with greater flexibility in meeting obligations.

This shift is already influencing how we supervise and interact with industry. However, it is a long-term initiative to modernise the FMA in line with like-minded regulatory counterparts.

We will be working closely with industry stakeholders to seek feedback as we refine our approach.

Legislation and policy work programme

Financial services reforms

The Government has made policy decisions aimed at streamlining and improving the effectiveness of financial services regulation in three key areas of regulation:

- **Credit:** Moving credit contracts and consumer finance regulation from the Commerce Commission to the FMA to streamline financial markets regulation.
- **Conduct:** Changes to CoFI to simplify fair conduct programme requirements. Additionally, requiring FMA to issue firms with a single licence (rather than multiple licences for different services), introducing change in control approval provisions and on-site inspection powers for the FMA, and reducing regulatory burden by adjusting disclosure rules and embedding FMA exemptions.
- **Dispute resolution:** Improvements to the effectiveness of the financial dispute resolution system, including to consumer access and scheme governance.

These decisions are being progressed through a package of three Bills that are ready for Cabinet approval and introduction. FMA strongly supports the introduction of these Bills and passage through Parliament during 2025. We have engaged closely with MBIE and your predecessor throughout the policy development and drafting process. We can continue to provide support to you and officials throughout the Parliamentary process.

Transferring credit to FMA

Cabinet agreed in March 2024 that responsibility for the Credit Contracts and Consumer Finance Act 2003 (CCCFA) should be transferred to the FMA from the Commerce Commission. Amendment legislation to effect this transfer is currently awaiting introduction.

The draft bill streamlines and aligns financial markets conduct regulation under one regulator. Treating credit consistently with all other financial services positions the FMA to deliver efficiencies for the sector, improve credit markets, and support better outcomes for consumers.

The draft bill will 'deem' all existing lenders to hold a licence enabling a smooth transition that avoids application forms and licensing fees. Licensing is important because it allows the FMA to use its ordinary regulatory toolkit in a flexible and proportionate way. We will also be able to use exemptions to remove unnecessary compliance costs and promote innovation and flexibility in credit markets.

All affected Commerce Commission staff have been offered permanent roles with the FMA, with all but one offer being accepted. Significant work will take place over the next four months on the transfer of data from the Commerce Commission to the FMA. Both agencies are currently working with the expectation that the transfer will take place late in 2025.

Capital markets work

The FMA has been supporting MBIE and your predecessor to take steps to invigorate New Zealand's capital markets in two phases. This has included participating in several roundtables with industry.

In the coming months, regulations are expected to be made that will reduce the costs of firms listing on the NZX, as well as permanently embed some previously time-limited measures granted by the FMA to reduce unnecessary regulatory burden. These are anticipated to deliver meaningful cost savings, reduce compliance costs for industry, and support new listings.

MBIE's public consultations on policy options for adjusting the thresholds for climate-related disclosures and facilitating investments in private assets by KiwiSaver schemes closed in mid-February. We will support MBIE to prepare advice on credible options on this phase of the work programme.

Use of FMA's exemptions and designations to tackle unnecessary regulatory burden

The FMA looks to minimise regulatory burden where the benefit of regulation does not outweigh the cost of a particular requirement.

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 takes decisions on class exemptions, designations, and some individual exemptions. Further details on Board divisions can be found in the 'How we operate' section.

FMA's designation powers allow us to 'call in' securities into our regulatory perimeter if we consider they should be regulated to better manage risk or provide certainty, also to exclude financial products if regulation is not warranted, and to re-designate financial products as a different type of financial product.

In all cases we tailor any alternative imposed requirements to the circumstances of the offer or transaction.

We currently have over 40 class exemptions and 70 individual exemptions in place. FMA exemptions can only be in force for up to 5 years. In 2025 we are commencing a review of 14 class exemptions expiring in 2026 and 3 designations, as well as progressing development of 6 new class exemptions.

Innovation

New Zealand is currently several years behind its international peers in terms of innovation in financial services. This is changing as New Zealand rolls out the building blocks of digital financial systems such as open banking standards, consumer data rights and digital identity.

Our aim is to ensure the New Zealand regulatory system facilitates innovation that increases the efficiency and competitiveness of the financial system to improve outcomes for consumers. Innovation, enabled by technology adoption, can create benefits for consumers, businesses and New Zealand as a whole.

Regulatory sandbox

The FMA is leading the development of a regulatory sandbox pilot following engagement with policymakers and industry. A regulatory sandbox is a testing ground where fintech firms can experiment in a controlled environment before doing a full commercial launch.

The sandbox is available for:

- unlicensed firms wanting to test new products or services
- firms holding existing licences wanting to test new products or services
- firms offering products and services to retail and/or wholesale clients or investors
- international firms bringing products and services to New Zealand.

Applications for the first sandbox cohort have now closed. We have 24 applications and will make a decision on which firms have been successful in the coming weeks.

Other work

The FMA leads engagement with the New Zealand fintech community for the Council of Financial Regulators (CoFR) agencies through the CoFR Fintech Forum (fintech.govt.nz) and through direct engagement. We act as a point of contact to direct firms to other Government agencies such as DIA or IRD if needed.

The FMA and CoFR provide regulatory support to the 14 firms in the [Creative HQ 20205 FinTech Lab](#). We also worked with FinTech NZ to provide clarity on our position on [e-money](#). We anticipate seeing material levels of innovation in e-money in the near term.

Financial market system priorities

The FMA supports the design of a regulatory system that provides robust protections to consumers while also promoting market efficiencies and minimising unnecessary regulatory burden. This helps drive consumer choice, competition, innovation and economic growth.

MBIE has primary responsibility for policy development. The FMA provides advice and support to MBIE as part of our statutory function to keep financial markets law under review.

Strengthening regulatory settings for custodians and critical third parties

Custodians safekeep, hold, and report on money and assets on behalf of investors, such as for KiwiSaver funds, discretionary investment management services, or direct-to-retail investing platforms. Retail client assets in custody in key sectors was just under \$260 billion in June last year. High-performing and resilient custodial services play a key role in supporting economic growth and investor confidence.

As financial services grow and innovate, and retail funds under custody increase, regulatory burden and standards do not always align well to risks and opportunities. While the sector is generally performing well, there are residual risks particularly in areas with weak controls and oversight. The IMF highlighted this in its assessment of New Zealand's financial markets regulation in 2017.

Weaknesses can and are exploited in this area, as highlighted in our [2023 report](#) on the lessons learned from a Ponzi scheme operated by Dunedin financial adviser Barry Kloogh. Clients lost around \$18 million over two decades through Mr Kloogh's use of legitimate financial services companies, including banking, wrap platform, and custody service providers.

As part of the response to the Barry Kloogh case, the FMA identified and referred to MBIE potential law changes to improve consumer outcomes. The FMA continues to engage with MBIE on this issue.

Considering regulation of virtual assets (cryptocurrencies)

During 2023, four global regulatory standard setters issued clear expectations for all jurisdictions to have fit-for-purpose virtual asset and virtual asset service provider regulation.¹

The core themes relate to the necessity for globally aligned action to regulate, supervise and respond to the unique risks posed by cryptocurrencies and cryptocurrency exchanges, particularly for retail investors, in light of events such as the collapse of cryptocurrency exchange FTX. Their recommendations are for the regulatory standards of securities markets to be applied to the trading of virtual assets like cryptocurrencies.

New Zealand is increasingly becoming an outlier internationally in this area. We support a regulatory regime that balances innovation with consumer risk, and have signalled to MBIE that primary legislation is necessary to put in place an effective framework. In the interim, we are looking at how we can take a more active role relating to companies that provide virtual asset services in New Zealand.

¹ These organisations are the International Monetary Fund (IMF), International Organization of Securities Commissions (IOSCO), the Financial Stability Board, and the Financial Action Task Force (FATF).

Implementing new regimes

New Zealand is going through a period of significant change in terms of how its financial sector is regulated, reflecting increased alignment with other developed economies.

Conduct of financial institutions (CoFI)

This regime is designed to ensure that financial institutions (comprising banks, insurers and non-bank deposit takers) treat consumers fairly.

The regime extends the FMA's remit to cover core retail banking and insurance products.

From 31 March 2025 approximately 78 financial institutions will be licensed by the FMA to provide banking and insurance services to consumers. The sector includes systemically important institutions that are large and complex, as well as small and mid-size firms. We have engaged with financial institutions throughout the implementation period to ensure they have received any help they need.

Under CoFI, financial institutions must establish and comply with processes (collectively, a 'fair conduct programme') that support fair treatment of consumers. The Government has approved some changes to simplify minimum requirements for fair conduct programmes as part of its financial services reforms programme.

Climate-related disclosures (CRD)

The CRD regime started at the beginning of 2023 and saw the first climate reporting entities (CREs) file climate statements in April 2024.

The regulatory regime is designed to bring transparency to climate-related risks and opportunities so these become routinely considered in business and investment decisions, contributing to our financial system and economy becoming more resilient to climate risks.

The CRD regime currently captures approximately 175 firms including banks, insurers, fund managers and some listed firms. They must prepare annual climate statements covering governance arrangements, risk management, strategies, and metrics and targets for mitigating and adapting to climate change impacts.

We are responsible for independent monitoring and enforcement of the regime, as well as providing guidance about compliance expectations, and reporting on monitoring activities and findings. Monitoring is intended to ensure CREs file statements that are accurate and not misleading, and retain appropriate records.

The FMA did not set the standards for Climate-related Disclosures; this work was carried out by the External Reporting Board (XRB), New Zealand's accounting and audit standards setter.

The FMA supports raising climate-related disclosure thresholds to limit coverage to large listed companies (such as NZX50) and exploring adjustments to deemed director civil liability for climate statements, as covered in recent consultation by the Government as part of the work on capital markets.

Contracts of Insurance Act

The Contracts of Insurance Act 2024 modernises insurance contracts law. It reforms outdated disclosure rules that led to insurers refusing claims when consumers accidentally or unknowingly failed to disclose information. It will now be insurers' responsibility to ask consumers the right questions, and consumers must simply provide honest answers. The legislation improves fairness and facilitates well-functioning insurance markets.

The Contracts of Insurance Act is not yet in force. The Act will commence in late 2027, or an earlier date set by Order-in-Council. The FMA will be responsible for overseeing the regime and monitoring compliance.

Financial advice

A licensing regime for providers of financial advice to consumers came fully into force in March 2023. Implementation of this regime has now become business as usual for the FMA, with the [first monitoring report](#) released in May 2024. Work has begun to look at how this regime has impacted access to financial advice for consumers.

Watchlist issues

Tackling financial frauds and scams

The FMA seeks to take preventative and disruptive actions to tackle financial frauds and scams. We do this through several channels, including work to identify imposter schemes and websites, issuing stop orders and warnings, and raising awareness through communications and engagement work.

In the year to June 2024 we issued 123 warnings and alerts about suspected scams, unregistered businesses, fake regulators and imposter websites. The approach to dealing with frauds and scams requires coordination with multiple agencies, regulators and the Police; as well as initiatives being developed by the banking and telecommunications sectors. Other jurisdictions have found the need to consolidate efforts under a single agency and bring work together to make tangible progress.

The FMA, on behalf of the Council of Financial Regulators, is leading the coordination of New Zealand agencies to develop practical initiatives to disrupt scam activities, including collaborating with industry. We are also engaging with MBIE on their all-of-government approach to addressing online financial scams, including their regulatory and legislative proposals, and advice on which government agency should lead anti-scam efforts.

Ethical investing disclosure

Financial products labelled or marketed as being sustainable, ethical, green, etc have grown in number and popularity in recent years. We know investors choose funds based on marketing, and what they think the fund invests in and how. These investors are often prepared to pay higher fees and/or accept lower returns for a fund they believe better fits their values. If there is a misalignment between the marketing and what the fund invests in, this can be misleading.

In 2024 we issued [a short report](#) highlighting examples of confusing, unclear and inconsistent disclosure. In December 2024, we censured Pathfinder Asset Management for making misleading statements about the nature of its KiwiSaver Funds' ethical investments.

Enforcement

The FMA has a range of powers and remedies to respond to misconduct or potential harm with more flexibility than litigation.

The FMA is able to use a range of tools such as public and private warnings, direction orders, stop orders and action plans to tackle misconduct. For example, in 2022 the FMA issued a direction order to Managed Investment Scheme and KiwiSaver provider Simplicity in relation to concerns about its advertising.

In 2023, the FMA issued a temporary stop order against Validus because of concerns about investor harm. This stop order prevented Validus from making offers to the public. Following a failed legal challenge by Validus in the High Court, this stop order was made permanent.

Should an issue escalate to litigation, both civil and criminal proceedings remain an option under our legislation.

We receive an appropriation of \$5 million per year to bring litigation cases or to defend ourselves. Any unspent money is returned to the Crown at the end of the year. Total spending for 2024/25 is expected to be above the \$5 million appropriation, which is now insufficient to ensure that the FMA has litigation funding to enable it to take action as and when required. The total amount returned to the Crown from recent settled FMA fair dealing cases is \$16.7 million.

Key ongoing enforcement cases

Investigation into Du Val and associated entities

In August last year, Du Val Group became the first entity to be placed in statutory management in New Zealand since the collapse of the finance companies. Statutory management aims to preserve value for shareholders and stakeholders in a complex insolvency or where a firm may have been operating fraudulently or recklessly. Statutory management must be approved by Cabinet, following a recommendation to the Minister of Commerce and Consumer Affairs by the FMA.

Du Val Group and associated entities raised funds for property development from investors using the wholesale exemption. This meant that investors did not have as much protection as ordinary retail investors.

We brought a series of actions against Du Val from 2021, relating to false or misleading representations in advertising to prospective investors. Our investigation that led to the interim receivership and subsequent statutory management of Du Val remains ongoing. No charges have been filed at this time.

Further details can be provided to you on this case, including the briefings supplied to your predecessor.

Booster

In June 2024, the FMA filed civil proceedings against Booster Investment Management Limited and several of its senior managers, alleging breaches of managers' duties and related party transaction provisions under the Financial Markets Conduct Act 2013.

The FMA alleges that 75 breaches in total occurred between 2017 and 2022, arising from investments Booster made into the Booster Tahiti Limited Partnership, which in turn invested into a series of domestic wine businesses, later amalgamated into the Booster Wine Group.

Fair dealing

We have taken nine civil proceedings against well-known banks and insurers for breaches of the fair dealing provisions of the Financial Markets Conduct Act. The fair dealing provisions restrict misleading or deceptive conduct.

The cases follow the Conduct and Culture reviews of banks and insurers in 2018. The cases arose from system and process issues within the institutions and were all self-reported.

Six cases have concluded, with another three currently before the High Court in Auckland. [REDACTED] To date, \$215 million has been repaid to more than 1.5 million affected customers. The total amount in penalties paid to the Crown from the six settled cases is \$16.7 million.

Insider trading and market manipulation

The FMA has a number of cases before the Courts relating to alleged insider trading and market manipulation.

In 2022, we filed proceedings against two individuals for alleged insider trading in relation to the sale of shares in Pushpay Holdings Limited.

One defendant faced a criminal charge and was convicted in August 2023. In November the defendant was sentenced to six months' community detention and fined \$100,000. The individual appealed the conviction and the FMA appealed the sentence. Both defendants face further civil proceedings filed in the High Court.

In December 2024, Kevin Young pleaded guilty to insider trading in relation to the buying and selling of Heartland shares. Mr Young was an employee of the bank who traded on information not available to the public and encouraged another individual to buy and sell the shares. This second individual settled and agreed to pay the Crown \$30,000. Mr Young will be sentenced in April.

Two other market manipulation cases are currently before the Courts.

CBL Corporation

CBL Corporation listed on the NZX in 2015. Trading in CBL shares was suspended in February 2018 when it went into voluntary administration. The insurer had a market value of \$747 million at the time. There has been ongoing enforcement action for several years, while a case was also brought by the Serious Fraud Office. Settlements have been reached with several defendants.

On 26 February 2025 the High Court released a judgment on the FMA's claims against the former Chief Financial Officer of CBL, finding him liable for breaches of continuous disclosure by the company on 3 out of 5 claims. This is the first Court decision relating to officers' liability for continuous disclosure in New Zealand.

The next hearing relates to the listing on the NZX and is scheduled for a four-month court case in April 2026.

How we operate

Governance and accountability

The FMA was established as an independent Crown entity under the Financial Markets Authority Act 2011. This Act sets out the FMA's main objective and functions, and provides for certain general information-gathering and enforcement powers.

The Board has delegated most regulatory decisions to staff, but retains ultimate decision-making authority for the use of some of the FMA's powers related to litigation and exemptions. These matters are often considered by a division of the Board, which is a group of at least three Board members who have been assigned to deal with an issue.

Board of directors

The Board is the governing body of FMA. It is appointed by the Governor-General on the advice of the Minister of Commerce and Consumer Affairs. The Crown Entities Act 2004 sets out the collective and individual duties of the FMA Board and its members. The Board's focus is generally on the critical strategic and regulatory policy issues that determine the overall success of FMA.

The Board has three advisory committees:

- The Audit and Risk Committee considers internal controls, accounting policies, and risk management. It also approves financial statements, and helps with the scope, objectives and functions of external and internal audits.
- The People, Performance and Remuneration Committee oversees FMA's performance, remuneration, development and engagement systems, including setting the Chief Executive's remuneration and key performance indicators.
- The new Regulatory Oversight Committee oversees the FMA's regulatory activities.

The Board also appoints ad hoc enforcement divisions to deal with potential litigation.

As per the Public Service Commission guidelines, the Board periodically reviews its own role and overall performance, its processes and procedures, the use of supporting Committees and Divisions, and the performance of each Board member.

Funding

The FMA is 84% funded by industry levies, with the rest of the appropriation coming from the Crown. The FMA's \$5 million litigation fund is entirely Crown funded.

In Budget 2022, the Government increased the FMA's funding to reflect its new obligations under the Conduct of Financial Institutions and Climate Related Disclosures regimes. This funding increase was phased in over a four-year period, ending 2025/26.

Funding decisions around the Contracts of Insurance Bill were deferred to allow more policy work to take place.

The transfer of credit regulation from the Commerce Commission and the passing of the Contracts of Insurance Act means the FMA is engaging with MBIE on its future funding requirements. In September 2024, your predecessor told [Cabinet](#) that he intended to review the FMA's funding requirements and levy after the transfer to ensure it is appropriately funded for its expanded remit.

The FMA's litigation fund sits at \$5 million in order for the FMA to bring litigation cases or to defend ourselves. It is funded by a Crown appropriation and any unspent funds are returned to the Crown at the end of the year.

As noted in the enforcement section, total spending for 2024/25 is expected to be above the appropriation, which is now insufficient to ensure that the FMA has litigation funding to enable it to take action as and when needed.

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. MBIE has provided a draft Letter of Expectations for 2025/26 to the FMA for comment. The FMA will provide a full response to your expectations following receipt of the final document.

Statement of Intent

Our [Statement of Intent](#) outlines our outlook and performance measures to show what success will look like over a four-year horizon for the FMA, market participants and investors. It is next due to be updated in 2028.

Statement of Performance Expectations

Our [Statement of Performance Expectations](#) (SPE) sets out our financial forecast for the financial year 1 July 2024 to 30 June 2025. It is prepared in line with the Crown Entities Act 2004 and should be read together with the Statement of Intent. We will provide you with a draft 2025/26 SPE in April 2025.

Annual Report

This is our [yearly report](#) of progress against the Statement of Intent, results against the Statement of Performance Expectations, and an overview of key activities and achievements. This is generally published in September each year.

Council of Financial Regulators (CoFR)

The FMA supports joint stewardship of a healthy and efficient financial system as co-chair of the Council of Financial Regulators (CoFR) alongside the Reserve Bank. CoFR facilitates cooperation and coordination between CoFR members to support effective and responsive regulation of the financial system in New Zealand.

CoFR was formally established under the Reserve Bank of New Zealand Act 2021

It comprises the Financial Markets Authority, the Reserve Bank of New Zealand, the Treasury, the Ministry of Business, Innovation and Employment, and the Commerce Commission. We work collaboratively with our CoFR partners to ensure we face challenges in the financial sector head on and are transparent and accountable for our activities as regulators.

CoFR has identified five priority themes where it works together to identify issues and find solutions: Climate-related risks, Economic resilience (cyber risk, and financial fraud and scams), Digital and innovation, Financial inclusion, and Regulatory effectiveness.

CoFR engages industry groups primarily through two sub-committees, the Deposit Taking Forum and the Insurance Forum.

CoFR publishes a [Regulatory Initiatives Calendar](#), which provides stakeholders with a broad quarterly overview of all regulatory initiatives by CoFR members. Each CoFR member has agreed to consult the calendar when undertaking planning activities so that each agency's plans are informed by those of the other agencies. The calendar is used by firms and industry bodies to support submissions to consultations.

CoFR met with the Minister of Finance and Minister of Commerce and Consumer Affairs in August last year. In that meeting, the Minister of Finance requested six-monthly reports to Ministers on key focus areas. The next update is due in March.

Upcoming FMA events/speeches/announcements

2025

- | | |
|-------|---|
| March | <ul style="list-style-type: none">• FMA attendance at Insurance Council NZ Conference (4 March)• FMA webinar with INFINZ to discuss Climate Related Disclosures (6 March)• FMA part of panel discussion for KPMG Banking report (11 March)• FMA part of panel discussion for FinTechNZ Hui (11 March)• FMA Board Chair Craig Stobo speeches to the IoD and NZ Initiative (March 12)• FMA Climate Related Disclosures event with Boutique Investment Group (March 12)• FMA attendance at FSC/INFINZ Women in Finance event (20 March)• FMA to release updated Outcomes-Focused Regulation document (20 March)• FMA General Counsel Liam Mason speech to LegalWise seminar (21 March)• FMA roundtable with life/health insurance CEOs (26 March)• FMA Chief Executive attendance at annual NZBA Council (28 March)• Publication of Fair Conduct Programme Review (March final date TBC)• Council of Financial Regulators six-monthly update to Minister of Commerce and Consumer Affairs/Minister of Finance (31 March) |
| April | <ul style="list-style-type: none">• FMA speeches/attendance at the Financial Advice New Zealand conference (April 1-3)• FMA speech at First Credit Union (FCU) staff training day• Good Cents: Kiwis on Savings and Debt Publication from Economics Team (TBC) |
| May | <ul style="list-style-type: none">• FMA Chief Executive to attend INFINZ annual dinner (13 May)• FMA Chief Executive roundtable with financial advice leaders (TBC)• Council of Financial Regulators paper on basic bank accounts released (TBC)• FMA speech at CAANZ Audit and Accounting Conferences (21 May) |
| June | <ul style="list-style-type: none">• Estimates hearing (expected early June)• FMA roundtable with capital markets participants |
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Appendix: Key FMA representatives

FMA Board committee chairs

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, Advanced Management Programme from Wharton School of the University of Pennsylvania, and Associate Member 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: Audit & Risk Committee 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 on financial services regulation to the World Bank and foreign governments 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 Organization 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 senior risk and compliance positions in 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

Suzanne Chetwin, CNZM: People, Performance & Remuneration Committee Chair



Sue has more than 15 years' experience working for and on behalf of consumers. She is a strong supporter of financial regulations that encourage innovation while protecting consumer interests. She is the former CEO of Consumer NZ and was a director of the Banking Ombudsman Scheme. She is on the board of Food Standards for Australia NZ and chairs the Grocery Action Group. She chairs the Elizabeth Fletcher Foundation, the investment vehicle which provides funding for the charity Share My Super. Last year she chaired an independent consumer panel assisting Chorus prepare its investment proposals to the Commerce Commission. She also chaired the Government Review into drug buying agency Pharmac. Her

experience includes 25 years in journalism, including editing the Sunday Star Times and the Herald on Sunday. Sue holds a Bachelor of Laws.

Current term ends November 2025

Executive leaders

Samantha Barrass: Chief Executive

Samantha has extensive international regulatory experience, most recently as Chief Executive of UK's Business Banking Resolution Service, a dispute resolution scheme for banks and business customers. Prior to that she was Chief Executive of the Gibraltar Financial Services Commission, which oversees the prudential and conduct regulation of Gibraltar's financial services sector.

She has held a number of other senior roles at finance regulators and industry associations, including the UK's Financial Conduct Authority and the London Investment Banking Association.

Samantha grew up in Christchurch and began her career as an economist at the Reserve Bank of New Zealand.



Clare Bolingford: Executive Director, Regulatory Delivery

Clare is responsible for directing, planning and delivery of the FMA's core regulatory functions across licensing, engagement and supervision of regulated individuals and firms. Clare previously spent almost 20 years with the FMA's UK counterpart, the Financial Conduct Authority.



Kari Jones: Executive Director, Transformation and Operational Delivery

Kari is responsible for the strategic direction of the FMA's operations and capability functions, including technical operations, project management, data engineering, IT, people and capability and finance. Kari has previously led large data teams at Health New Zealand, Te Whatu Ora, and analytics and insights at the Woolworths supermarket chain.



Liam Mason: Executive Director, Evaluation & Oversight, and General Counsel

Liam is responsible for a broad range of audit, risk, legal and governance matters, along with evaluating the effectiveness of regulatory interventions and activity. He has extensive experience in securities law and corporate governance matters, advising on securities and financial services law and policy, Crown entity governance and legal compliance.



Daniel Trinder: Executive Director, Strategy & Design

Daniel is responsible for leading the strategy and direction setting for the FMA, and ensuring a clear view of the systems, priorities and regulatory design is developed and communicated across a broad range of external stakeholders.

He has over 25 years' experience in strategy, policy and regulatory affairs including senior roles at HM Treasury in the UK, the IMF, Goldman Sachs and Deutsche Bank.



Louise Unger: Executive Director, Response and Enforcement

Louise is responsible for overseeing the strategic approach and appropriate response to the actions and behaviour of market participants that pose risk or harm, including the investigation and enforcement of misconduct cases. Louise joined the FMA from the Commerce Commission where she was Head of Credit. She has also worked for an international law firm and BNZ.



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