

11 December 2024

Mr [REDACTED]

By email [REDACTED]

Official Information Act 1982 Request (OIA) – Outcomes-focused consultation

I refer to your email to the FMA on 22 October and subsequently 25 October, in which you made an OIA request for the following:

1. all the submissions in relation to available (i.e. approved by the submitter for public release); and
2. communications between FMA, MBIE and Commerce Minister Andrew Bayly on the outcomes-focused policy.

Consultation Update

To keep stakeholders informed, we will publish the submissions received on our fair outcomes consultation, along with the following update, on our website at the end of this week.

A strategic objective for the FMA is evolving its regulatory approach to focus more on the outcomes that matter for consumers and markets. This involves a maturing of our processes that means we will be more forward-looking and will prioritise our work based on our assessment of risks to consumer and market outcomes. This will also allow us to streamline our approach and reduce unnecessary regulatory burden on providers. An outcomes-focused approach also means our enforcement work focuses on conduct that is harmful to consumer and market outcomes.

This approach is in line with good regulatory practice in New Zealand and overseas. It represents a shift in how we undertake our core function of supervising our regulated population. We will make full use of our regulatory toolkit (such as guidance, exemptions, and designations) to remove unnecessary regulatory burden and to promote and facilitate the development of fair, efficient, and transparent financial markets.

Examples of this new and developing approach can be seen in recent FMA work such as our *Financial Advice Provider Monitoring Insights* report, which focused on gaps that could lead to poor outcomes for customers and highlighted areas of good practice to raise standards. Similarly, our recent liquidity risk management guidance was published in response to a survey of providers that we believe showed low maturity (and over-confidence) in funds managers' liquidity risk management practices. The guide highlights the importance of good liquidity risk management to ensure that investors are treated equitably, as well as playing an important role in supporting orderly and stable markets.

The fair outcomes consultation sought industry feedback on the outcomes that the FMA had identified as important for consumers of financial services and for New Zealand's financial markets. There was support in the feedback for the intention of using customer and market outcomes as a basis for prioritising our work. However, submitters also expressed a range of concerns, including that the focus on detailed

outcomes statements gave an impression that these would be treated as new rules or compliance obligations for firms and that it was unclear how the FMA would operationalise an outcomes focus in practice.

We have taken time to consider this industry response to our consultation. We agree that it would be beneficial to explain the FMA’s regulatory approach so that providers and other stakeholders understand how we intend to use an outcomes focus to prioritise and carry out our work. We intend to publish this at the end of Q1 2025.

Information requested

We have considered your request pursuant to the OIA and based on the review of the records and information we have available in our system.

Request 1 – submissions

Please find attached a copy of all the submissions the FMA received in relation to the outcomes-focused regulatory approach consultation. As you requested submissions that were approved by the submitters for public release, some information has been redacted because the parties did not give consent for those parts of their submissions to be released.

Request 2 – communications between FMA, MBIE and Minister

Please see below a timeline and summary of all the documents the FMA holds in relation to its communications with MBIE and the Minister in relation to the outcomes-focused regulatory approach. The period covered included discussions with the Minister and MBIE on the FMA’s Statement of Intent, including feedback from the Minister under the [Crown Entities Act](#).

Some discussions about outcomes-focused regulatory approach are integrated into monthly meetings or as part of the discussion about the FMA’s statement of intent (SOI). Where information in the documents does not relate to the FMA’s outcomes-focused work, this information has been redacted as it is not in the scope of your request.

We have compiled the table below to assist you in navigating the information requested.

Time	Doc. No.	Communication
10 Nov 2023	1, 1.1	Email between FMA and MBIE sharing the draft Guide to Fair Outcomes (the draft Guide).
14 Nov 2023	2, 2.1, 2.2	Email between FMA and relevant stakeholders (including MBIE) sharing the draft Guide and consultation papers. The Guide and consultation papers are available publicly at FMA opens consultation on fair outcomes for consumers and markets Financial Markets Authority
16 Jan 2024	3	FMA provided its briefing note ahead of Minister meeting to MBIE.
22 Jan 2024	4, 4.1	Email to MBIE with memo setting out FMA’s new approach to SOI/SPE measures. Memo includes references to outcomes-focused regulatory approach, talks about tweaking in response to consultation feedback.
24 Jan 2024	5	Email exchange confirming time/date of meeting between Strategy team/MBIE.
30 Jan 2024	6	Meeting between FMA Strategy team and MBIE staff.
5 March 2024	7	FMA provided its briefing note ahead of Minister meeting to MBIE.

11 & 18 March 2024	8, 8.1, 9, 9.1, 9.2	The FMA and the Minister's office had communications about the outcomes-focused regulatory approach consultation. The FMA provided an update to the Minister about the consultation.
22 March 2024	10	Meeting between the FMA and MBE regarding SOI and SPE measures.
8 April 2024	11, 11.1	The FMA shared a revised draft of the SOI with MBIE.
24 April 2024	12, 12.1	FMA met with MBIE. Part of the discussion related to outcomes-focused regulatory approach .
29 April	13	FMA provided briefing notes for Minister meeting on 2 May
30 April 2024	14, 14.1	The FMA received a letter from the Minister. The letter addressed the FMA's draft SOI and draft SPE.
2 May 2024	15, 15.1	The FMA had a meeting with the Minister and MBIE.
21 June 2024	16	FMA Briefing for Minister meeting
24 June 2024	17, 17.1	The FMA had a monthly meeting with MBIE and one of the topics discussed was in relation to outcomes-focused regulatory approach.
25 June 2024	18, 18.1	Letter from the FMA Chief Executive including copies of SOI/SPE material for tabling. E-mail from FMA External Relations Manager detailing how the FMA has changed the SOI in response to feedback from the Minister. The SPE is available publicly at: https://www.fma.govt.nz/library/corporate-publications/statement-of-performance-expectations/ The SOI is available publicly at: Statement of Intent Financial Markets Authority

If you have any questions, please contact me at ariarna.hakaraia@fma.govt.nz.

We also note that you have the right to complain to the Ombudsman regarding our assessment of your OIA request, in accordance with section 28 of the Official Information Act. Information about how to make a complaint is available at www.ombudsman.parliament.nz or phone 0800 802 602.

Yours sincerely



Ariarna Hakaraia
Manager, Internal Governance

Enc: Link to download all documents (in a separate email)