

5 December 2025

██████████  
By email: ██████████

**Your request for information under the Official Information Act 1982 for information regarding the FMA's due diligence and oversight role of investor trading platforms that operate in New Zealand**

Dear ██████████

We refer to your Official Information Act (OIA) request dated 23 October 2025 for information regarding the FMA's due diligence and oversight role of investor trading platforms that operate in New Zealand, specifically:

1. Are all investor trading platforms in New Zealand operated as a Reporting Entity under the Anti-Money Laundering and Countering Financing of Terrorism Act?
2. Are all online trading platforms, that are accessed in New Zealand, required to be registered on the Financial Service Providers Register?
3. In regard to online trading platforms, to what extent does any such financial service licence consider the security features and operational aspects for data privacy and data protection?
4. Are owners and operators of these online trading platforms responsible for monitoring and detection of insider trading, trading with market manipulation and/or money laundering?
5. Is there a list of approved online trading platforms?

We have considered your request pursuant to Part 2 of the OIA and based on the review of the records and information available in our system, have decided to grant your request in full. We have provided our responses to your questions below. We note that your questions reference "investor trading platforms" which could encompass a number of services, which have different requirements. We also note that the Financial Service Providers Register (FSPR), AML / CFT, and licensing are governed by different regimes that may overlap. Which regimes apply to an entity would depend on the activities of the entity.

Some of these services may include:

- Market services under [Part 6](#) of the Financial Markets Conduct Act 2013 (FMC Act), which require a licence and compliance with the relevant parts of the FMC Act:
  - I) acting as a manager of a registered scheme (other than a restricted scheme);
  - II) acting as a provider of a financial advice service;
  - III) acting as a provider of a discretionary investment management service;
  - IV) acting as a derivatives issuer;
  - V) acting as a provider of prescribed intermediary services;
- acting as a custodian in respect of a registered scheme or a discretionary investment management service provided by a DIMS licensee; and

- Operating a financial product market under Part 5 of the FMC Act;
- Various 'financial services' under the Financial Services Providers (Registration and Dispute Resolution) Act 2008 (as discussed further below).

**1. Are all investor trading platforms in New Zealand operated as a Reporting Entity under the Anti-Money Laundering and Counter Financing of Terrorism Act?**

Licensed services (Part 5 and Part 6) are not all classed as Reporting Entities.

Financial institutions are defined in [section 5\(1\)](#) of the Anti-Money Laundering and Counter Financing of Terrorism Act of 2009 (**AML/CFT Act**) by reference to a list of financial activities carried on in the ordinary course of business. Investor trading platforms offering one of those listed financial activities will therefore be captured as reporting entities in New Zealand.

In the case of an overseas entity, an investor trading platform is considered as operating in New Zealand where it carries out any of the financial activities outlined in section 5(1) of the Act in New Zealand during the ordinary course of its business. This is likely to include instances where the platform employs any New Zealand-domiciled staff and / or infrastructure that provide the means to carry out the financial activity. An overseas entity may also be considered as carrying out financial activity in New Zealand where the entity is actively and directly advertising to or soliciting business from persons in New Zealand.

Kindly refer to paragraph 9 of the guidelines on the territorial scope of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, which sets out the criteria for whether a person is a reporting entity for the purposes of the AML/CFT Act, linked [here](#).

**2. Are all online trading platforms that are accessed in New Zealand required to be registered on the Financial Services Providers Register?**

There is no universal approach to whether an online trading platform must be registered on the FSPR. Registration requirements depend on the nature of the financial services being provided. For example, entities offering any of the financial services listed under section 5 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008 are required to register.

The types of financial services an online trading platform provides will depend on a range of factors, including (but not limited to):

- the platform's terms and conditions;
- whether the platform holds or transfers client funds;
- whether it offers financial products or financial advice; and
- whether it facilitates trading in regulated financial instruments.

The FMA currently does not have any guidance or information guides specifically related to online trading platforms, however for general information on registration requirements, please refer to the FSPR, linked [here](#).

**3. In regard to online trading platforms, to what extent does any such financial service licence consider the security features and operational aspects for data privacy and data protection?**

As noted above in our earlier response, the appropriate license for the online trading platform referred to would depend on the activities it is seeking to carry out. More generally, licensed entities under [Part 5](#) and [Part 6](#) of the FMC Act have certain obligations and these vary depending on the service being provided.

Part 6 licensed entities must be able to demonstrate certain minimum standards when applying for market service licence such as “IT systems and business continuity”<sup>1</sup> and “Cyber Security”<sup>2</sup>. If a licence is issued, the licensee must meet standard conditions of its licence as well as specific conditions.

Part 5 licensed entities have broader general obligations under the FMC Act and the nature and extent of requirements depends on the market and its complexity.

We set out in Appendix A the different types of Part 6 licensed services along with links to our webpages providing further explanations and guides. We also publish reviews of how well Part 5 licensed market operators comply with their general obligations, which can be found linked [here](#).

**4. Are owners and operators of these online trading platforms responsible for monitoring the detection of insider trading, trading with market manipulation and/or money laundering?**

The FMC Act prohibits insider trading and market manipulation under subparts 2 and 3 of Part 5. Part 5 licensed market operators have obligations under sections 352 to 355 of the FMC Act that include notifying the FMA immediately after taking disciplinary action against a participant, or knowing or suspecting, that a person has committed, is committing, or is likely to commit a significant contravention of the market rules, the FMC Act (which includes the prohibitions against insider trading and market manipulation), the Takeovers Act 1993 or any enactment made under either of those Acts.

The FMC Act also, under section 314, imposes general obligations on Part 5 licensed market operators including to run a fair, orderly and transparent market and have adequate arrangements in place for monitoring the conduct of participants on or in relation to the markets (such as instances of insider trading, market manipulation) for enforcing compliance with its rules.

The FMA has a responsibility for overseeing Market Makers and Intermediary Traders, as well as licensed market operators.

---

<sup>1</sup> Refer to page 34 of the [MIS Manager licensing guide](#)

<sup>2</sup> Refer to page 15 of the [Financial Advice Provider licensing guide](#)

**5. Is there a list of approved online trading platforms?**

As it is unclear which platforms you refer to, we note that you can search our database of licensed and authorised entities, by category, here: [Licensed & reporting entities | Financial Markets Authority](#)

We do not maintain a list of any non-licensed entities.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

If you wish to discuss any aspect of this decision with us, please feel free to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jasveet Sandhu', written in a cursive style.

Jasveet Sandhu  
**Senior Legal Counsel, Internal Governance**

## Appendix A

Licensed Service	Licensing Guide	Standard Conditions
MIS Manager	<a href="#">141101-how-do-i-apply-for-a-licence-part-b3.pdf</a>	<a href="#">Standard Conditions for managed investment scheme manager licences</a>
DIMS provider	<a href="#">141101-dims-provider-how-do-i-apply-for-a-licence-part-b4.pdf</a>	<a href="#">Standard Conditions for discretionary investment management service (DIMS) licences</a>
Derivatives issuer	<a href="#">derivatives-issuers-how-do-i-apply-for-a-licence-part-b5.pdf</a>	<a href="#">Standard conditions for derivatives issuer licence</a>
Crowd funding service provider	<a href="#">licensing-guide-Part-B-Crowdfunding-Service-Providers.pdf</a>	<a href="#">Standard conditions for Crowdfunding service licence</a>
Peer-to-peer lending provider	<a href="#">141101-peer-to-peer-services-how-do-i-apply-for-a-licence-to-provide-part-b2.pdf</a>	<a href="#">Standard Conditions for peer-to-peer lending service licences</a>
Financial Institution	<a href="#">Guide to financial institution licence requirements</a>	<a href="#">Standard-conditions-for-financial-institutions.pdf</a>
Financial Advice Provider	<a href="#">Introductory-guide-to-full-licence-requirements.pdf</a>	<a href="#">Standard-Conditions-for-full-FAP-licences.pdf</a>