

# Ease of doing business 2.0

Understanding Key Stakeholders

August 2023

# Contents

- 03 Executive Summary
- 05 Background & Objectives
- 07 Communication with the FMA
- 12 Market communications
- 21 Dealings with the FMA
- 34 Perceptions of the FMA
- 42 Confidence in financial markets
- 46 Appendix



SECTION 1

# Executive Summary



# Executive summary



## Communication with the FMA

Nearly 4 in 5 stakeholders say they deal with the FMA at least once every six months, a slight increase from 2022. Email and face to face remain the most common and most preferred ways to communicate with the FMA, while the FMA website is the main source used to obtain important information about the FMA's work.

Among FMA's market communications, email newsletters have the highest readership. Stakeholders rate the usefulness of FMA-issued guidance highly, with over 8 in 10 stakeholders agreeing that FMA guidance helps them make improvements to their policies or processes, and comply with the law and their obligations. After increasing in 2022, stakeholder agreement that FMA market communications help them understand their obligations as a market participant has dropped back to levels reported in 2021.



## Dealings with the FMA

Stakeholder sentiment towards the FMA improved in 2023, with nearly two-thirds (64%) rating their dealings with the FMA as very good or excellent, a significant increase from 2022 (49%). Ratings of the quality of FMA's engagement with stakeholders have also increased (56%, up from 46% in 2022), along with ratings of the quality of service received from the FMA in their most recent interaction (67%, up from 57%).

Between 6 in 10 and 8 in 10 stakeholders agreed that their involvement with the FMA improved their understanding, provided benchmarks or improved what they do, with no significant differences compared to 2022.

Two-thirds (67%) of stakeholders said they feel comfortable raising issues with the FMA, a slight decline from 2022 (76%).



## Perceptions of the FMA

Consistent with previous years, stakeholder perceptions of the FMA are generally very positive, with around 9 in 10 agreeing that the FMA supports market integrity and helps raise standards of market conduct. Perceived ease of doing business with the FMA has also increased, although not significantly so. One area where perceptions are relatively less positive is the proportionality of the regulatory burden relative to the value their organisation receives, with fewer than 1 in 2 (48%) of stakeholders in agreement, although this has improved slightly relative to 2022 (40%).

Stakeholder confidence in New Zealand's financial markets and regulation remains at very high levels, with over 9 in 10 saying they are slightly, fairly or very confident.

# Background & Objectives



# Introduction

The FMA commissioned FiftyFive5 to conduct research among key stakeholders to understand the effectiveness of their interactions with the FMA and satisfaction with the services provided.

This is the eighth year this stakeholder research has been conducted.

## Methodology

FMA stakeholders were invited to provide feedback through a 10-minute online survey.

The survey was open from Wednesday 19<sup>th</sup> July to Tuesday 8<sup>th</sup> August 2023. A total of 114 stakeholders completed the survey.

Throughout the reporting significant differences to previous years' results are indicated with arrows.

▲▼ *Denotes results significantly different to previous year*

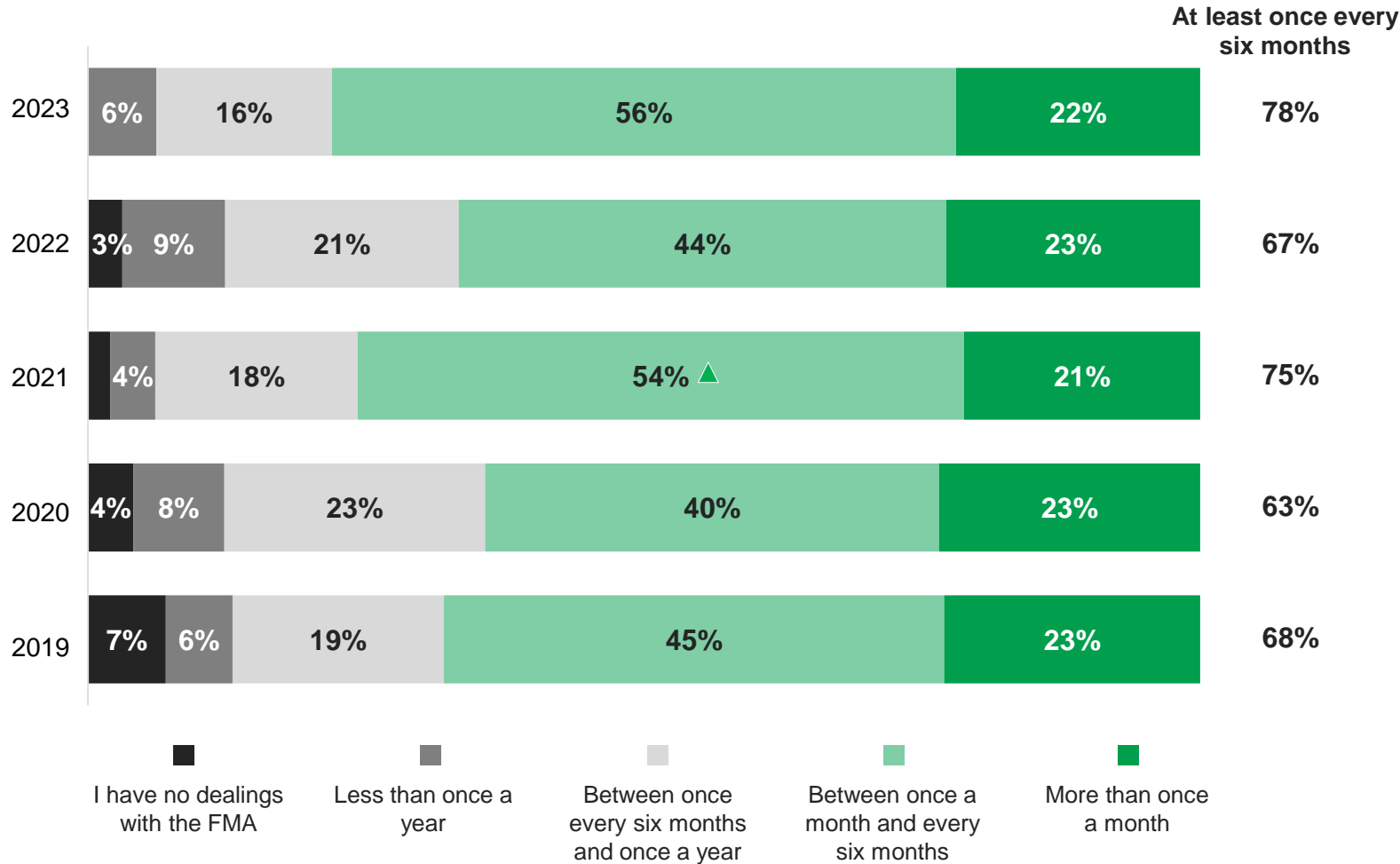


SECTION 3

# Communication with the FMA



# Frequency of stakeholder contact



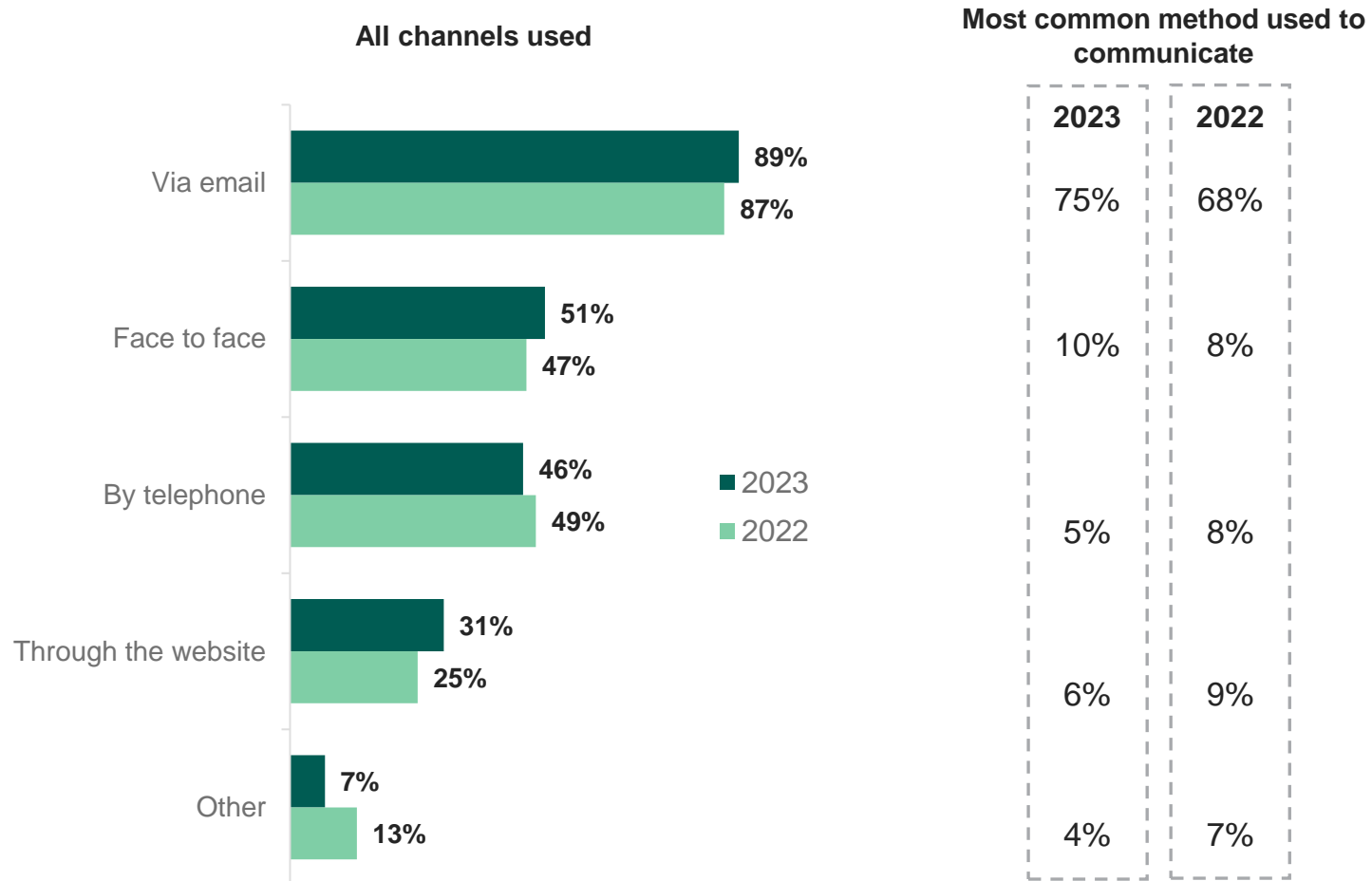
Frequency of stakeholder contact with the FMA has increased from 2022, with 78% of stakeholders saying they deal with the FMA at least once every six months, as compared to 67% in 2022 and 75% in 2021. This is the highest it has been in the last five years.

Conversely, stakeholders who claim they deal with the FMA less often than once every six months has fallen from 2022 levels (30%), now at 22%.

There were no stakeholders who said they had no dealings with the FMA (0%) in 2023, which represents a decrease from 2022 (3%).



# Channels of communication



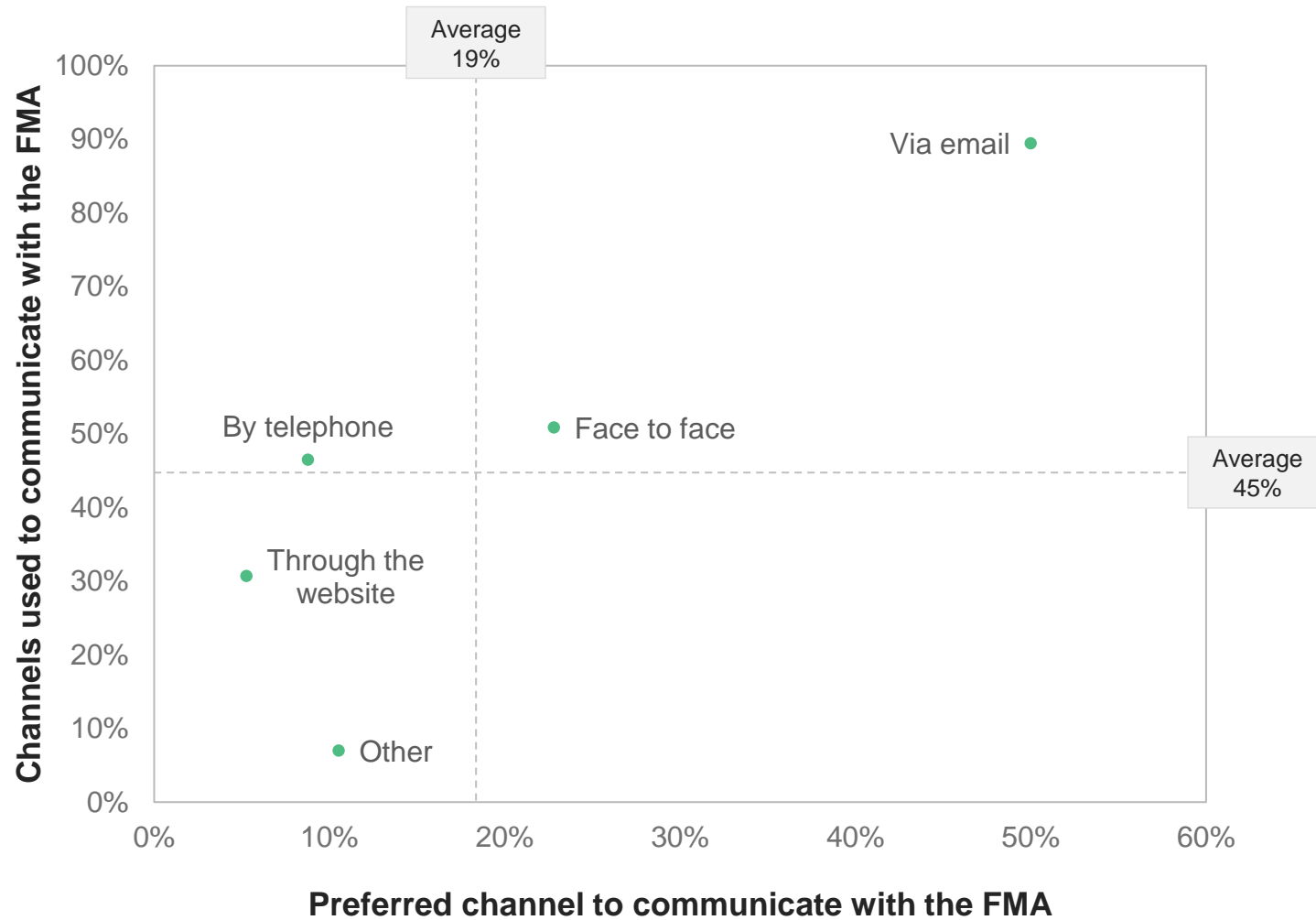
Consistent with previous years, email remains the most common method of communication with the FMA, with nearly 9 out of 10 stakeholders (89%) using this method, and 75% saying it is the most common channel they use.

In 2023, face to face communication has increased slightly (51%) and has surpassed phone as the second most used channel by stakeholders, which saw a slight drop from 2022 levels to 46%.

Communication via the website has also seen a slight uplift from 2022 levels, at 31% in 2023.

The use of other channels for communication has dropped from 13% to 7% in 2023. Open-ended feedback indicates these other methods include virtual meetings and video calls.

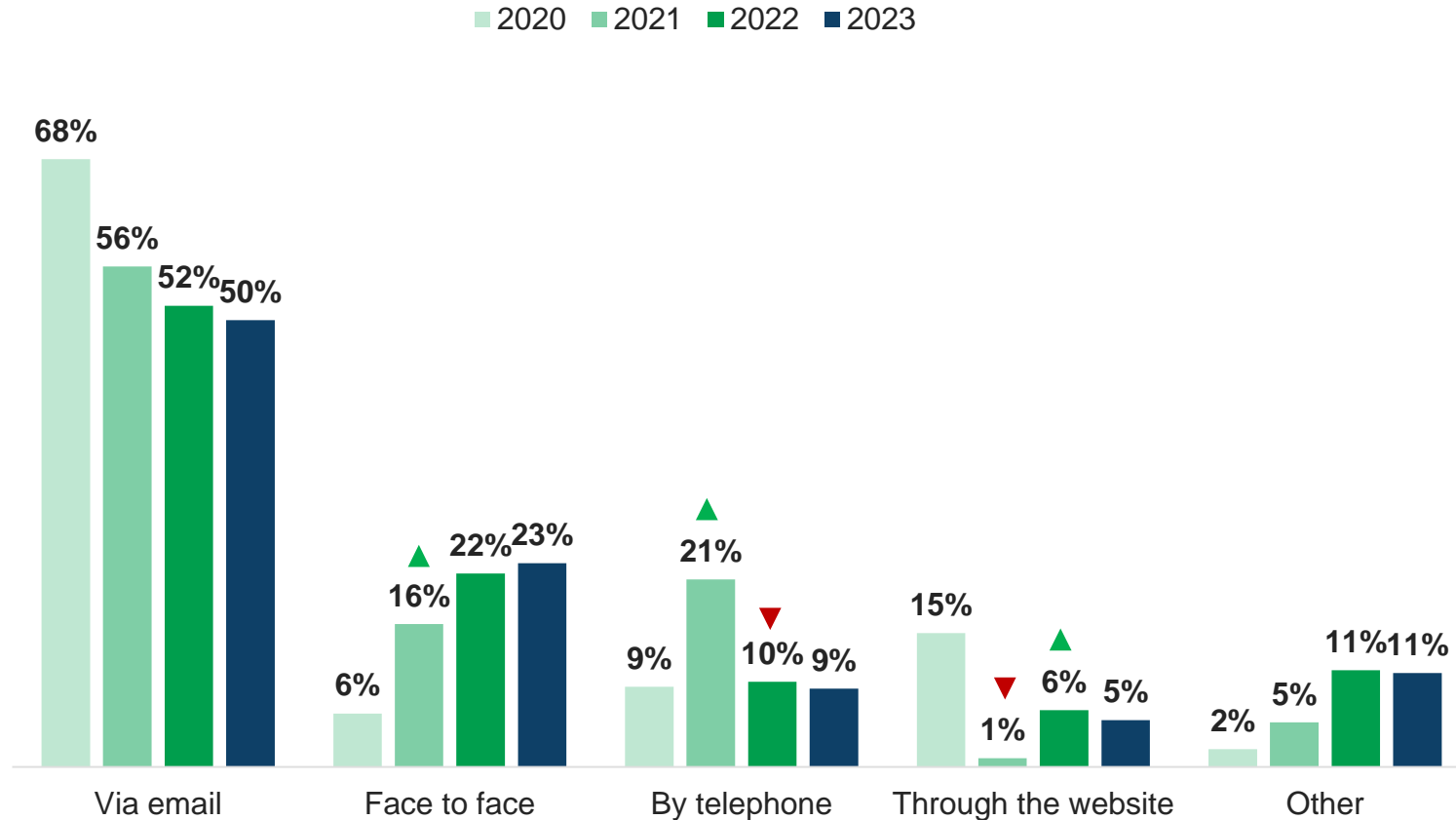
# Preferred channels of communication



As in 2022, email and face to face are both the most used and most preferred channels to communicate with the FMA, being preferred by 50% and 23% of stakeholders, respectively.

Phone channels are also commonly used but are less preferred (9%), while communication through the website and other methods are both least utilised and least preferred.

# Preferred channels of communication – over time



A continuation of the year-on-year downward trend, stakeholders' preference for email communication continues to decrease, with over 2 in 10 (23%) preferring face to face communication instead (growing from just 6% in 2019).

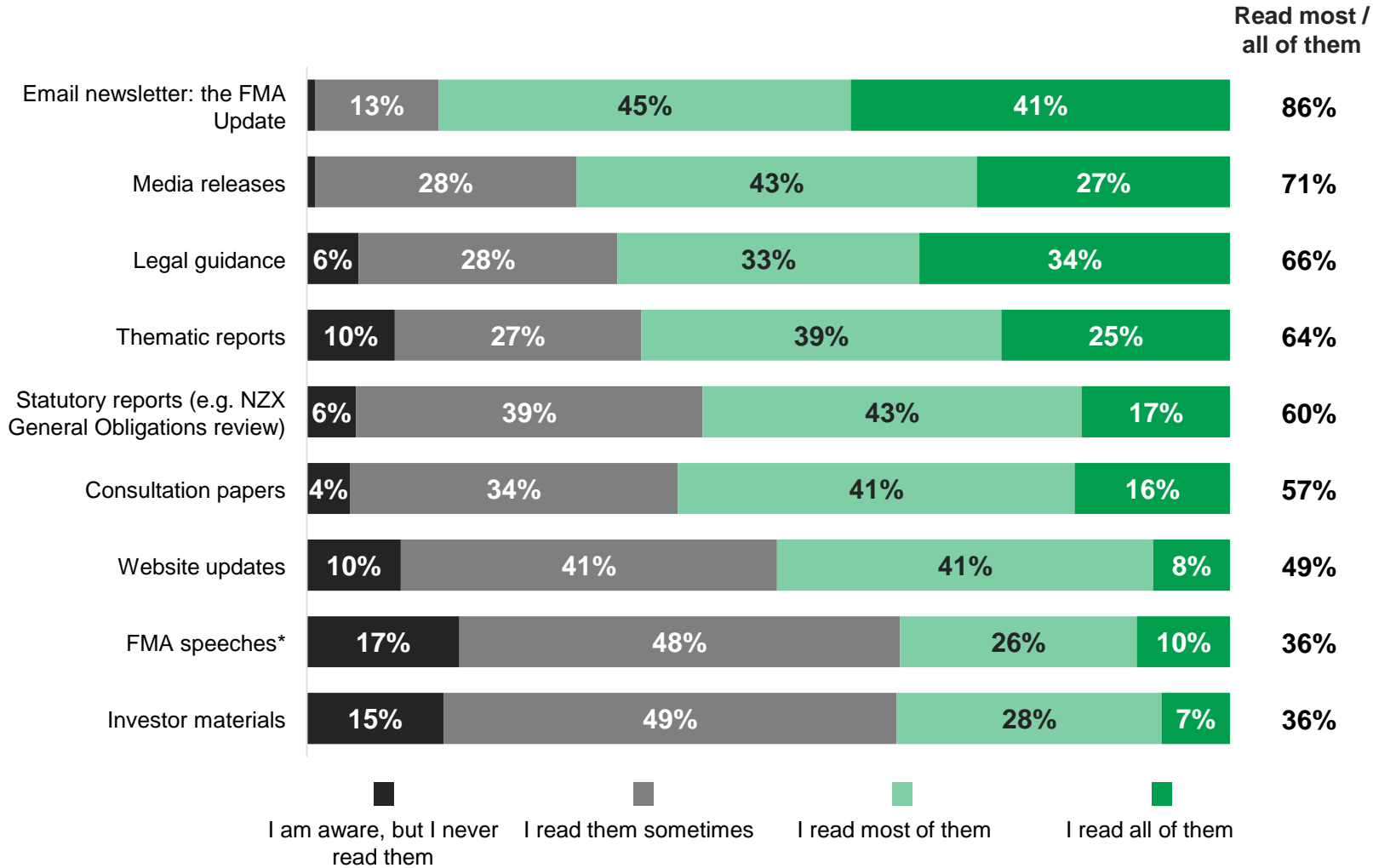
This year there were no significant changes in channel preference, with preferred channels of communication remaining consistent with 2022.



SECTION 4

# Market Communications

# Readership of market communications



Amongst FMA’s market communications the email newsletter has the highest readership, with 86% of stakeholders claiming they read most or all of them. This is followed by media releases and legal guidance, with 71% and 66% of stakeholders saying they read most or all of them, respectively.

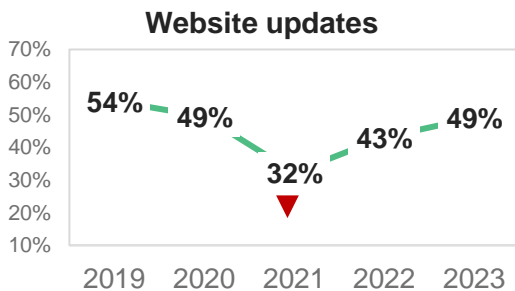
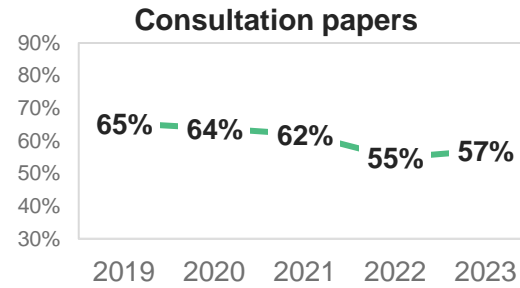
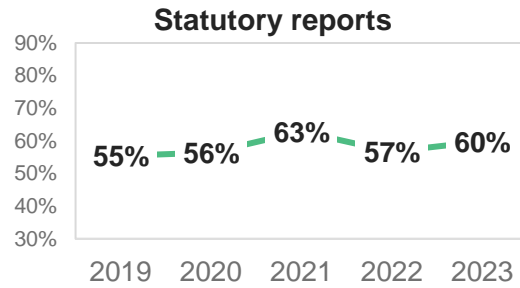
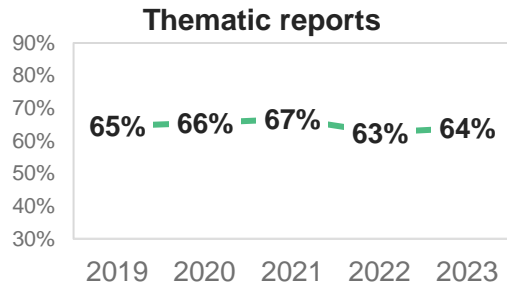
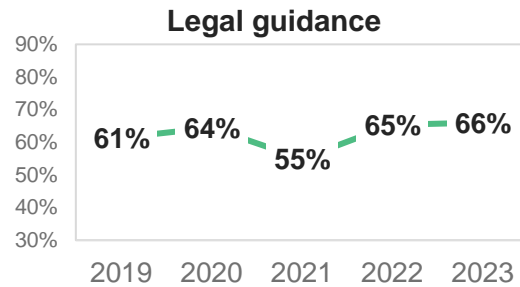
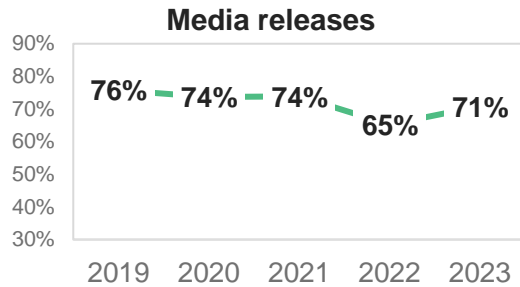
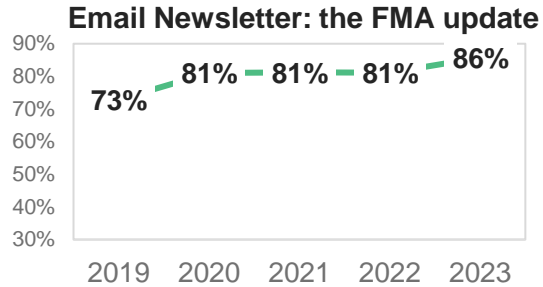
Communications with the lowest readership are investor materials and FMA speeches, with only 36% of stakeholders saying they read or listen to most or all of them.

C1. The FMA produces a number of different market communications. For each type of communication please select the option which best represents your readership.

\*Added in 2023

Base: All stakeholders (2023 n=114). Note the base excludes those who selected ‘not applicable’ or ‘not aware’

# Readership of market communications – trends over time (% read most/all of them)



Stakeholder readership of FMA’s market communications has remained relatively stable over the past few years, with no significant differences from 2022.

Readership of website updates has continued its upward momentum to nearly 1 out of 2 stakeholders reading most or all of them in 2023 (49%), up from 43% in 2022.

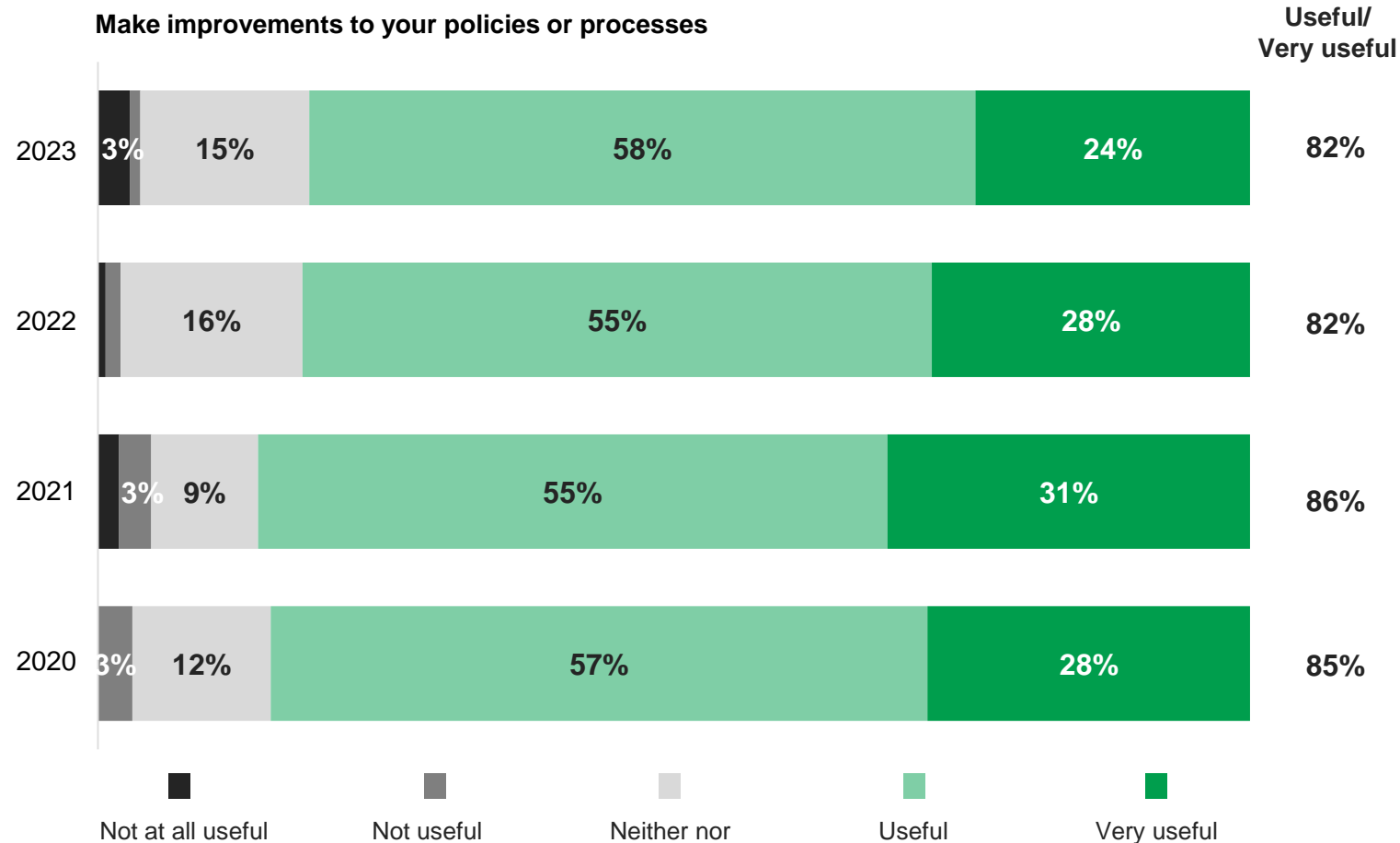
After declining slightly in 2022, readership of media releases, statutory reports and investor materials has recovered and is almost back to 2021 levels at 71%, 60% and 36%, respectively.



# Usefulness of FMA-issued guidance

How useful did you find the guidance in helping you to...

**Make improvements to your policies or processes**



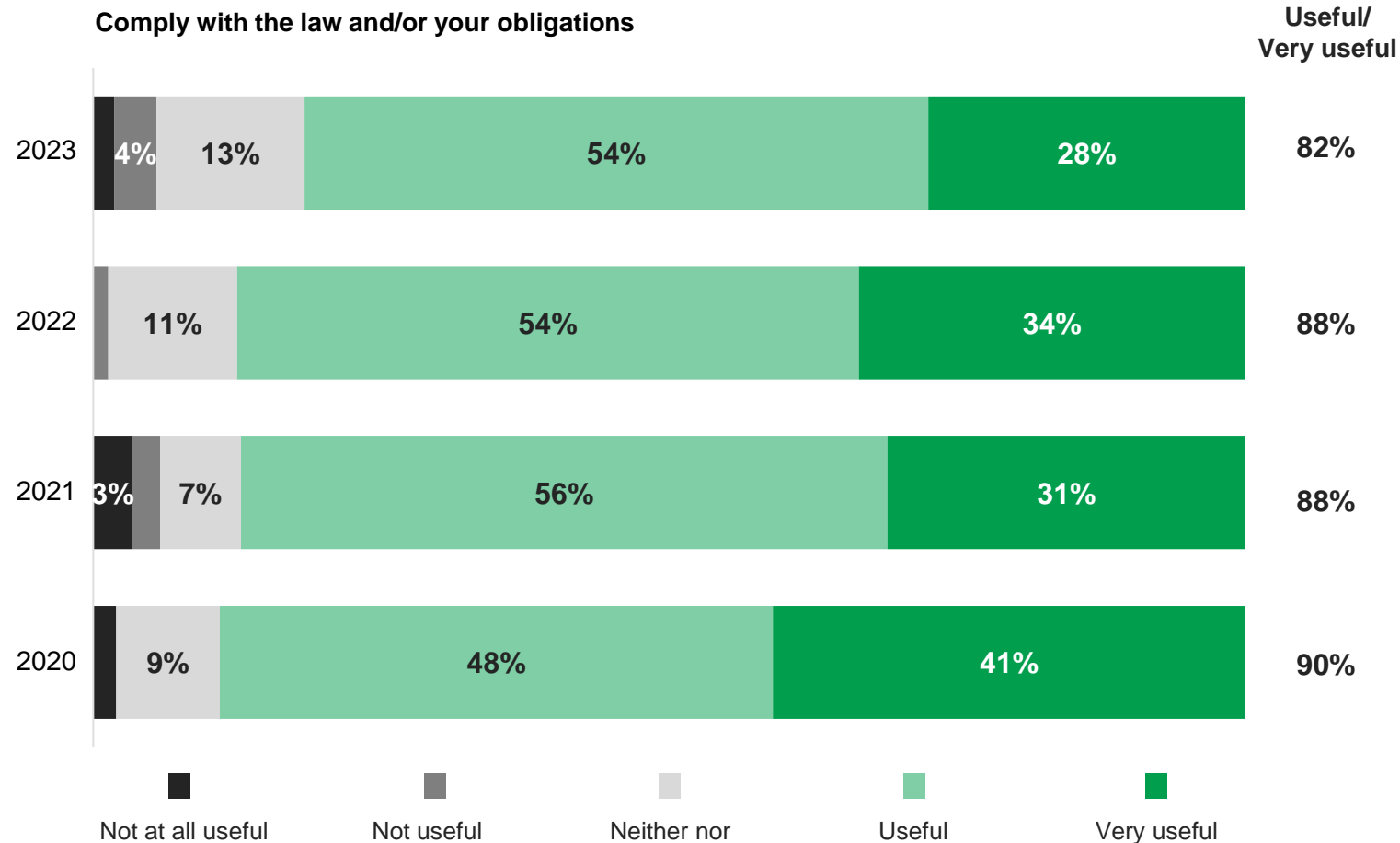
Ratings of the usefulness of FMA-issued guidance are stable vs. 2022 results, with the majority of stakeholders saying the guidance they received from the FMA was useful or very useful in helping them to improve their policies or processes (82% in both years).

While not significant, the proportion of stakeholders who found the guidance very useful has been trending downwards since 2021, from 31% in 2021, 28% in 2022 and 24% in 2023.

# Usefulness of FMA-issued guidance

How useful did you find the guidance in helping you to...

Comply with the law and/or your obligations

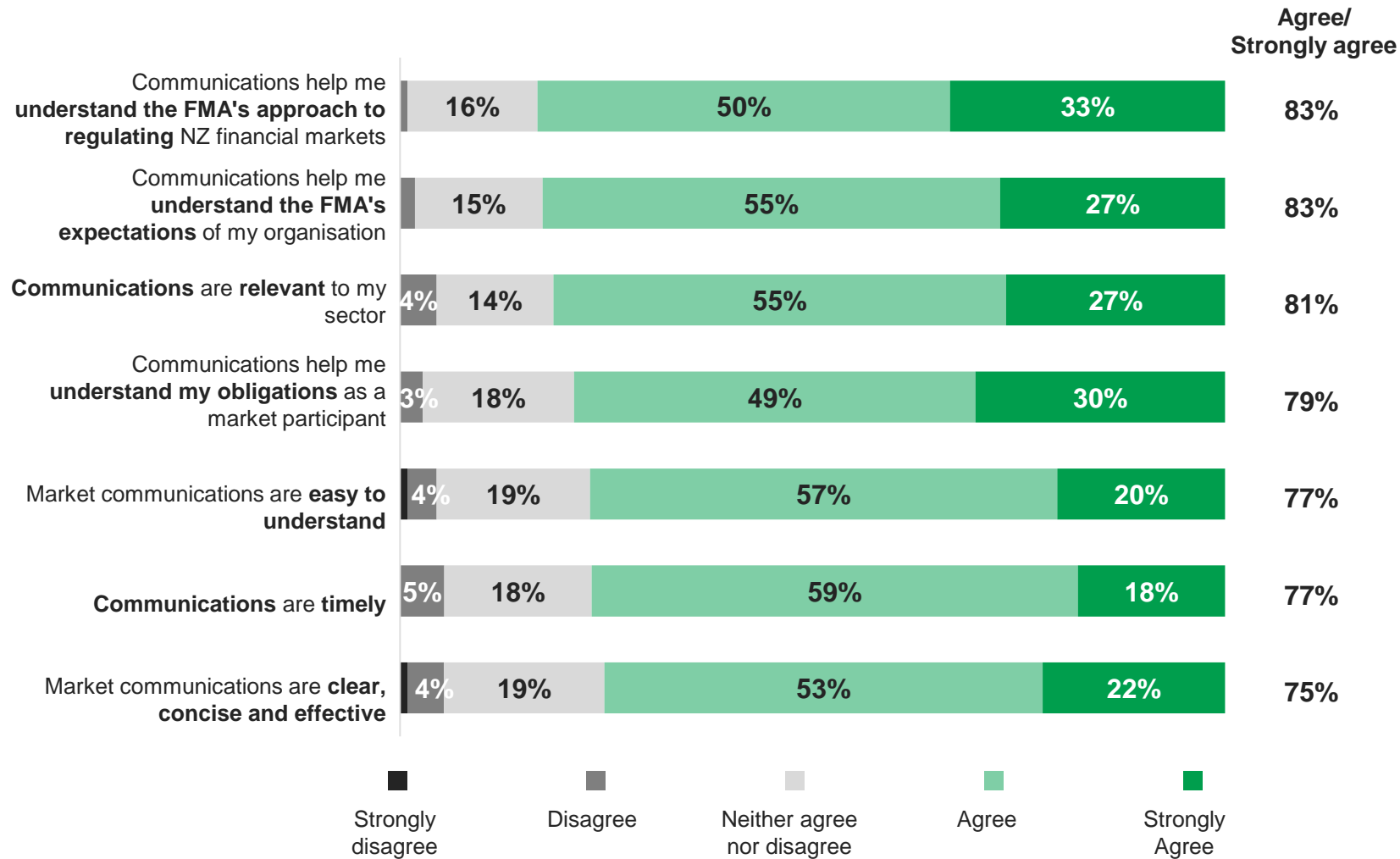


Usefulness of FMA-issued guidance in helping stakeholders to comply with the law or their obligations has declined slightly, with over 8 in 10 stakeholders (82%) saying guidance was useful or very useful in this aspect, compared to 88% in 2022.

Although not statistically significant, this decline is driven by a fall in the proportion of stakeholders finding FMA-issued guidance very useful (28%, compared to 34% in 2022). Similarly, 6% of stakeholders said the guidance was not useful or not at all useful, which is a slight increase from 2022 (1%).



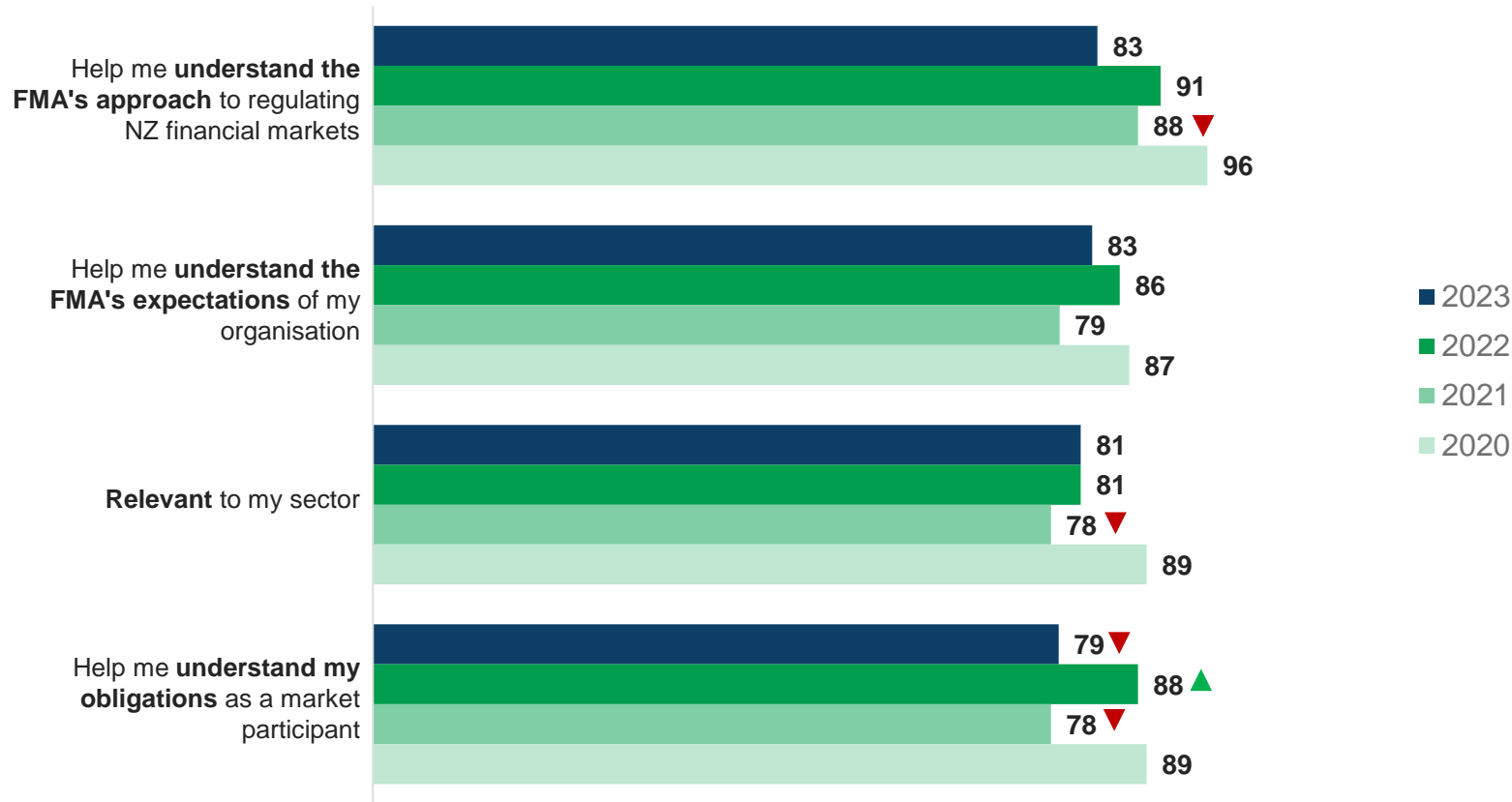
# Effectiveness of market communications



Over 8 in 10 stakeholders agree or strongly agree that FMA market communications help them understand the FMA's approach to regulating New Zealand's financial markets (83%), help them understand the FMA's expectations of their organisation (83%), and are relevant to their sector (81%).

Three-quarters of stakeholders agree or strongly agree that the FMA's market communications are clear, concise and effective (75%), while 5% disagree or strongly disagree, suggesting there may be room for improvement for this aspect.

# Effectiveness of market communications – over time (% agree/strongly agree)

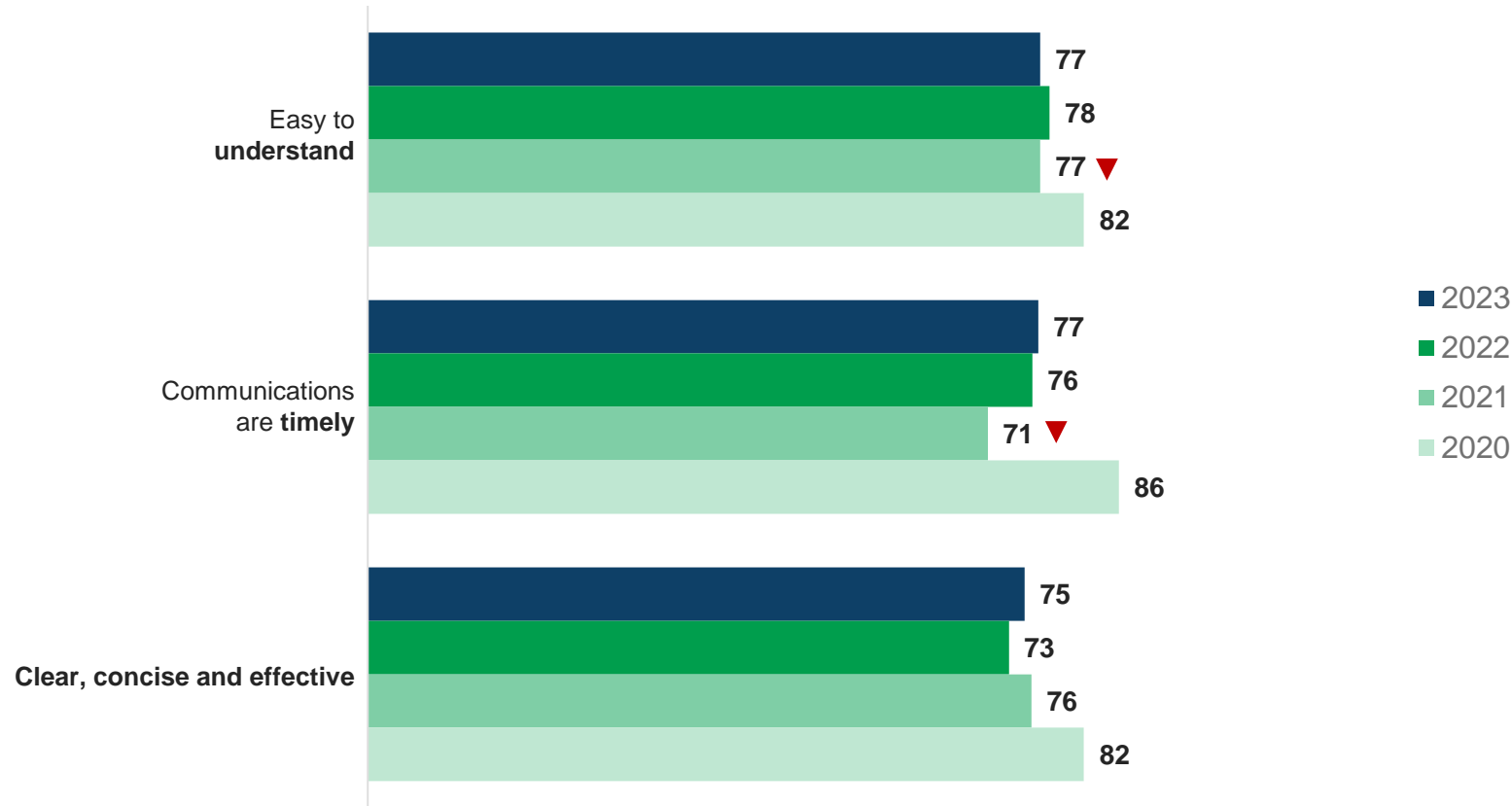


After increases in 2022 across several aspects, this year's results indicate a decline in the perceived effectiveness of FMA market communications.

Specifically, there has been a significant decrease in the proportion of stakeholders who agree or strongly agree that FMA market communications help them understand their obligations as a market participant (79%, vs. 88% in 2022). This represents a return to 2021 levels.

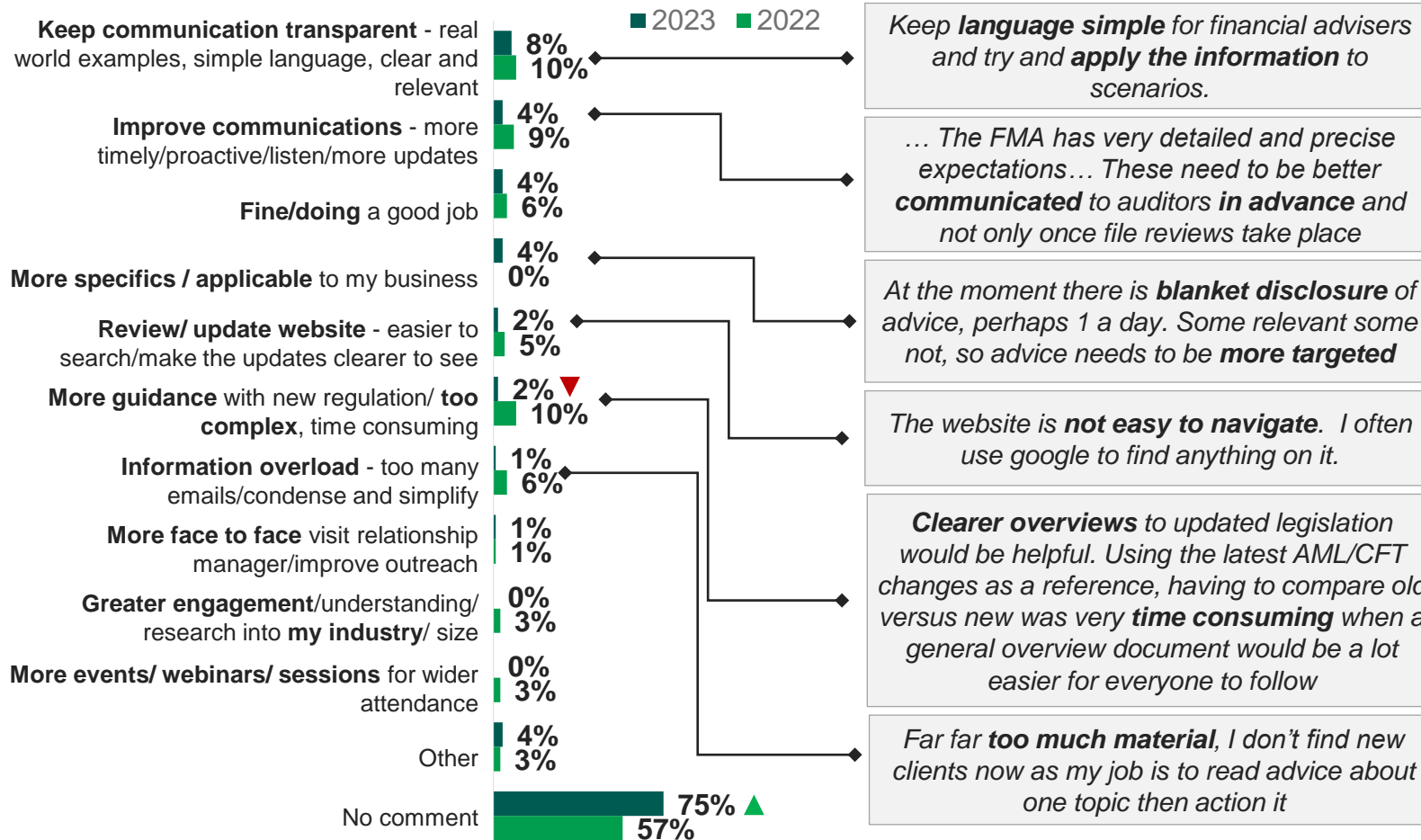
Although not significant, there are also declines in the proportion of stakeholders who agree or strongly agree that market communications help them understand the FMA's approach to regulating NZ financial markets (83%, vs. 91% in 2022), and help them understand FMA's expectations of their organisation (83%, vs. 86% in 2022).

# Effectiveness of market communications – over time (% agree/strongly agree)



The proportion of stakeholders who agree or strongly agree that FMA’s market communications are easy to understand, timely, and clear, concise and effective is relatively consistent with 2022 (at 77%, 77% and 75%, respectively).

# Ways to improve market communications



Three-quarters (75%) of stakeholders gave no suggestions for ways that FMA could improve their market communications, a significant increase vs. 2022 (57%).

Of those that commented, the most suggested areas for improvement included: keeping communication transparent (8%), improving communications (4%), and providing information that is more specific to their business (4%).

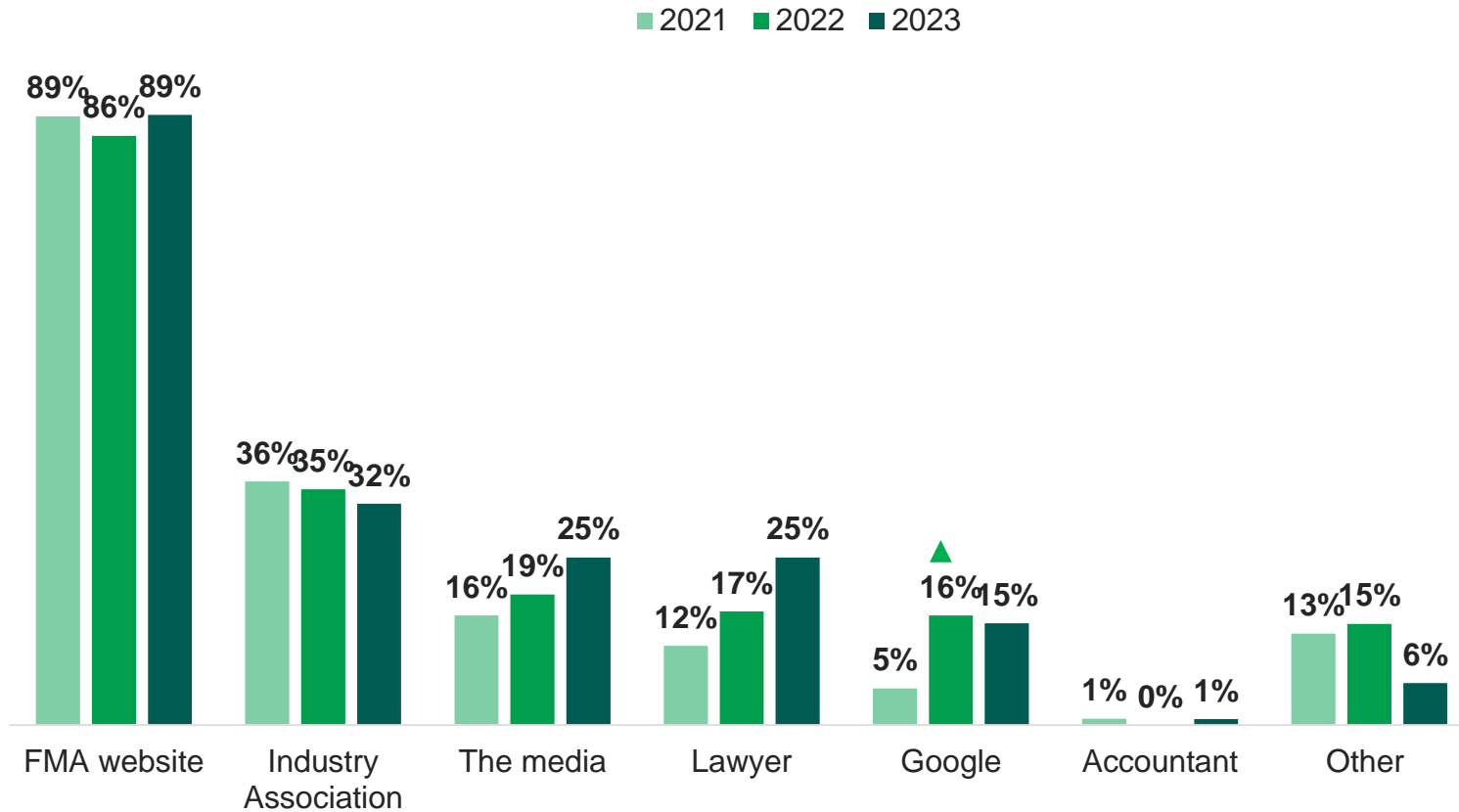
Only two percent of stakeholders mentioned they wanted more guidance with new regulation in 2023, a significant decrease from 2022 (10%).

A photograph of two women sitting at a wooden table in a modern office or meeting room. The woman on the left has long, straight white hair and is wearing a dark blue denim jacket. She is looking towards the woman on the right. The woman on the right has long, wavy dark hair, wears glasses, a black leather jacket, and an orange turtleneck. She is smiling and holding a pen over a document. A laptop is open on the table to the right, displaying a document. The background consists of large windows with a view of a city skyline.

SECTION 5

# Dealings with the FMA

# Sources used to gather important information about the FMA's work

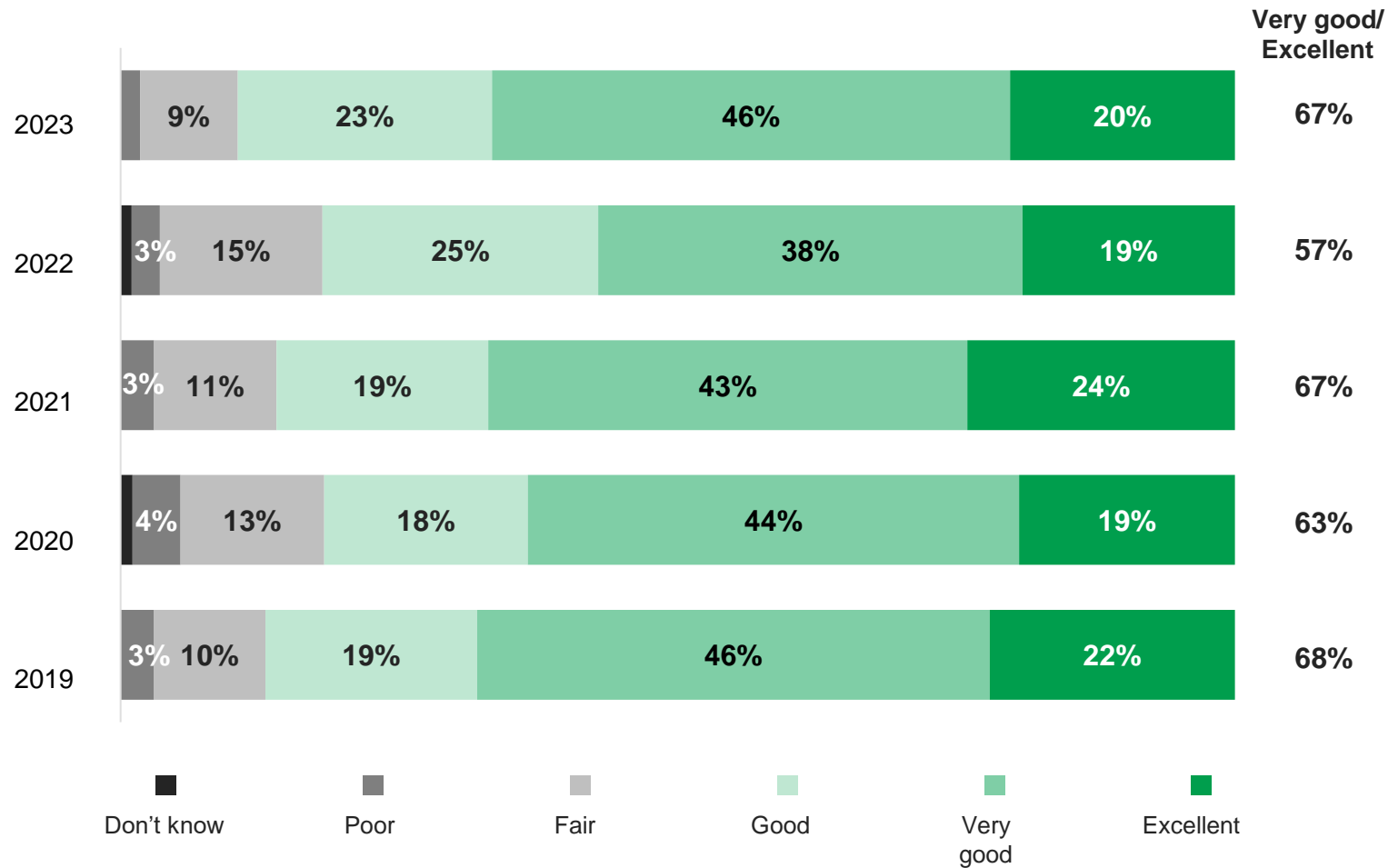


The FMA's website remains the most used source to gather information about the FMA's work amongst stakeholders, with 89% having used it.

There were slight increases in using the media (25%) and their lawyer (25%) to gather information about the FMA's work (compared to 2022, 19% and 17%, respectively).

Other sources has slightly decreased from 15% in 2022, to 6% in 2023. Open-ended responses suggest other sources include direct from FMA staff.

# Quality of service

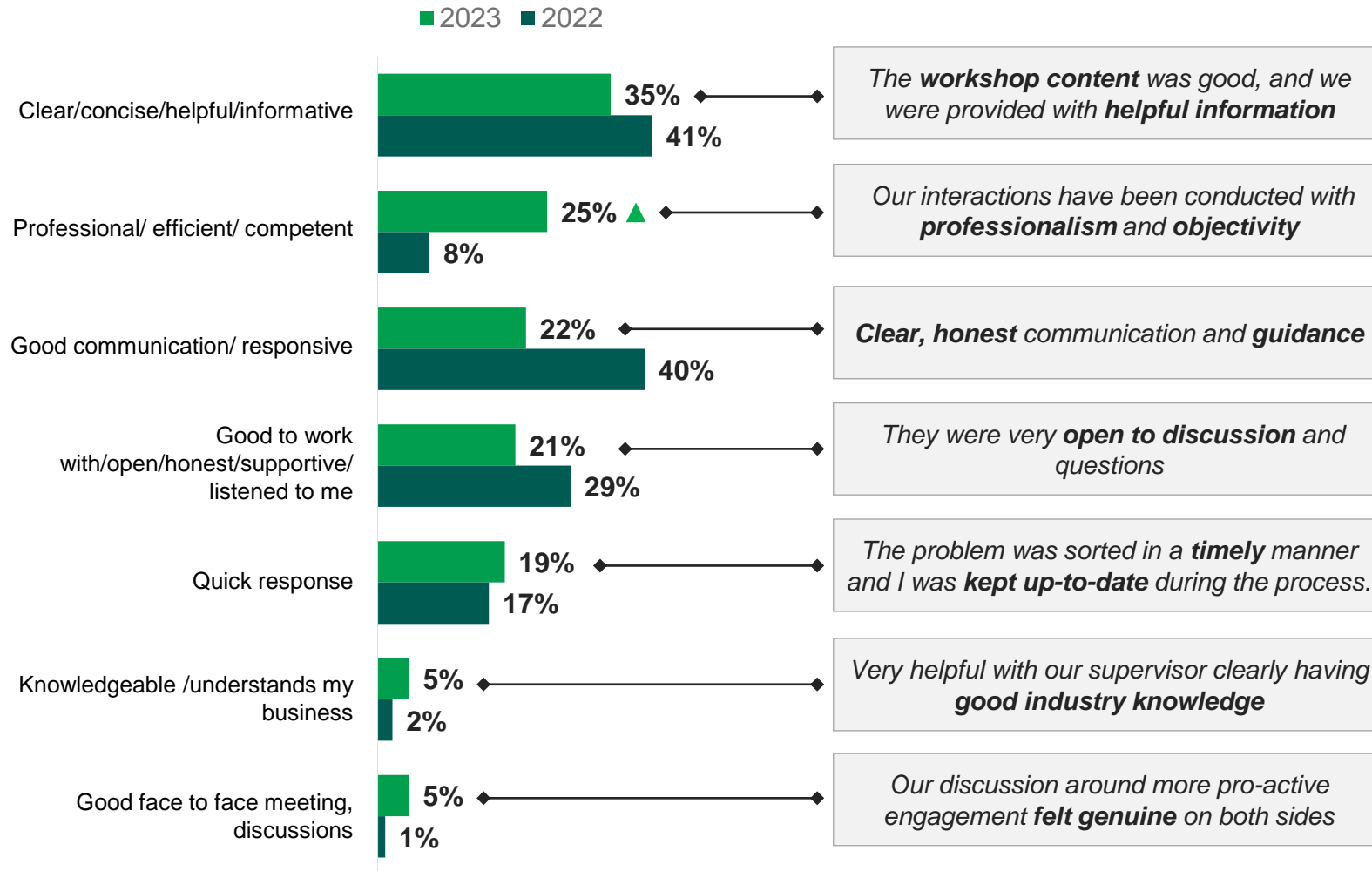


Following the drop in 2022, ratings of the quality of service received by stakeholders in 2023 have bounced back to 2021 levels, with 67% of stakeholders saying the quality of service in their most recent business interaction with the FMA was very good or excellent (compared to 57% in 2022).

Nine percent of stakeholders say the quality of service they received was 'fair' which is slightly lower than in 2022 (15%).

# Reasons for rating of service received

(Very good / excellent)



N.B. Mentions <5% not charted

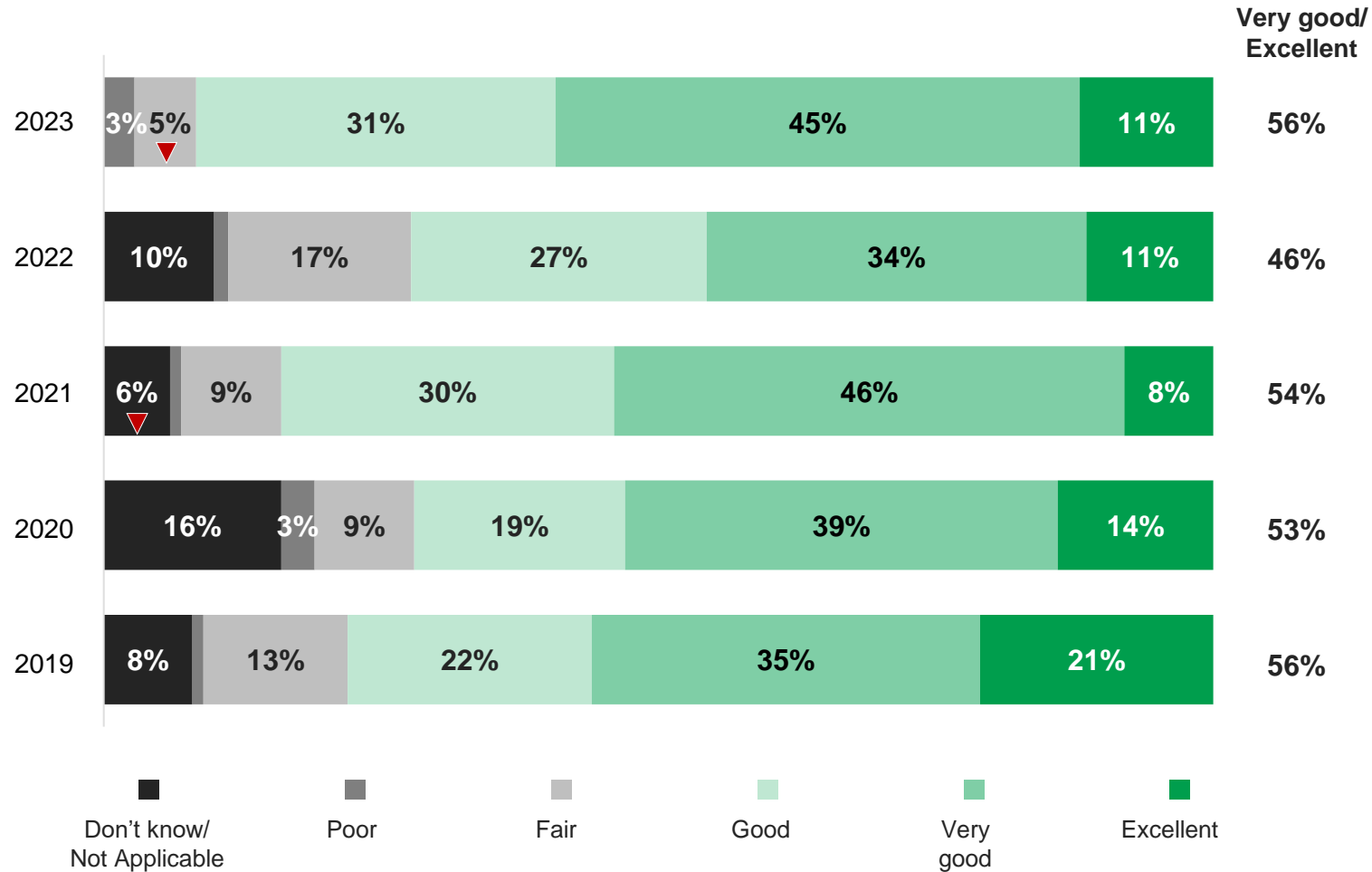
Stakeholder’s top reason for rating the service they received from the FMA as very good or excellent relates to information provided being clear, concise, helpful and informative (35%).

Notably, there was a significant increase in stakeholders rating FMA’s service as very good or excellent because of professional, efficient and competent staff (25%, vs. 8% in 2022).

Good communication and responsiveness (22%) and the FMA being good to work with (21%) were slightly less likely to be mentioned than in 2022 (40% and 29%, respectively).



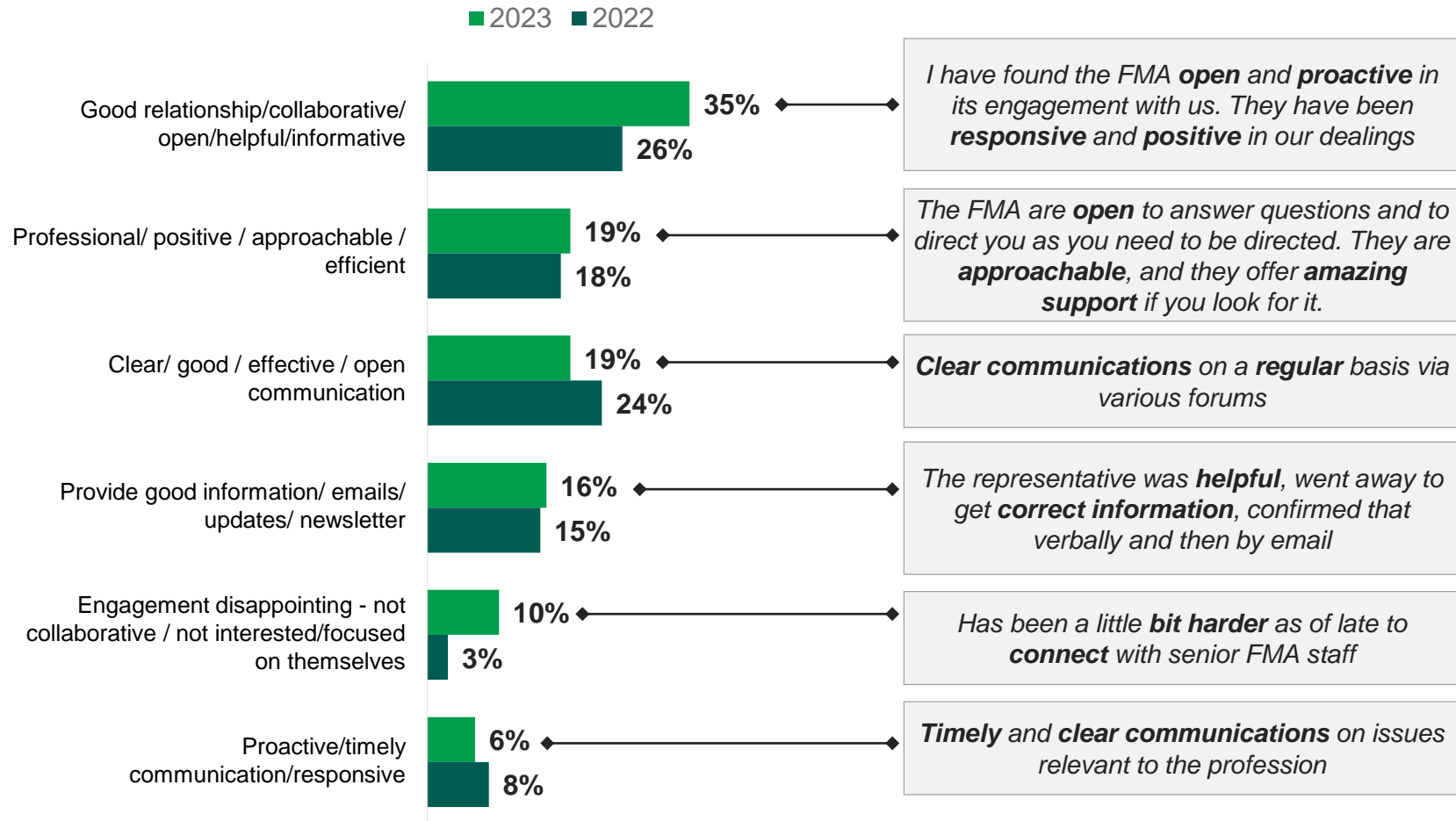
# Quality of engagement with stakeholders



Quality of engagement with stakeholders has seen a positive shift in 2023, with 56% of stakeholders rating their engagement with the FMA as very good or excellent (compared to 46% in 2022).

Positively, there was a significant decline in the proportion of stakeholders who rated the quality of FMA's engagement with them as 'fair' (5% vs. 17% in 2022).

# Reasons for rating of quality of engagement (Very good / excellent)

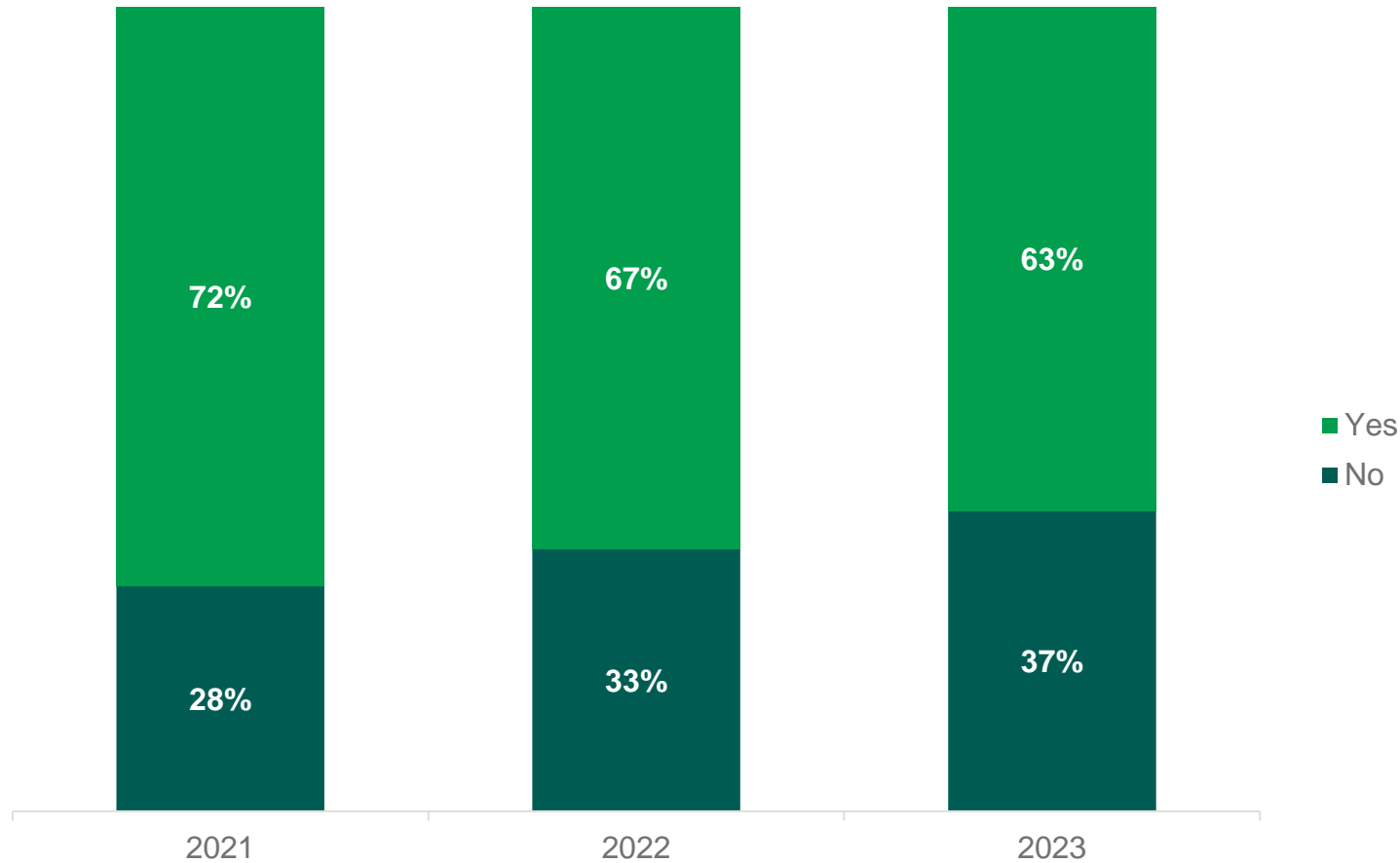


N.B. Mentions <5% not charted

Stakeholders who rated the quality of their engagement with the FMA as very good or excellent primarily attributed this to having an open and collaborative working relationship (35%), a slight but not significant increase from 26% in 2022.

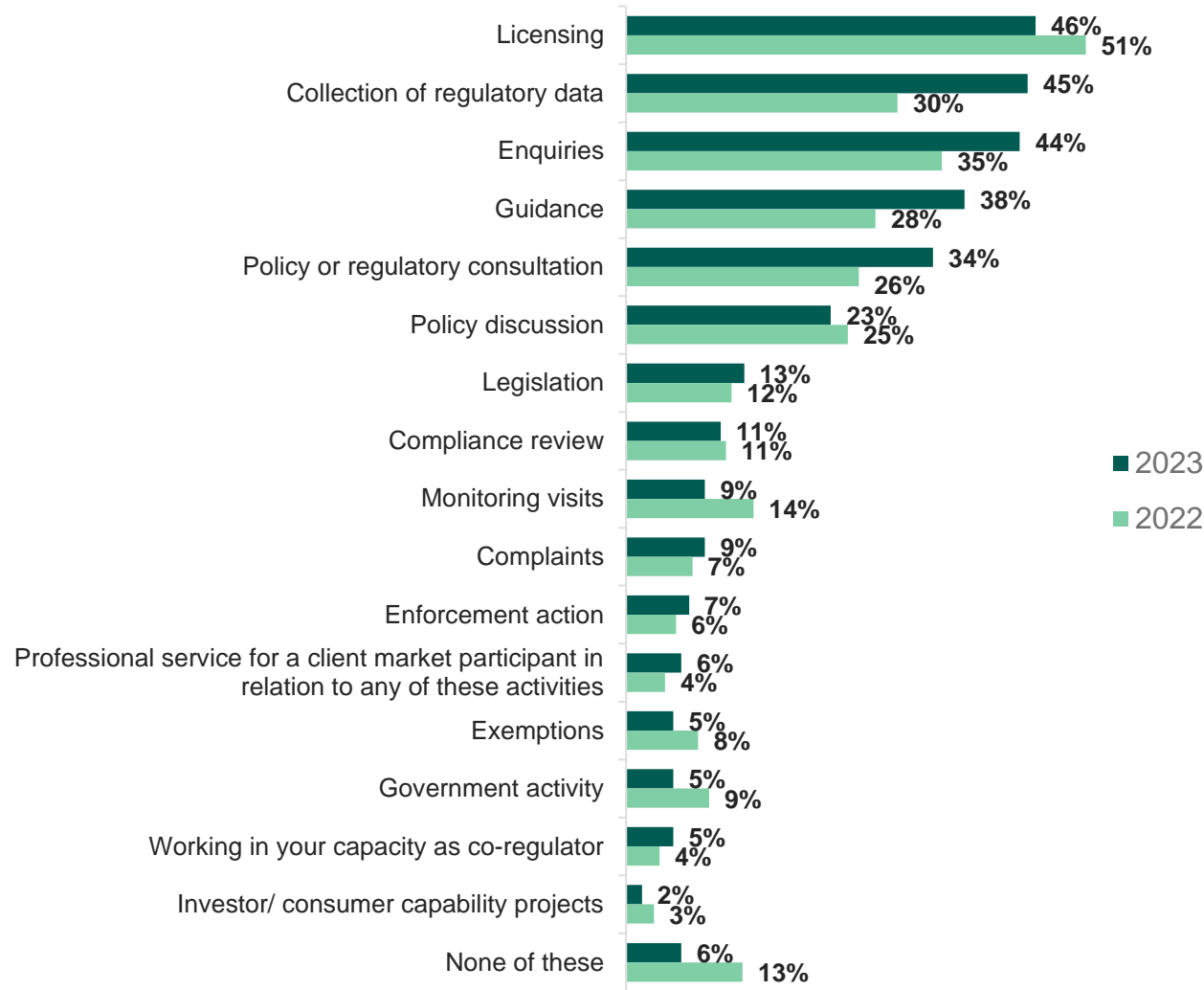
The FMA being approachable and positive (19%) and having clear and open communication (19%) were also top reasons for stakeholders rating their engagement with the FMA as very good or excellent.

# Contact with the FMA



In 2023, fewer than two-thirds (63%) of stakeholders who responded to the survey said they have a point of contact at the FMA, which is slightly but not significantly lower than in 2022 (67%).

# Involvement in the FMA's activities

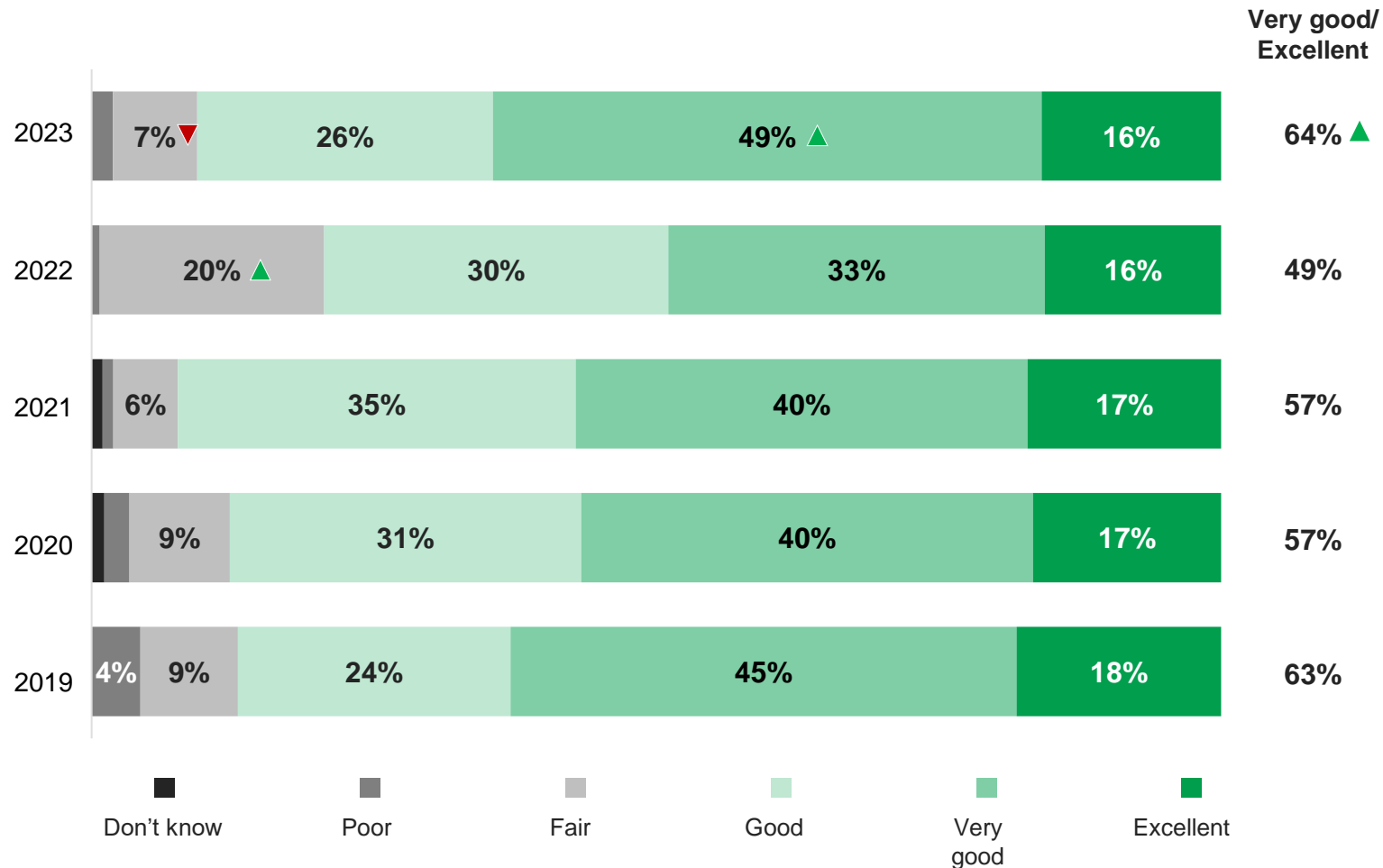


Stakeholder involvement with the FMA's activities in 2023 is relatively consistent with 2022.

Licensing continues to be the most common way stakeholders have been involved with the FMA in the last 12 months (46%), though this is slightly lower than in 2022 (51%).

Notably, stakeholder involvement in several activities has grown relative to 2022, including the collection of regulatory data (45% vs. 30% in 2022), enquires (44% vs. 35%), guidance (38% vs. 28%) and policy or regulatory consultation (34% vs. 26%), albeit the increases are not statistically significant.

# Dealings with the FMA

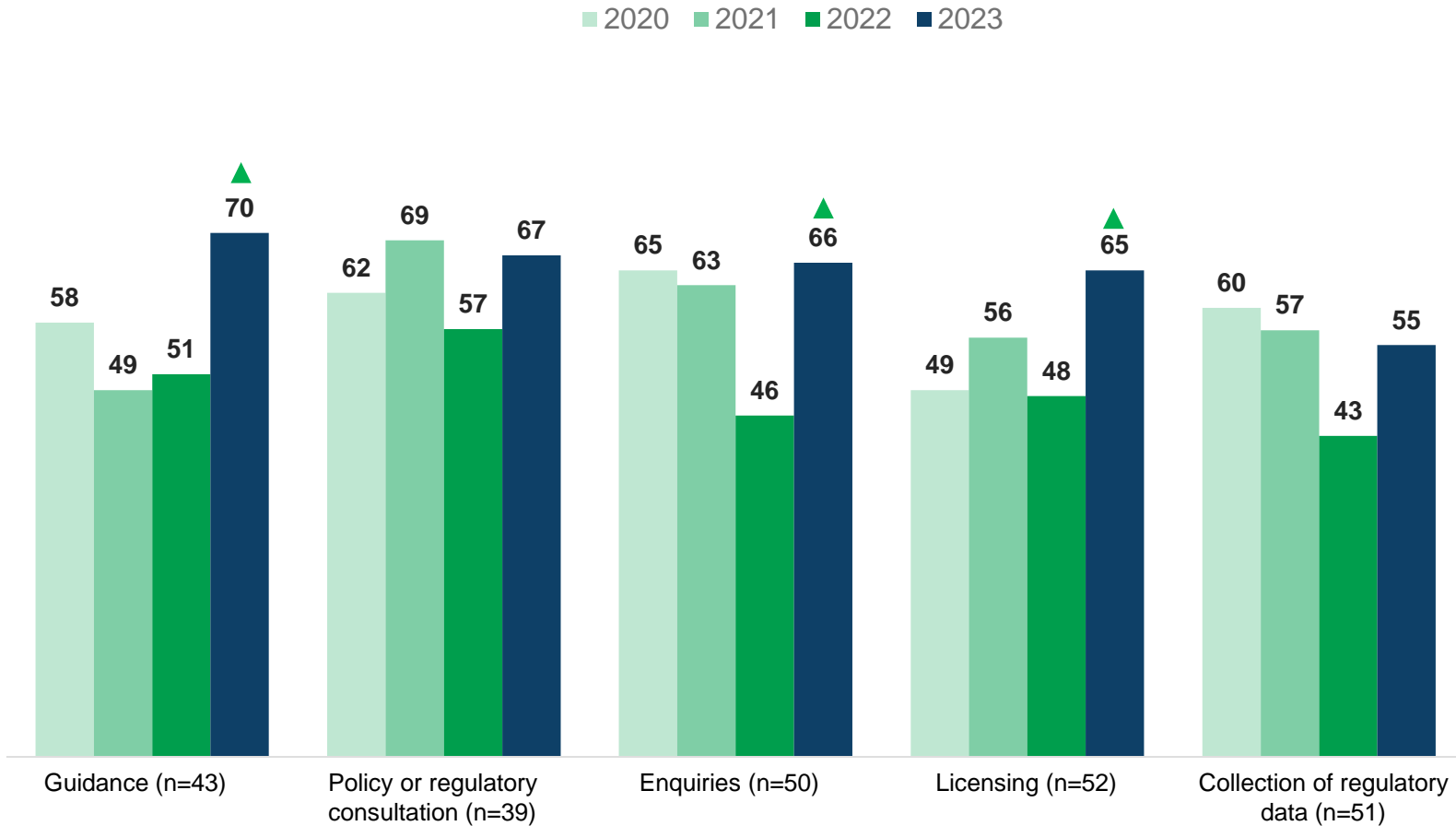


Stakeholders' ratings of their dealings with the FMA in the last 12 months have recovered from the decline in 2022, with almost two-thirds (64%) of stakeholders giving a rating of very good or excellent, a significant increase from 49% in 2022.

Meanwhile, the proportion of stakeholders who rated their dealings with the FMA as 'fair' has significantly decreased in 2023 (7%, vs. 20% in 2022).

# Activities and dealings with the FMA

(% very good/excellent)



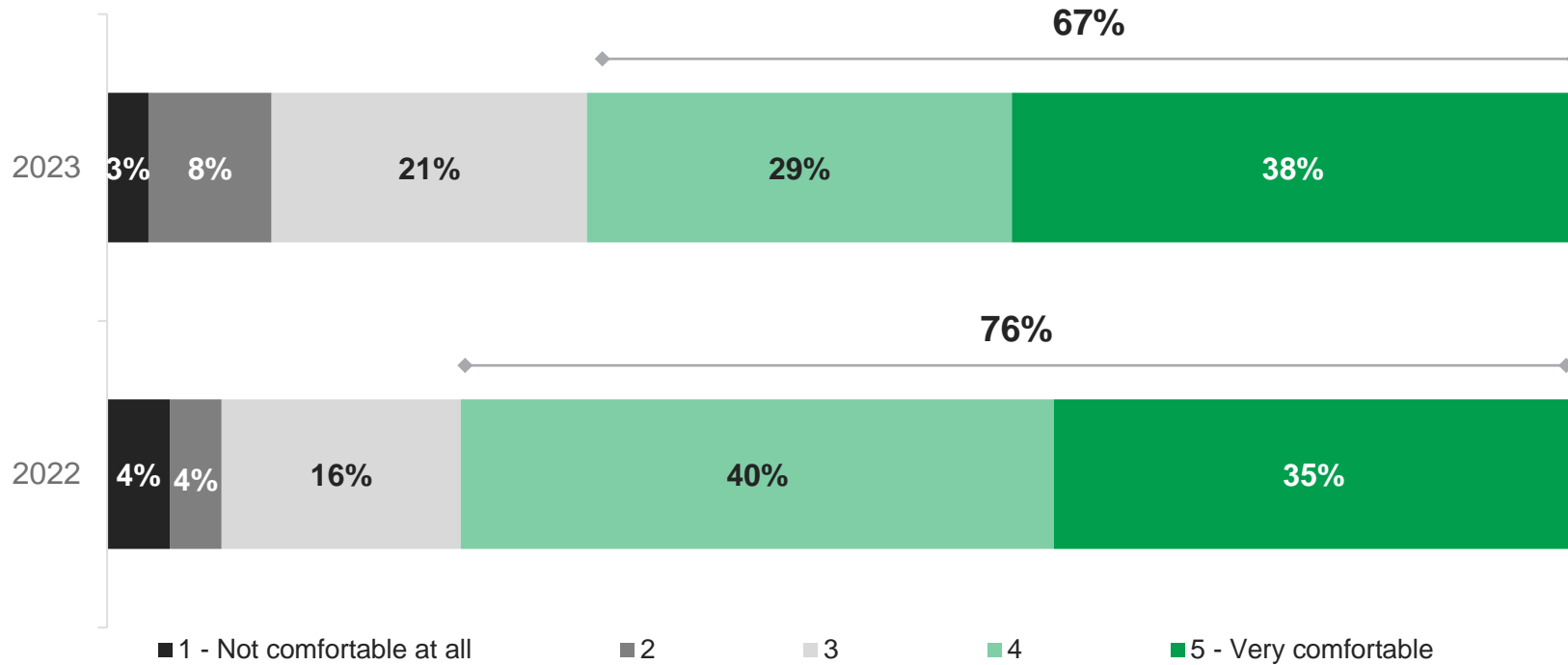
This year the proportion of stakeholders rating their dealings with the FMA as very good or excellent has increased significantly across a range of activities.

In particular, 7 out of 10 (70%) stakeholders involved in guidance rated their dealings with FMA as very good or excellent (compared to 51% in 2022).

Similarly, nearly two-thirds of stakeholders involved in enquiries (66%) and licensing (65%) rated their dealings with the FMA as very good or excellent (compared to 46% and 48% in 2022, respectively).

\* Only activities with more than n=30 shown  
Note: low sample sizes, results to be interpreted with caution

# Raising issues with the FMA

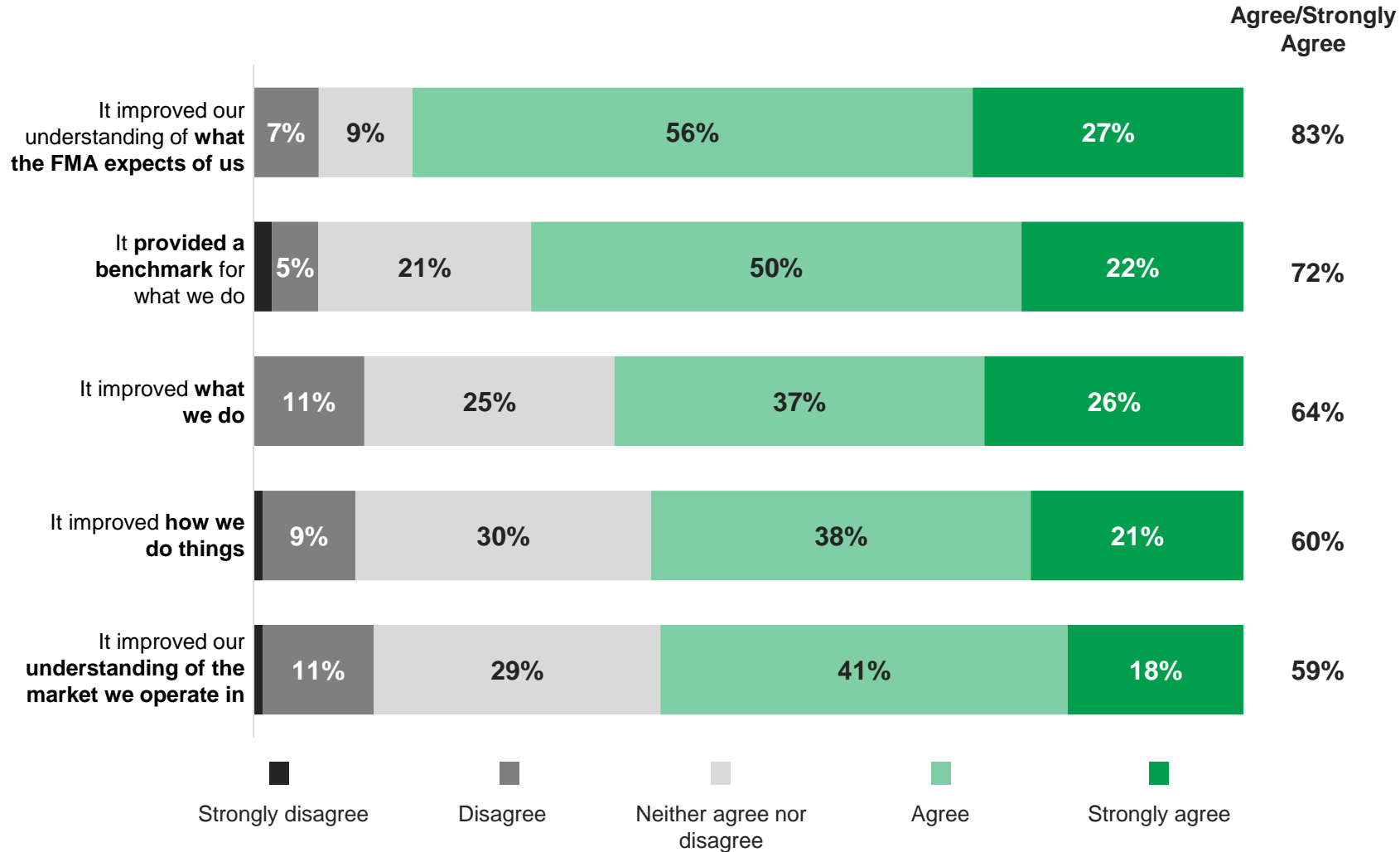


Two-thirds (67%) of stakeholders rated their comfort in raising issues with the FMA as a 4 or 5 out of 5 in 2023, which is slightly, albeit not significantly, lower than in 2022 (76%).

This decline appears to be driven by those stakeholders who gave less favourable ratings of their dealings with the FMA, who were significantly less likely to feel comfortable (34% rated 4/5 among those who rated their dealings with the FMA as good, fair or poor). This represents a significant decline from 2022 (60%).

As in 2022, those stakeholders who rated their dealings with the FMA in the last 12 months as ‘very good’ or ‘excellent’ were significantly more likely to feel comfortable raising issues with the FMA (86% rated 4/5 out of 5, vs. 67% overall).

# Outcomes for organisations



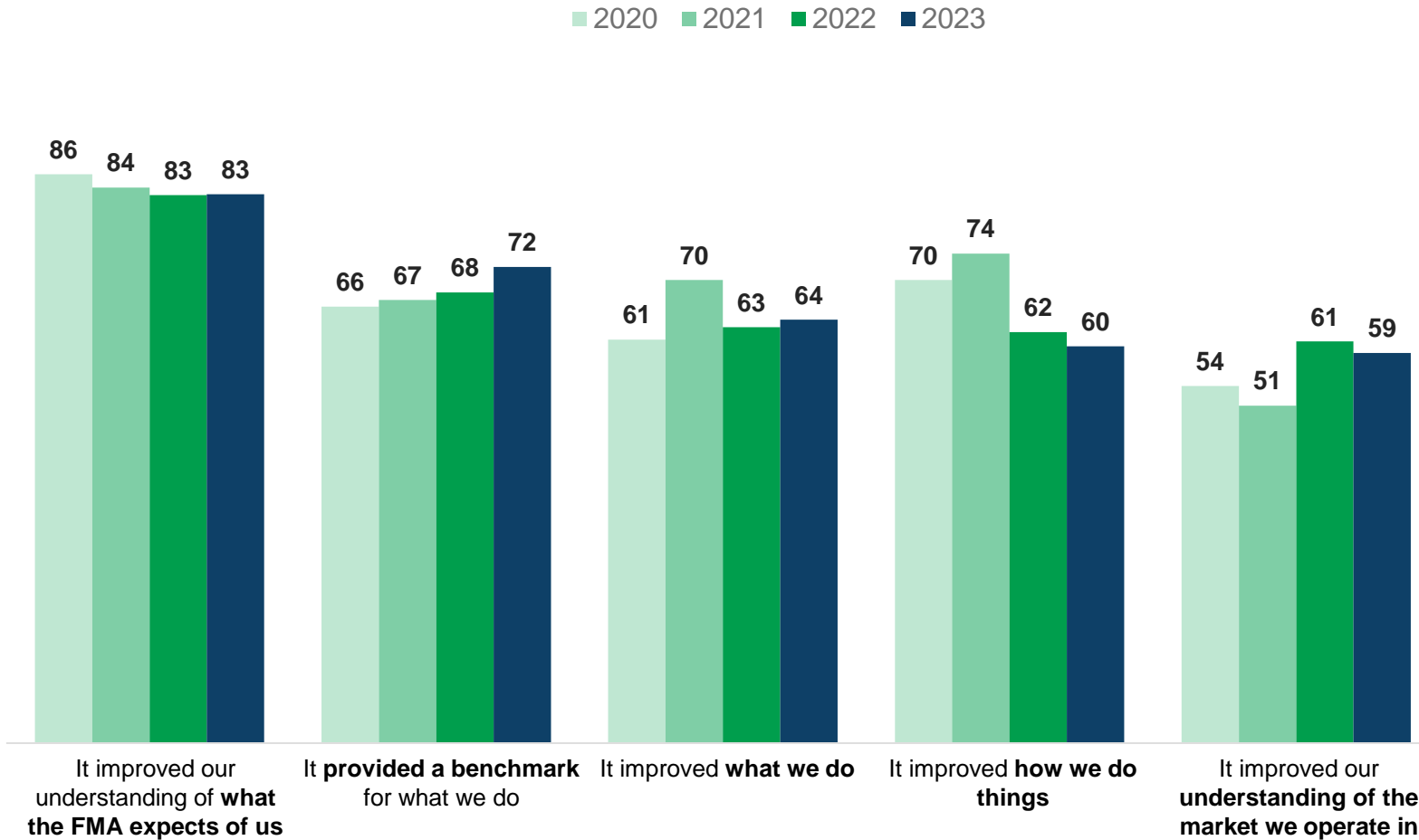
More than 8 in 10 (83%) stakeholders agree or strongly agree that their involvement with the FMA improved their understanding of what the FMA expects of them, and more than 7 in 10 (72%) of them say it has provided a benchmark for what they do.

Around 6 in 10 agree or strongly agree that their dealings with the FMA improved what they do (64%), improved how they do things (60%), and improved their understanding of the market they operate in (59%).



# Outcomes for organisations - over time

(% agree / strongly agree)



This year the proportion of stakeholders who agree or strongly agree with several statements is consistent with 2022, including the proportion who agreed that their dealings with the FMA improved their understanding of what the FMA expects of them (83%, vs. 83% in 2022), improved what they do (63%, vs. 64%), and improved their understanding of the market they operate in (59%, vs. 61%).

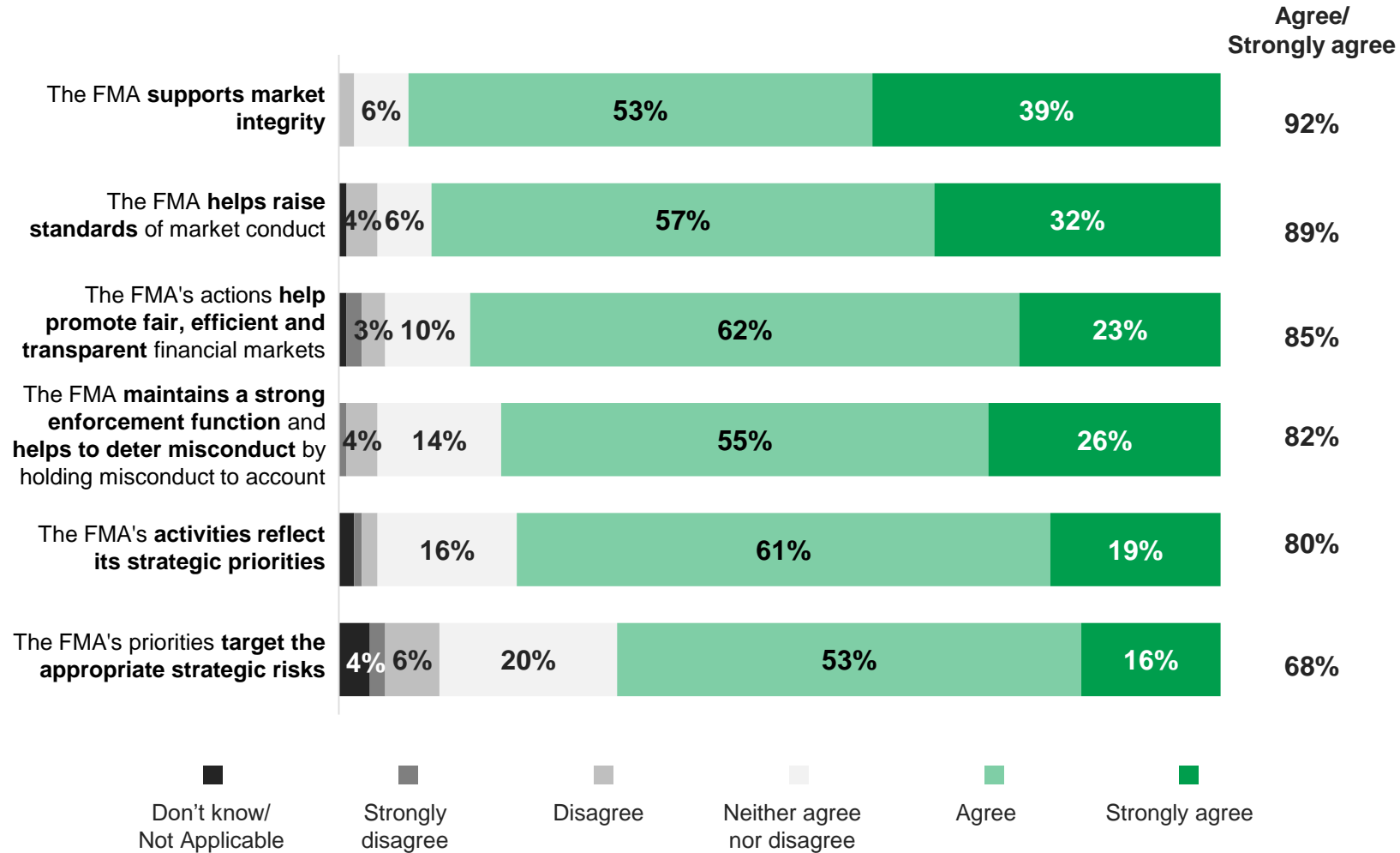
There was a small but not statistically significant increase in agreement that their dealings with the FMA provided a benchmark for what they do (72%, vs. 68% in 2022).

A photograph of a man with dark, wavy hair and a mustache, smiling broadly. He is wearing a light pink, short-sleeved button-down shirt. The background is a blurred industrial setting, likely a factory or warehouse, with shelves and equipment visible. The lighting is bright and even.

SECTION 6

# Perceptions of the FMA

# Perceptions of FMA and its effectiveness

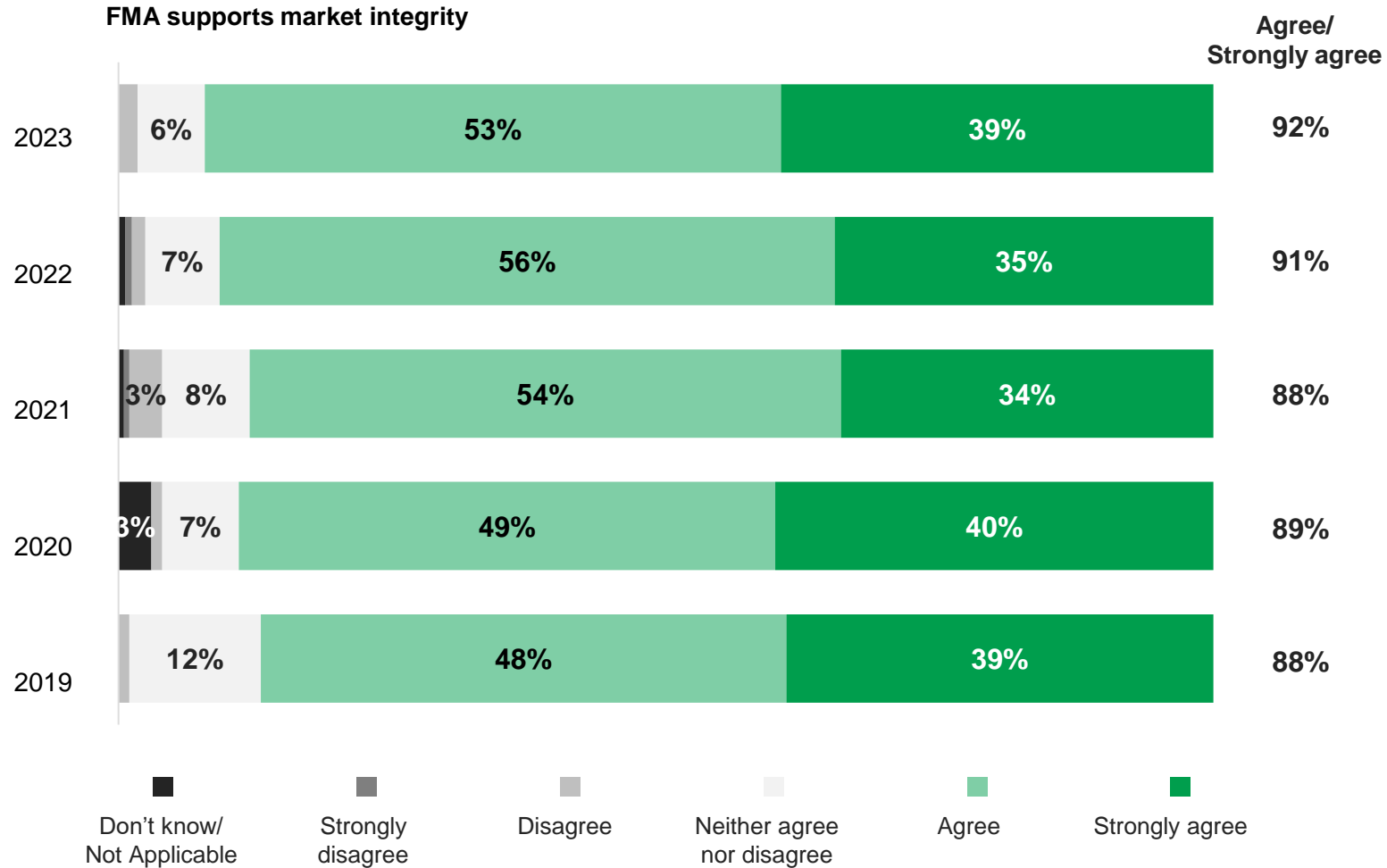


Stakeholder perceptions of the FMA and its effectiveness are mostly positive, with 92% saying they agree or strongly agree that the FMA supports market integrity.

Over 8 in 10 stakeholders agree or strongly agree that the FMA helps raise standards of market conduct (89%), help promote fair, efficient and transparent markets (85%), maintains a strong enforcement function (82%), and that their activities reflect its strategic priorities (80%).

Agreement is lowest that the FMA's priorities target the appropriate strategic risks, with 68% of stakeholders who agree or strongly agree with this statement.

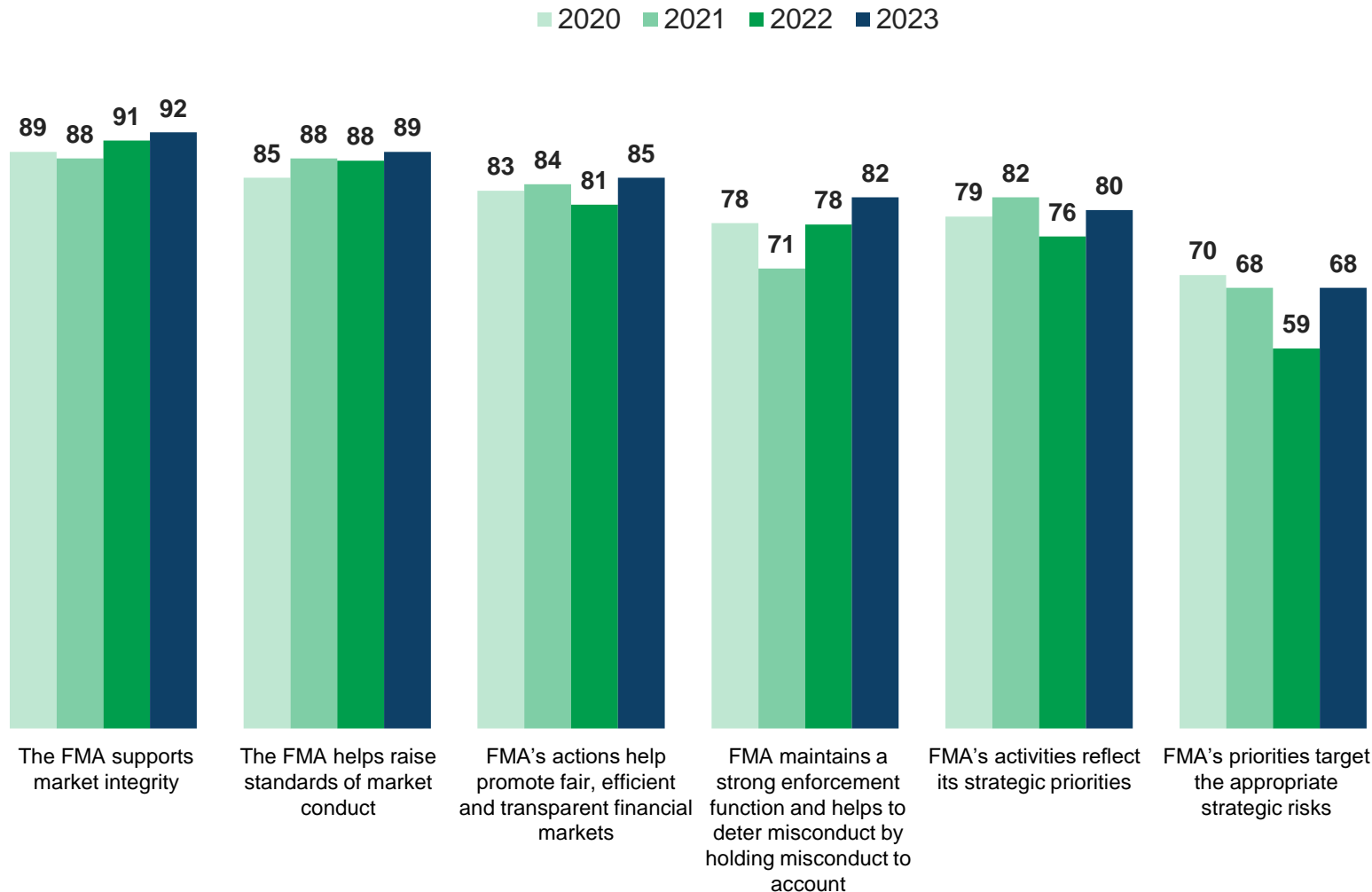
# FMA supports market integrity – over time



Stakeholder agreement that the FMA supports market integrity remains high and consistent with previous years (92% agree or strongly agree, vs. 91% in 2022).

There are no statistically significant differences compared to 2022.

# Perceptions of FMA and its effectiveness – over time (% agree/strongly agree)

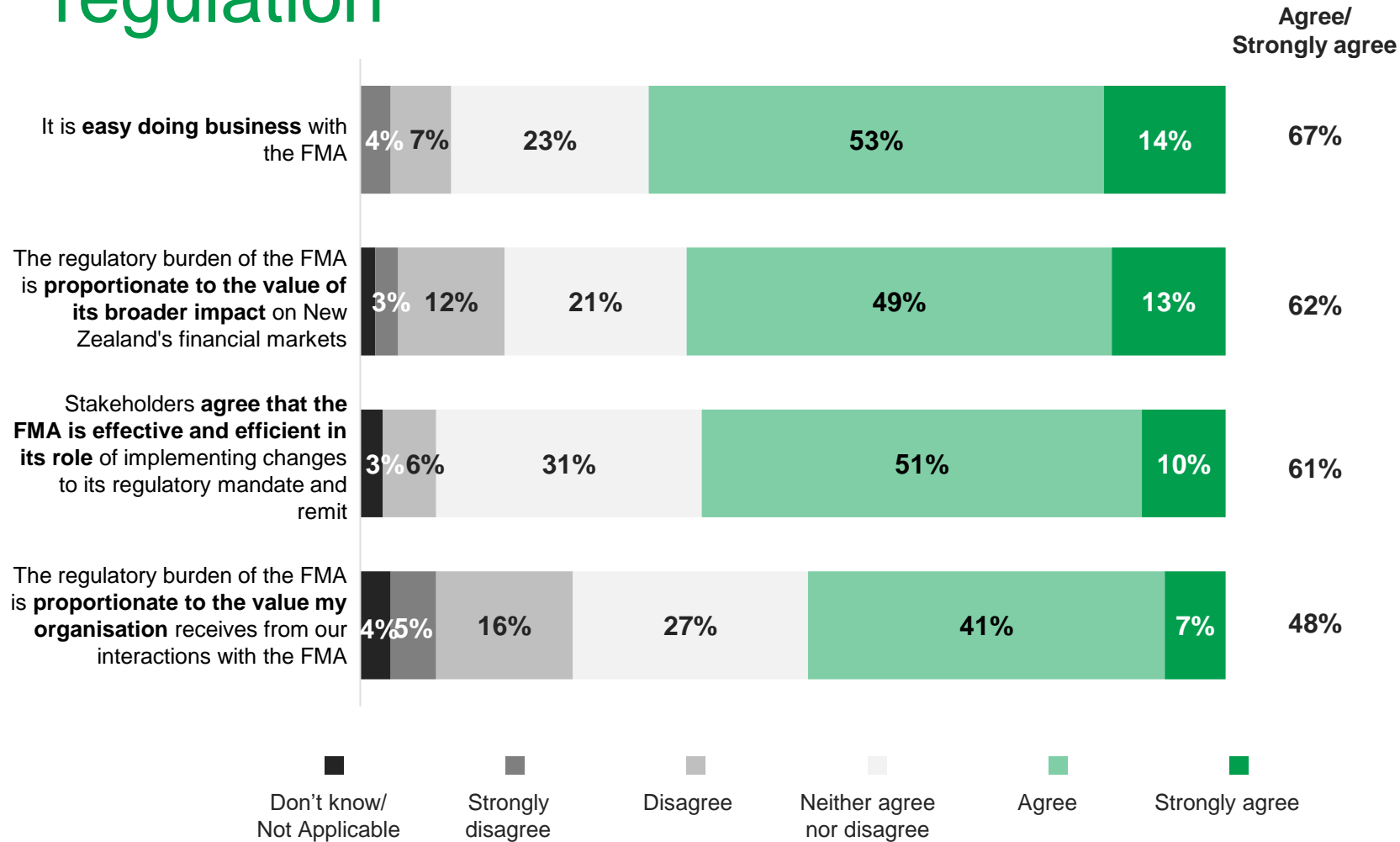


Stakeholders' perceptions of the FMA and its effectiveness are relatively stable over time with no statistically significant differences compared to 2022.

About 9 in 10 stakeholders say they agree or strongly agree that the FMA supports market integrity (92%) and helps raise standards of market conduct (89%), while over 8 in 10 agree that the FMA helps to promote fair, efficient and transparent financial markets (85%) and maintains a strong enforcement function (82%).

Agreement that the FMA's priorities target the appropriate strategic risks has recovered from last year's decline (68%, vs. 59% in 2022), though this is not statistically significant.

# The FMA's efficiency and impact of regulation

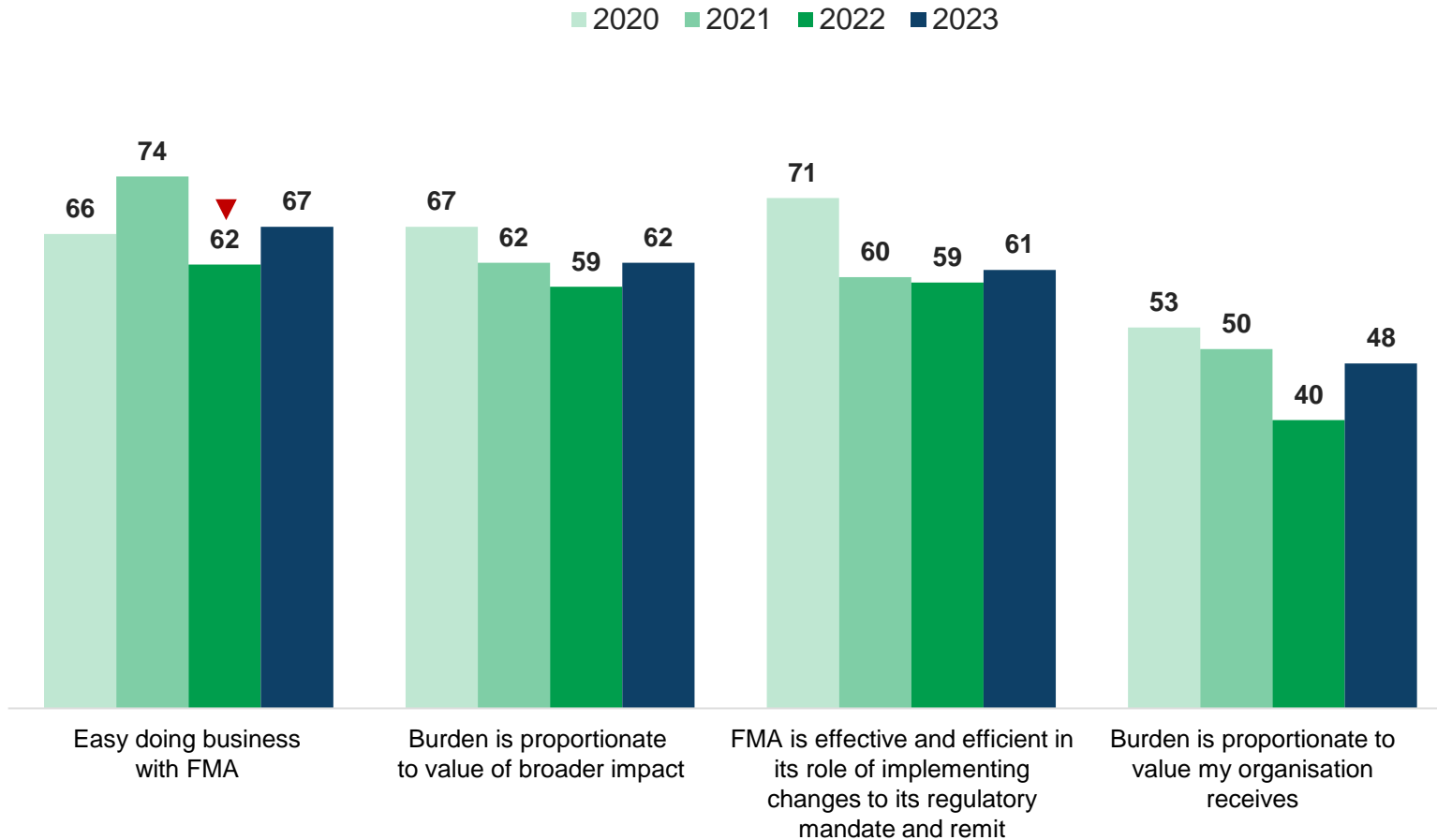


About 7 in 10 stakeholders agree or strongly agree that it is easy to do business with the FMA (67%), while around 6 in 10 agree that the regulatory burden of the FMA is proportionate to the value of its broader impact on New Zealand's financial markets (62%), and that the FMA is effective and efficient in its role of implementing changes to its regulatory mandate and remit (61%)

Fewer than half feel that the regulatory burden is proportionate to the value their organisation receives from their interactions with the FMA (48%).

C9. The following statements relate to the FMA's efficiency and the impact of regulation. The regulatory 'burden' of the FMA on your organisation comes from two things. The 'burden' inherent in the law which the FMA must enforce and with which you must comply. There are also potential 'burdens' arising from something we have chosen to do (using discretion); or from the relative efficiency in the way we have delivered our mandate.  
Base: All stakeholders (n=114)

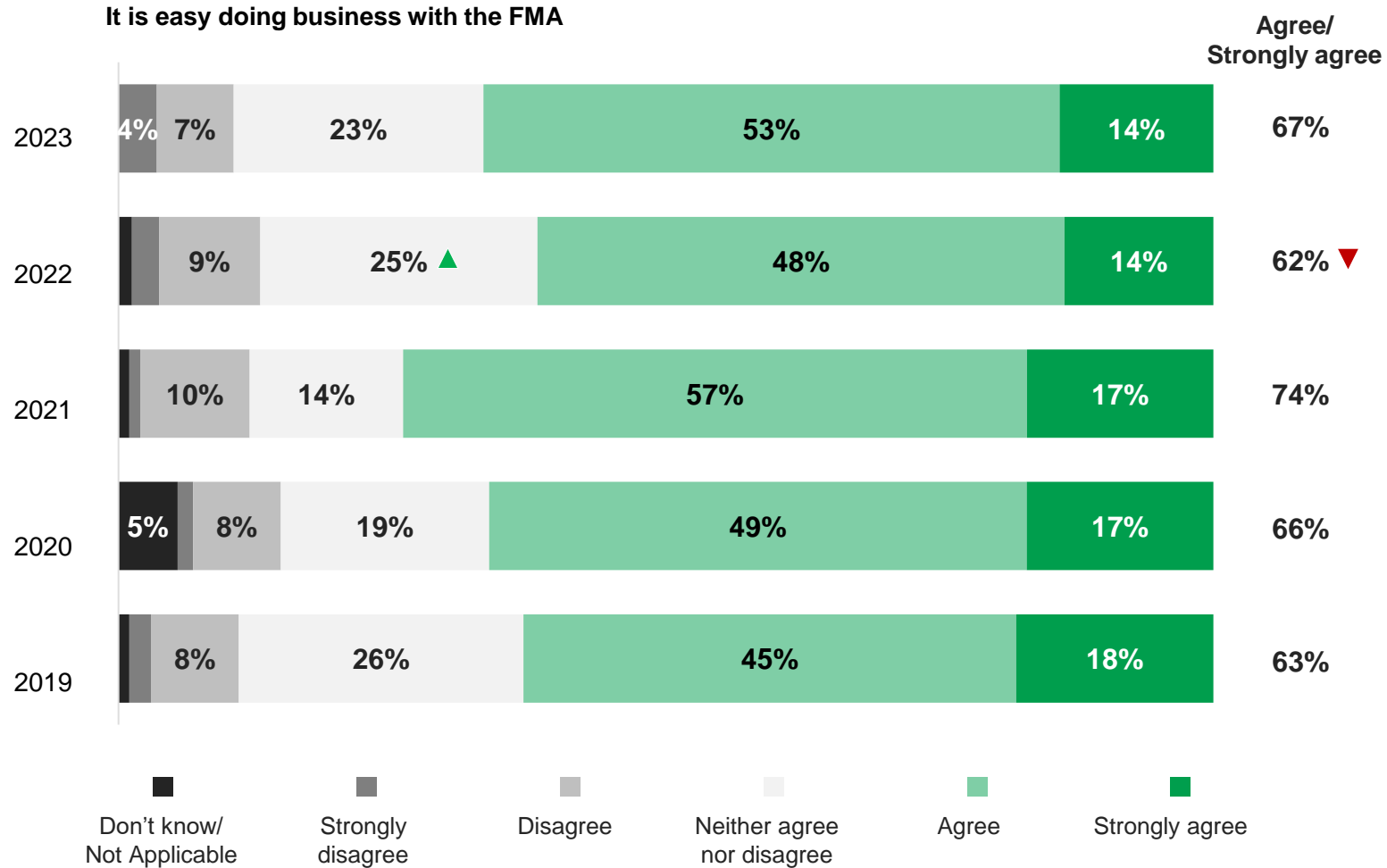
# The FMA's efficiency and the impact of regulation – over time (% agree/strongly agree)



Stakeholder perceptions of the FMA's efficiency and the impact of regulation has increased slightly, but not significantly, across a range of statements since 2022.

In particular, two-thirds (67%) of stakeholders say they agree or strongly agree that is easy doing business with the FMA, a slight recovery from its significant drop in 2022 (62%), while agreement that the regulatory burden is proportionate to the value their organisation receives has also increased (48%, vs. 40% in 2022).

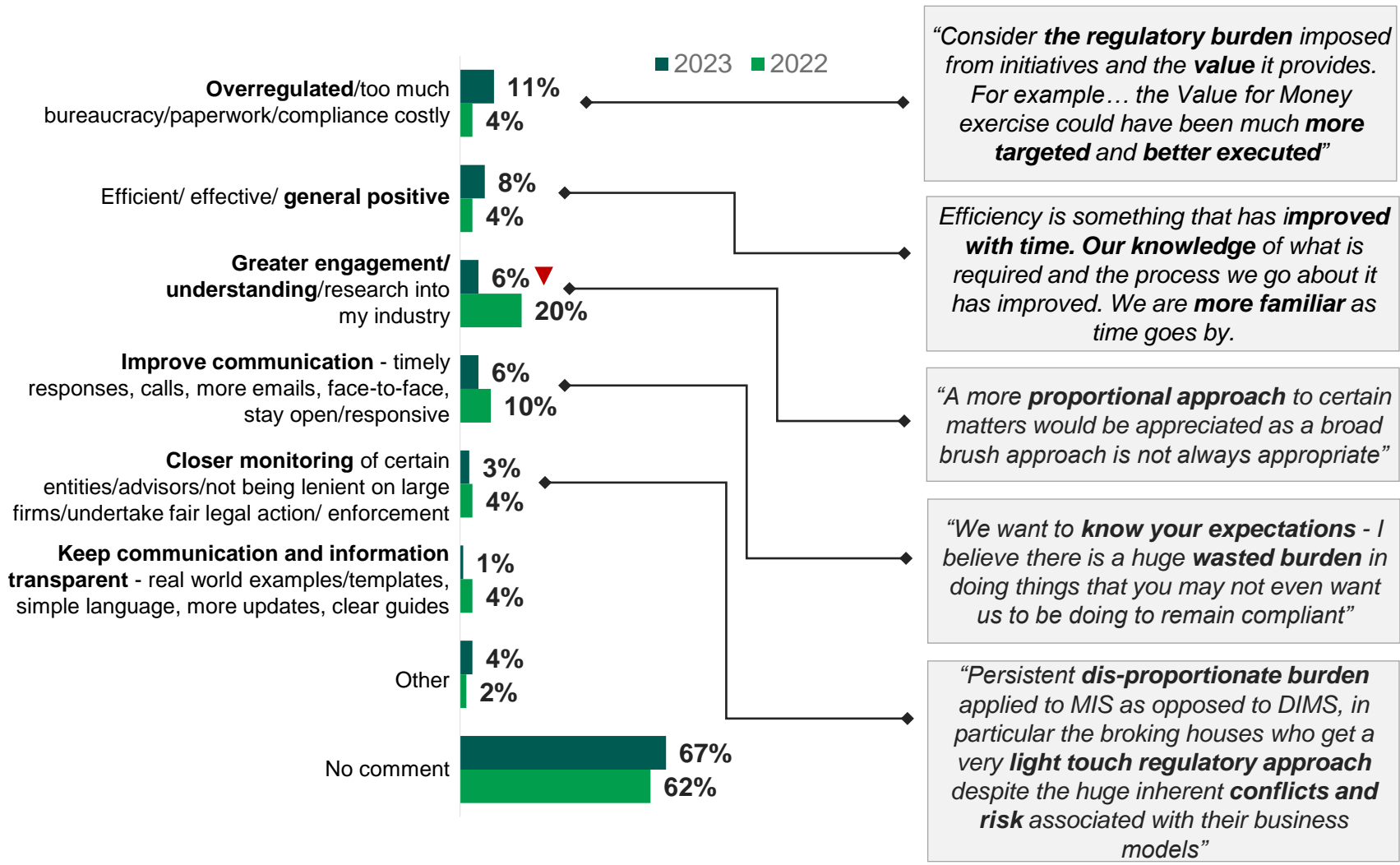
# Ease of doing business – over time



Positively, after a significant decline in 2022, there has been a slight recovery in stakeholder agreement that it is easy doing business with the FMA (67% agree or strongly agree, vs. 62% in 2022), while the proportion of stakeholders who disagree or strongly disagree is stable at 11%.



# Ways to improve FMA's efficiency / effectiveness



Stakeholders were asked to provide open-ended feedback on ways that the FMA could improve its efficiency and/or effectiveness. Of those who responded, the most common improvements mentioned included more consideration of the burden FMA regulation and initiatives impose (11%), greater understanding of stakeholders’ business or sector (6%) and improve communication (6%).

While greater understanding of stakeholders’ business or sector is one of the top reasons listed, it was mentioned significantly less than in 2022 (20%).

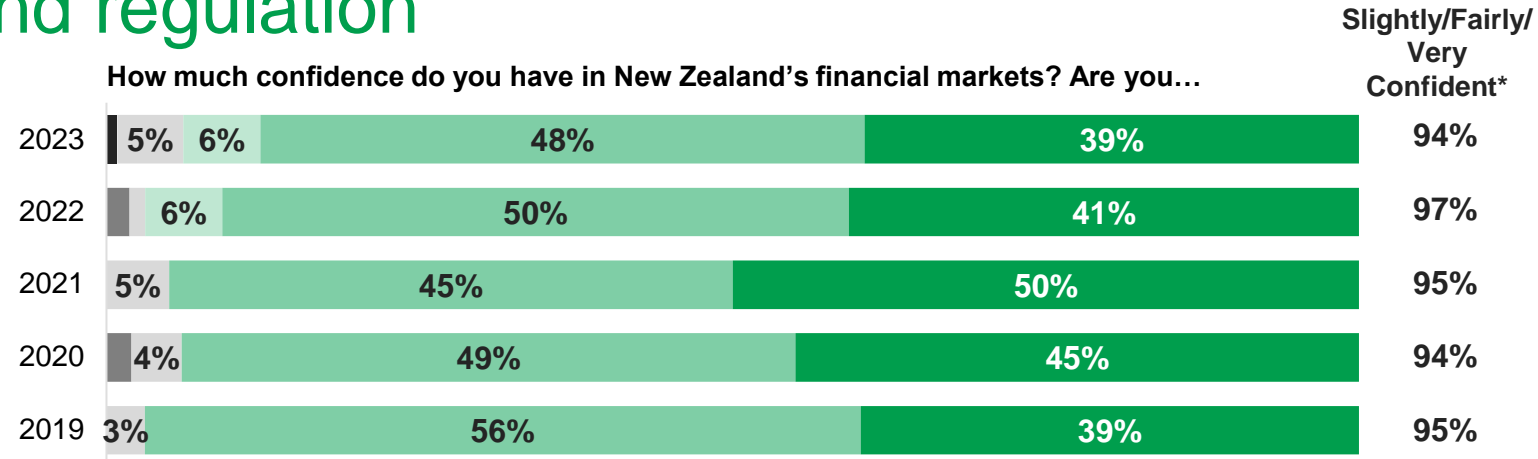
Two-thirds (67%) did not provide any suggestions for ways to improve the FMA’s efficiency and effectiveness.

A man with glasses and a green shirt is looking at his smartphone at night. He is standing in front of a glass window that reflects a bicycle. The background is a blurred city street at night with warm lights.

SECTION 7

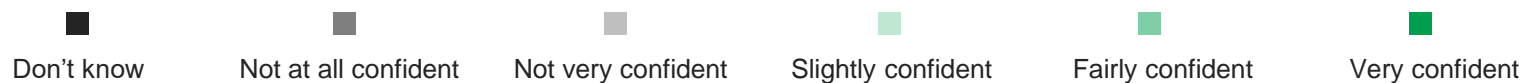
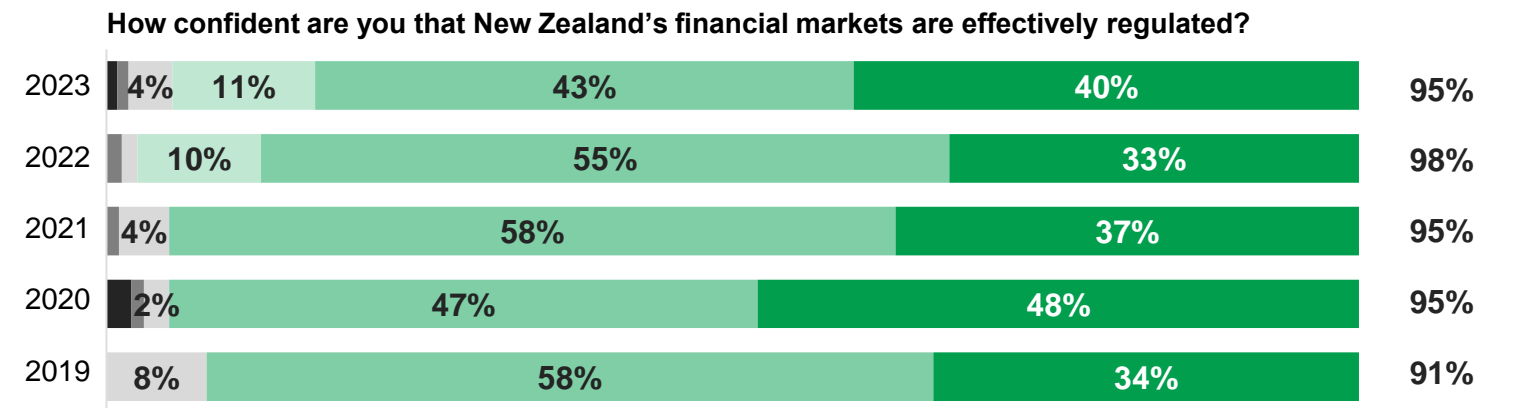
# Confidence in financial markets

# Stakeholder confidence in financial markets and regulation



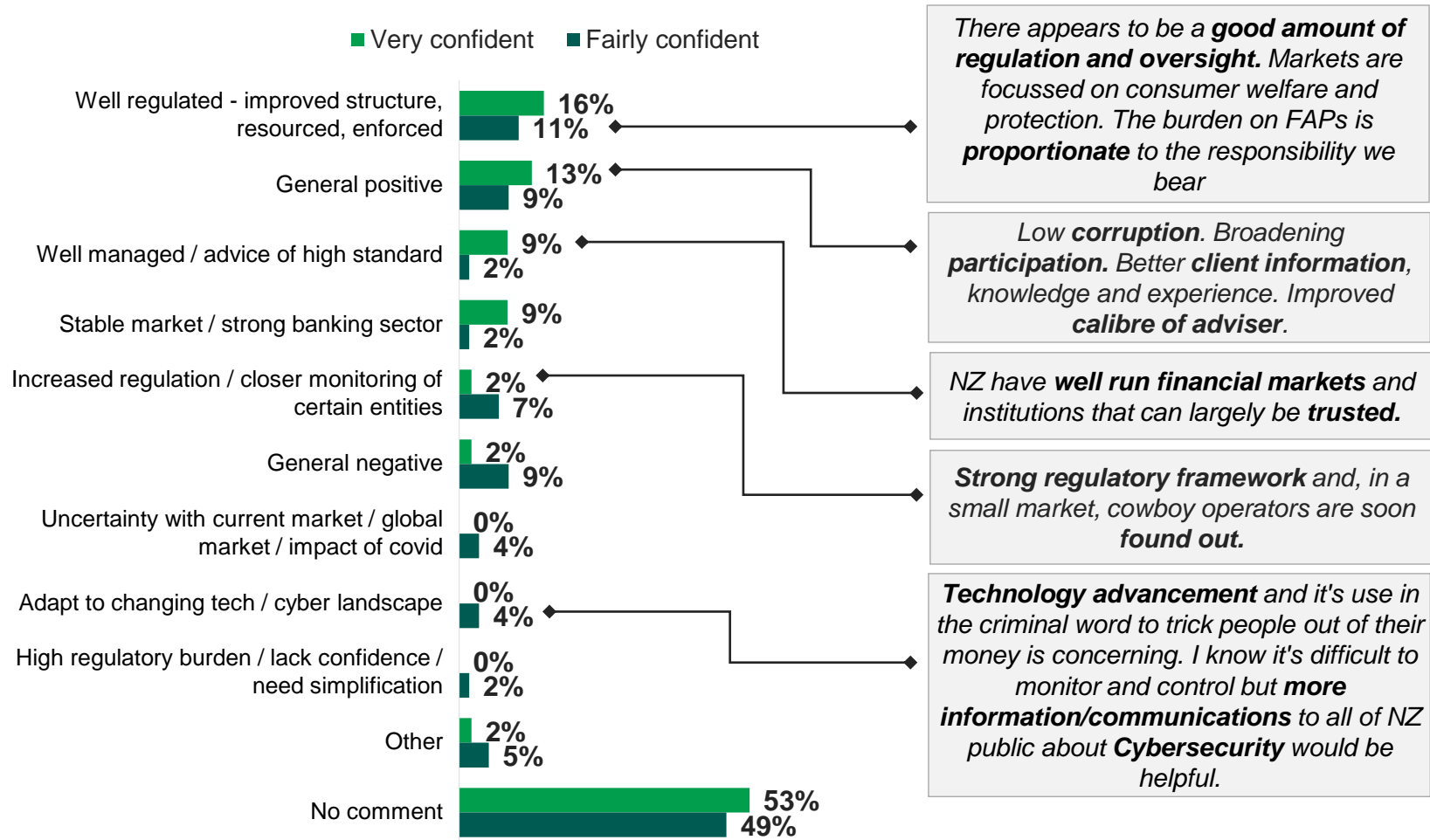
Stakeholder confidence in New Zealand's financial markets remains at high levels, and stable when compared with previous years, with 94% of stakeholders saying they are slightly, fairly or very confident (compared with 97% in 2022).

Also consistent with previous years, the majority of stakeholders are slightly, fairly or very confident that New Zealand's financial markets are effectively regulated (95% vs. 98%).



\* Question changed to a 5 point scale in 2022 (added 'Slightly confident') – overall confidence has been reported based on top 3 box scores (Slightly/fairly/very confident) to allow comparison over time

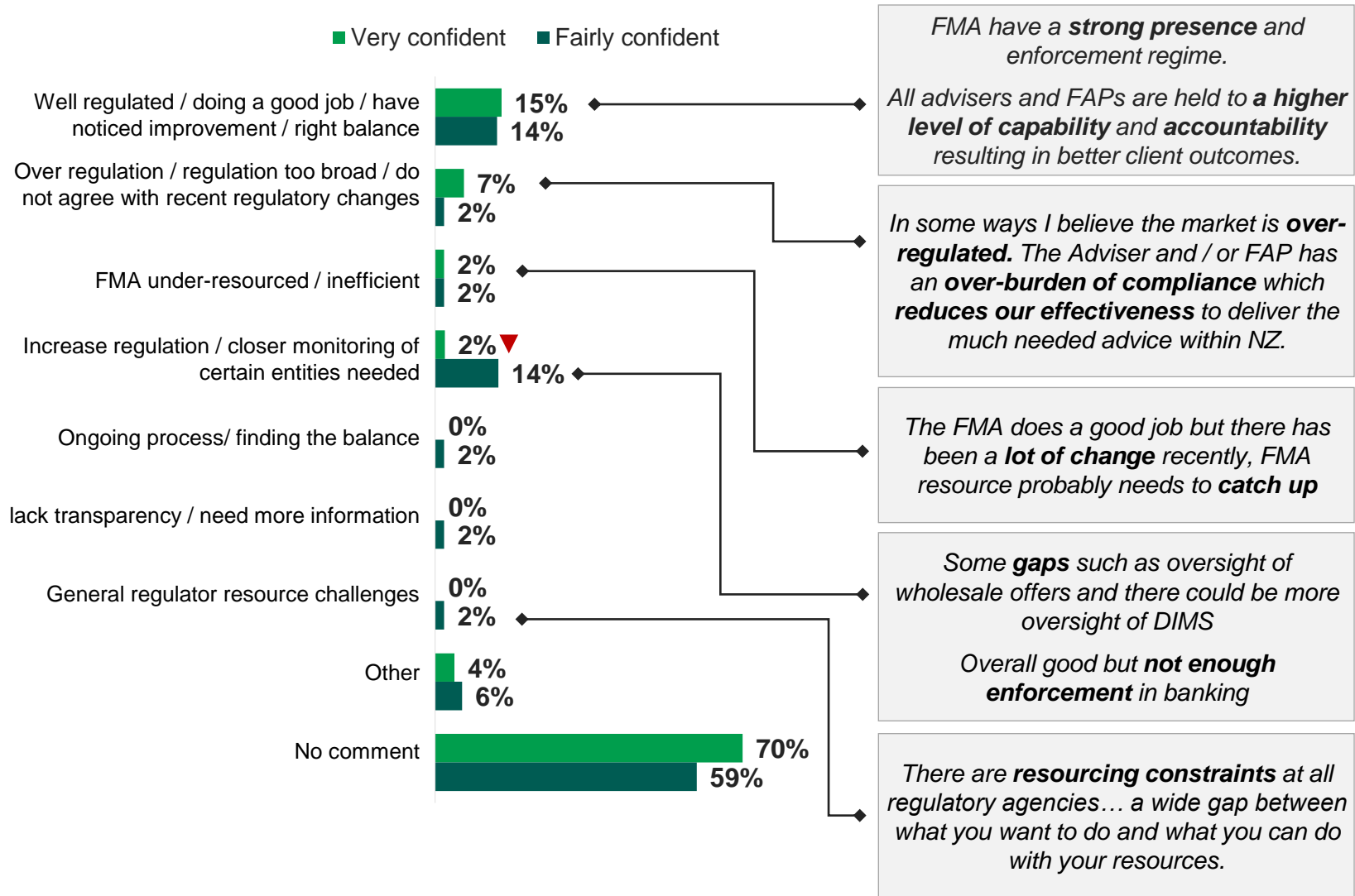
# Reasons for confidence level



Stakeholders who were very confident in New Zealand's financial markets mostly attributed this to markets being well regulated (16%), well managed (9%), and stable (9%). A further 13% of stakeholders who were very confident made generally positive comments.

Those who were fairly confident were slightly, albeit not significantly, more likely to have negative feedback (9%, vs. 2% for those very confident), including the need for increased enforcement or monitoring of certain entities (7%, vs. 2% for those very confident).

# Reasons for confidence in regulation

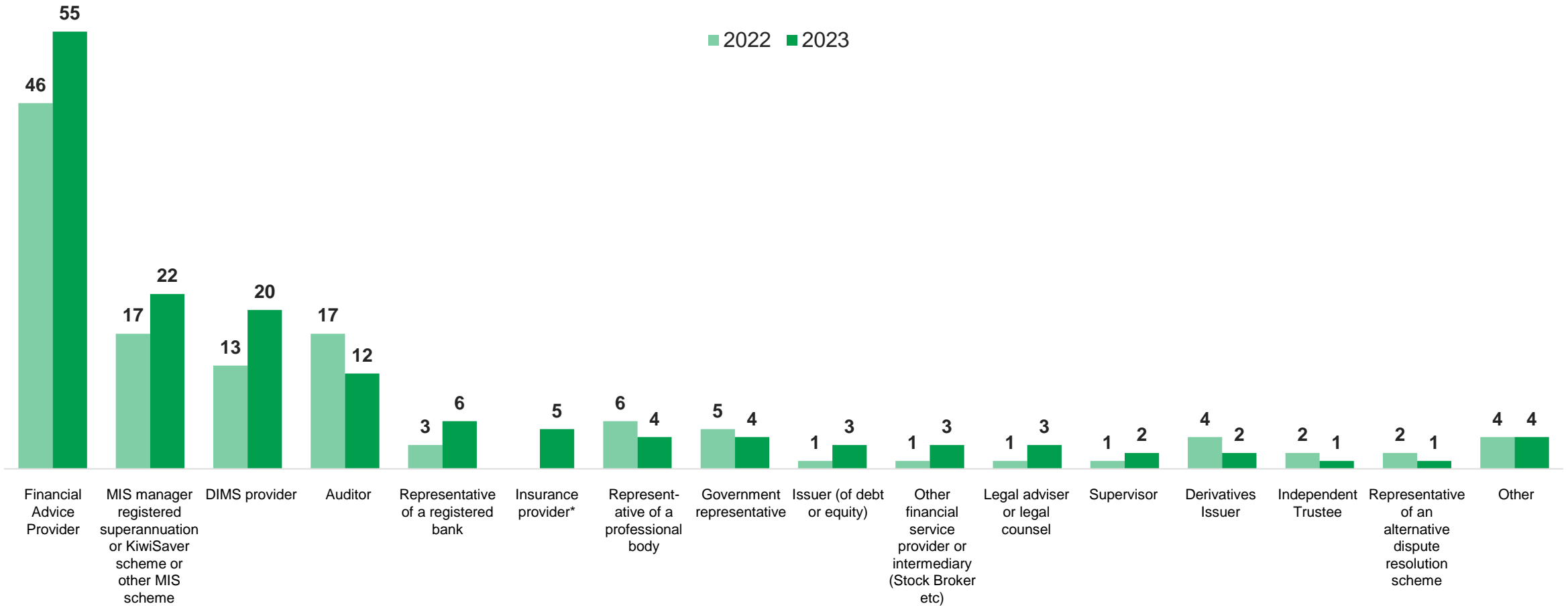


Stakeholders who were very confident and fairly confident in effective regulation of New Zealand's financial markets primarily attributed this to the markets being well regulated with regulators doing a good job (15% and 14% respectively).

Notably, those who were fairly confident were significantly more likely to mention a need for more regulation or closer monitoring of certain entities (14%, vs. 2% for those who were very confident).

# Appendix

# Stakeholder roles (%)



**fiftyfive5**  
Part of **Accenture** Song

 **FMA**  
FINANCIAL MARKETS AUTHORITY  
TE MANA TĀTAI HOKOHOKO