



JUNE 2025

Market operator obligations review

NZX Limited

Findings from the FMA's review of how well NZX is meeting its
licensed market operator obligations, for the period 1 January to
31 December 2024

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Executive summary

About this report

The Financial Markets Conduct Act 2013 (**FMC Act**) requires the Financial Markets Authority – Te Mana Tātai Hokohoko (**FMA**) to carry out a review and report on how well NZX is meeting its licensed market operator obligations. One of the key objectives of these reviews is to ensure that potential conflicts between regulatory and commercial functions of NZX, as a self-regulating organisation, are appropriately managed. The FMA may carry out this review at any time, but must do so at least once a year.

This report provides information on the review of NZX undertaken for the period from 1 January to 31 December 2024 (referred to as **the review period**).

How we approached this review

Each year we select the areas of focus for our review, with consideration given to our monitoring activities undertaken throughout the review period.

During the year, we engaged regularly with NZX and with NZX Regulation (NZ RegCo), a subsidiary that performs NZX's regulatory functions, to assess NZX's overall compliance with its market operator obligations. Our monitoring oversight included:

- review of NZX quarterly regulatory reporting, and supplementary information provided
- review of NZ RegCo quarterly regulatory reporting, and sample testing of regulatory activity undertaken by NZ RegCo
- engagements on proposed NZX rule changes, consultations and changes to market guidance, and consideration of rule change applications in line with FMC Act requirements
- on-site discussions with selected representatives of NZX and NZ RegCo
- other enquiries and information requests as required.

The scope of our review was also influenced by:

- events occurring and ad-hoc reporting received during the review period
- matters noted in our previous review
- feedback provided to NZX or NZ RegCo during the review period
- any enquiries to the FMA regarding NZX or NZ RegCo during the review period
- the broader market ecosystem, trends and environmental scanning.

We employ a risk-based approach to monitoring. While this is a review of NZX's overall compliance with its licensed market operator obligations, we have exercised judgement in selecting areas of focus, and the level and detail of work performed in each.

This report highlights our main findings and observations from the focused review and, as with any risk-based approach, has inherent limitations. Our assessment, recommendations, findings and observations are based on the information we have received, collected and reviewed.

Overall assessment

Our overall conclusion is that NZX complied with its licensed market operator obligations during the review period. Key highlights include:

- Governance arrangements continue to be appropriate and support NZX's ability to comply with its licensed market operator obligations.
- NZX and NZ RegCo are operating well-developed frameworks and processes, and continually working to further enhance operational effectiveness and resilience.
- Continued demonstration of NZ RegCo's operational independence, while maintaining an appropriate and effective working relationship with NZX.
- Maturity and investment in technology and risk management resources, with further enhancement in the review period providing stronger capability, resilience and security.
- Significant milestones reached in NZX projects designed to further grow NZX's markets, improve investment choices and drive liquidity on the markets.

We acknowledge and thank NZX and NZ RegCo staff for their constructive engagements throughout, and relating to, the review period.

Recommendations

We have the following recommendations. Further information is provided later in this report:

Who	Area	Recommendation	Rating
NZX and NZ RegCo	Participant resilience	NZX has a dependency on participants and providers for overall ecosystem stability. In the review period NZX has progressed work to further test the resilience of NZX Participants. We recommend and encourage NZX to continue its plans to explore and test the resiliency and dependencies of participants, including their business continuity plans, and reduce the risks posed by reliance on critical service providers within the ecosystem, where practicable and reasonable.	Medium
NZX	Crisis management	NZX has further enhanced the group's crisis management framework, and successfully completed another crisis simulation event. We recommend NZX continues to assess system recovery arrangements to increase its understanding and test whether further refinements are required for more extreme but plausible events.	Medium

Obligations

NZX is responsible for ensuring it meets all of its obligations set out in the FMC Act. NZX outsources its regulatory functions (such as monitoring of its markets) to NZ RegCo, which has its own Board, management and staff. As such, our review is separated into different focus areas for NZX and NZ RegCo.

In this part of the report, we focus on the commercial aspects of NZX, including its strategy, infrastructure and overall performance in the context of the following market operator obligations:

- To the extent that is reasonably practicable, doing all things necessary to ensure that its licensed markets were fair, orderly, and transparent
- To have adequate arrangements to notify disclosures made to it under a disclosure obligation, and continuing to make those disclosures available
- To have adequate arrangements for handling conflicts between its commercial interests and the need to ensure its markets operate in a fair, orderly and transparent way
- To have sufficient resources (including financial, technological and human resources) to properly operate its licensed markets

When considering the commercial aspects of NZX it is also important to consider the arrangements and interactions with NZ RegCo.

Within the above general obligations, we had the following key areas of focus:

- Governance and culture
- Markets and market settings
- Resourcing

We also followed up on recommendations made in the June 2024 report.

Governance and culture

Background and review

The NZX board is ultimately responsible for ensuring its licensed markets are operated in a compliant and effective manner. Therefore governance and the 'tone from the top' are critical to the organisation's culture, from setting strategic direction to providing sufficient and appropriate oversight and expectations.

During the review period, board membership remained stable and five sub-committees were in operation. NZX also utilises a number of management committees, including a Capital Markets Management Board for further targeted oversight, in overall support of compliance with its licensed market operator obligations.

We reviewed the operation of the NZX Board, reporting arrangements and engagement with management, the use and effectiveness of sub-committees, and interactions with NZ RegCo. We also considered the impact of the board's governance in setting expectations, and providing direction, guidance and feedback with particular emphasis on our key focus areas. This included business initiatives, prioritisation, market settings, the continued maturity of the risk management function, crisis and business continuity planning, resourcing capacity and capability, key person risks and succession planning, and resilience and optimisation.

We interacted regularly with NZX throughout the reporting period, including considering quarterly regulatory reporting, rule change applications and events arising, and undertaking a range of proactive and reactive enquiries. The regulatory reporting covers events arising and progress or changes made in key areas of our oversight, including governance arrangements, policy initiatives, capital markets projects, technology, risk management, crisis management, incidents and resourcing assessments.

We reviewed a sample of regular and one-off board papers and minutes, internal and external reviews and engagements, as well as consultation assessments, reviews and approvals. We also held discussions with the NZX Chair and the Chair of the Audit and Risk Committee, the NZX and NZ RegCo CEOs, and members of NZX's executive team including the Chief Risk Officer and Head of Policy & Regulatory Affairs.

FMA observations

Our view is that NZX governance arrangements are appropriate and the 'tone from the top' creates and supports a robust culture for delivery, risk management and compliance with regulatory obligations. In particular:

- The board maintained its wide range of expertise and experience across key areas of the business, remains active and engaged, and has worked to streamline and better balance the reporting it receives.
- The board provided sufficient and appropriate direction and demonstrated the importance of, and commitment to, ensuring NZX meets its obligations.
- A number of reviews were conducted across the business including on the effectiveness of the board and committees, resourcing capability and talent, key person risks and succession.
- The capital markets business unit was restructured to better align objectives and deliver information services, listings, clearing and depository, cash markets and derivatives market functions more seamlessly.
- The central risk management function continued to mature with the three lines of defence model operating well. The risk management culture was evident through proactive and continuous management, monitoring and reporting of risks from the frontline teams through to board level.
- Further enhancements and maturity of the group's crisis management framework and successful completion of the annual crisis simulation event involving all NZX Participants and registries. The event expanded on prior scenarios to assume a multi-day event, with numerous systems and communication channels impacted. The event was observed by a third party and NZX has actively sought feedback on the event as well as future planning scenarios.
- Engagement with NZ RegCo across various pieces of work, and levels of the business, demonstrated both the independence in mindset of the RegCo function, and promotion and support of this by NZX.

Markets and market settings

Background and review

NZX continues to operate a diversified business in a complex market ecosystem, delivering a critical service to New Zealand. How NZX approaches and succeeds in growing and maturing its markets and ensuring market settings remain fit for purpose is a relevant consideration in the context of how it meets its market operator obligations, given these can impact the confidence of businesses and investors participating in the market.

We have considered NZX's approach to identifying and monitoring trends, managing opportunities and risks, and how it prioritises, plans and executes initiatives to further enhance its markets. We also considered the regard it gives to determining fit-for-purpose market settings within its rules, how consultations are determined and undertaken including how stakeholder feedback is assessed, and how potential conflicts are managed.

During the review period there were a number of strategic initiatives delivered. NZX Dark, a voluntary anonymous order book, was successfully launched, with \$818m in value traded at the end of the review period. There were also a number of projects completed to support the future relaunch of the S&P/NZX 20 Index Futures Contract, including introducing a designated market maker regime to encourage wider participation. Further policy initiatives delivered hygiene rule changes to support NZ RegCo monitoring, introduced Booking Purposes Only Transaction functionality, and enhanced Director Independence settings following a second round of consultation.

We interacted regularly with NZX throughout the reporting period with focus on these topics, including review and engagement on consultations and policy initiatives, quarterly regulatory reporting and market rule change applications. We also considered strategic plans, trends and environmental scanning, and board reporting and interactions, and held discussions with a number of NZX personnel involved in, or providing direction and guidance on, market growth and market settings initiatives.

In addition, given the nature and complexity of the second consultation relating to Director Independence settings, how it evolved from prior consultation feedback, and the broader enquiries that have occurred from time to time regarding settings that impact shareholder rights, we obtained all materials relating to this consultation and reviewed how NZX assessed and balanced feedback and enquiries when determining and approving final proposed outcomes. We also selected and reviewed a sample of regulatory activity relevant to these broader market settings considerations, and engaged with NZ RegCo.

FMA observations

Our view is that NZX is committed to growing and maturing its markets and considering if market settings remain fit for purpose in support of operating a fair, orderly and transparent market. In particular, NZX:

- actively considers how the market can be further developed, and has delivered a number of key initiatives in the review period intended to provide further depth and liquidity on the markets
- has a healthy approach to prioritisation to balance commercial and regulatory initiatives as well as changes driven by industry and stakeholder feedback
- has a robust approach and attitude to considering whether its market rules continue to be fit for purpose, from determining focus areas, opening consultations and encouraging engagement, assessing feedback, internally testing and canvassing proposed changes, and use of the NZX Corporate Governance Institute (NZX CGI), to reporting and approval processes prior to an application to the FMA

- takes into account international developments and market trends, and undertakes a significant amount of industry engagement as well as broader engagement on regulatory reform, to support further innovation and flexibility in the capital markets
- continues to use the NZX CGI, established to assist NZX by providing advice in relation to its Corporate Governance Code and rule settings that apply to corporate governance practices, with membership providing a broad cross-section of expertise
- engages openly with a wide range of stakeholders, from creating and establishing working groups and forums to responding to enquiries.

Resourcing

Background and review

NZX has a general obligation to have sufficient resources (including financial, technological and human resources) to properly operate its licensed markets. The NZX Board assesses adequacy on a regular basis.

During the review period there were no material incidents or outages of core systems relevant to the operation of the markets, and a number of initiatives were delivered to further strengthen governance arrangements, enhance security and resilience, and modernise applications. NZX also conducted a number of reviews to consider and implement plans to address key person risk and succession planning, and reorganised its capital markets functions.

For our review, we focused on personnel and technology resilience and optimisation. We interacted regularly with NZX during the review period and received quarterly regulatory reporting covering a range of key areas. This provided insight into how NZX is balancing and prioritising workloads; from uplift requirements, delivering BAU operations and preparing for future changes, to capabilities and enhancements. Reporting also covered performance of NZX's systems, monitoring it undertakes, key initiatives and deliverables, and how resources are being utilised.

We also considered strategic plans and prioritisation, trends and environmental scanning and NZX's responses, board reporting and interactions, and the use of board sub-committees, management committees, working groups and forums. We held discussions with a number of NZX personnel who play critical roles in strategic and operational delivery.

FMA observations

Our view is that NZX has sufficient resources to operate its licensed markets. In particular, NZX:

- continued to maintain and build on the significant uplift in its technological resources achieved since the market outage issues experienced in 2020, with delivery of, and further commitment to, ongoing enhancements to its technology and cyber security resilience
- has enhanced risk management maturity and awareness throughout the business, to better enable assessment and use of its resources. The reorganisation of capital markets functions has led to better alignment of objectives and priorities, and consistency of stakeholder experiences
- has adopted a clear strategy and work plans across all capital markets functions, including support functions, to prioritise work and expend resources where required. This was demonstrated in numerous ways including availability of core markets systems, absence of material incidents, and successful delivery of key initiatives and projects to further grow NZX and improve its financial resilience

- has executed and progressed a significant number of technology initiatives to provide further resiliency, enhance security and access arrangements, and support development of new products and services
- continued use of the Cyber Security Forum and Technology Working Group to ensure wider engagement and feedback on continuous improvement opportunities.

Follow-up on recommendation from June 2024 report

Participant resilience

In our [June 2024 report](#) we noted that in undertaking internal uplift, NZX still has a dependency on participants' and providers' resilience for overall ecosystem stability. While NZX actively considers potential dependencies, weaknesses and related impacts, we recommended consideration of how these can be further addressed.

NZX progressed work to improve resiliency in response to its dependencies. During the review period it further engaged with the Technology Working Group regarding resiliency and disaster recovery arrangements. NZ RegCo also undertook targeted inspection reviews of participants and the systems employed by each, as well as critical service providers and dependencies, to identify risks, impacts and back-up arrangements or continuity procedures that are in place.

With these engagements and data, NZX embarked on a broader review of what changes could be implemented to business continuity plans, to further strengthen resiliency across the ecosystem.

We recommend and encourage NZX to continue its plans to explore and test the resiliency and dependencies of participants, including their business continuity plans, and reduce the risks posed by reliance on critical service providers within the ecosystem, where practicable and reasonable.

Crisis management

In our June 2024 report we noted improvements observed in the approach to, and testing of, crisis management scenarios. However we recommended NZX consider a crisis simulation scenario that includes a system being unrecoverable, to allow for better consideration of potential alternative solutions that may need to be put in place.

NZX has further enhanced the group's crisis management framework, and successfully completed its annual crisis simulation event that expanded on prior scenarios to introduce multiple issues. This simulation assumed a multi-day event, with numerous systems and communication channels impacted, and included all NZX Participants and the registries. The event was observed by a third party and NZX has actively sought feedback from numerous forums to learn lessons for further improvement, and also embarked on planning future scenario tests.

We recommend NZX continues to assess system recovery arrangements to increase its understanding and test whether further refinements are required for more extreme but plausible events.

NZX Regulation Limited (NZ RegCo)

Obligations

NZX outsources its regulatory functions (such as monitoring of its markets) to NZ RegCo, a subsidiary of NZX that has a separate board, management and staff.

NZ RegCo is subject to a charter setting out its objectives, responsibilities, and overall operational framework.

In this part of the report, we focus on the following obligations of NZX as relevant to the NZ RegCo function:

- To the extent that is reasonably practicable, do all things necessary to ensure that its licensed markets were fair, orderly and transparent
- Have adequate arrangements for monitoring the conduct of participants on or in relation to the markets
- Have adequate arrangements for enforcing compliance with the relevant market rules
- Have sufficient resources (including financial, technological and human resources) to properly operate its licensed markets

It is also important to consider the arrangements and interactions with NZX where NZ RegCo is involved in assisting, implementing or providing feedback on NZX initiatives and policy considerations.

Within the above general obligations, we had the following key areas of focus on NZ RegCo:

- General operations and strategy
- Involvement in market settings
- Monitoring activity

NZ RegCo general operations and strategy

Background and review

During the review period, the NZ RegCo board expanded to six directors: five independent and one remaining as a crossover director between NZX and NZ RegCo. The senior leadership team remained stable with a CE and Heads of four functional teams: Issuer Regulation, Participant Compliance, Surveillance and Market Conduct.

As part of our review we considered NZ RegCo's:

- governance, strategy, planning, execution and reporting
- preparedness and response in relation to NZX business changes, initiatives and prioritisation.

Throughout, we also considered the level of independence demonstrated by NZ RegCo from NZX's commercial functions.

We interacted regularly with NZ RegCo throughout the review period, including reviewing quarterly reporting, conducting a half-year review, and obtaining strategy and oversight updates. We also reviewed a sample of board papers and minutes, as well as NZX's expectations of NZ RegCo and performance against operational benchmarks.

FMA observations

Our view is that arrangements between NZX and NZ RegCo continue to effectively support NZX's compliance with its market operator obligations. In particular NZ RegCo:

- continues to operate in a structured and considered way with a clear strategy, objectives and set of outcomes it seeks to achieve. NZ RegCo directors and management continue to operate with a high degree of independence from NZX and an independent mindset
- has a highly engaged board with a good cross-section of skills. Board papers and minutes support this, and continue to be of a high quality with discussions and outcomes clearly recorded
- is involved in a number of NZX initiatives including crisis simulation events, providing feedback and technical insights, or proposing changes arising from its own monitoring, trends and environmental scanning. Engagements with, and requests from, NZX are undertaken openly and effectively
- continued to consider future readiness, with key person risk and succession planning work continuing. An independent external review of the board's effectiveness was also conducted
- monitors, adapts to, and provides feedback to NZX on domestic and international practices, and regulatory, technical and market trends, through environmental scans and relationships with international peers.

NZ RegCo involvement in market settings

Background and review

In line with NZX's Approach to Policy, NZX monitors emerging market trends and behaviours to ensure its rules, procedures and guidance remain appropriate, with the support of NZ RegCo. NZX develops a work plan and publishes this.

When NZX indicates its intent for commercial assessments of market settings, NZ RegCo ensures it is appropriately involved to input perspectives into policy ideation, design and implementation work, and that preliminary regulatory work is prioritised to support any subsequent policy work. NZ RegCo also generates regulatory assessments of market settings for NZX; this arises from its own trends analysis, environmental scanning and regulatory oversight work including proactive and reactive enquiries within its functional teams' operations.

As part of our review we considered:

- NZ RegCo's involvement in determining fit-for-purpose market settings
- the application and use of waivers
- enquiries and complaints processes.

We interacted with NZ RegCo throughout the review period, through quarterly reporting and enquiries. We also selected a broad sample of NZ RegCo's monitoring activity across all four functions, and undertook a

further targeted selection at the end of the period that focused on waiver activity. We met the NZ RegCo CE along with NZX staff in relation to NZ RegCo's involvement in assessing appropriateness of market settings and proposed changes, and enquiries and complaints processes.

FMA observations

Our view is that NZ RegCo effectively supports NZX's assessments of whether market settings remain fit for purpose. In particular NZ RegCo:

- is involved throughout consultations, assessments and proposed changes to market settings driven by NZX. NZ RegCo undertook or supported NZX on a number of policy-related projects during the review period, providing technical input and perspectives on proposed changes relating to the NZX 20 relaunch and the designated market maker regime and third-party clearing rules, as well as reviewing 'green equity' principles, bond designations, audit committee accounting and audit experience considerations
- proposed changes to market settings where regulatory activity or trends required NZ RegCo-driven changes, e.g. NZ RegCo's implementation of an authorised representative regime for issuers
- undertook a robust and well-documented approach to considering applications for waivers by issuers, clearly demonstrating enquiries undertaken, assessment against and consideration of the rules and related guidance, and internal processes being followed including escalation of proposed decisions where deemed appropriate
- demonstrated independence in mindset and clear reasoning and support in its feedback to, or requests of, NZX.

NZ RegCo monitoring

Background and review

NZX outsources regulatory functions to NZ RegCo, including having adequate arrangements for monitoring the conduct of participants in its markets, and enforcing compliance with its relevant market rules. NZ RegCo operates four main functions in undertaking this activity: Surveillance, Participant Compliance, Issuer Regulation and Market Conduct.

We considered all areas of monitoring activity undertaken by the functions, as well as referrals to the NZ Markets Disciplinary Tribunal (NZMDT, an independent regulatory body that determines whether an issuer or market participant has breached NZX's market rules in any matter referred to it by NZ RegCo) and its Special Division (which exercises the powers and functions of NZ RegCo in applying the market rules to NZX and related entities, and assessing trading activity referrals from NZ RegCo).

There was only one matter referred to the NZMDT during the review period, and 47 trading referrals to the Special Division.

We interacted with NZ RegCo throughout the review period and have considered strategy and planning across all four functions, quarterly metrics reports and logs, the trends register, board papers and feedback, projects implemented, and enquiries and discussions. We selected and reviewed a sample of NZ RegCo's monitoring activity across all four functions, as well as referrals to the Special Division.

As noted above, this included an additional targeted selection of waiver activity. We also held further discussions with NZ RegCo's CE in relation to our key focus areas.

FMA observations

Our view is that NZ RegCo has adequate arrangements for monitoring the conduct of participants in NZX's licensed markets, and enforcing compliance with the relevant market rules. In particular:

- the four functional teams operated effectively in executing NZ RegCo's strategy and plans, and enhanced a number of processes that support monitoring, investigation and enforcement activities
- NZ RegCo undertook a review and implemented targeted changes to the full suite of SMARTS alerts utilised by the surveillance team, to support NZX initiatives such as NZX Dark, as well as responding to changes in market dynamics
- NZ RegCo continued to demonstrate an active approach to monitoring and responding to market trends, both domestic and overseas
- NZ RegCo continued enhancement of its frameworks and processes for oversight and monitoring of listed issuers and participants, and conducting investigations and inspections. Well-documented files showed evidence of assessments and considerations, and demonstrated adherence to processes
- NZ RegCo provided functional expertise and resources to NZX business initiatives, including support and preparation for NZX Dark, the NZX 20 relaunch and crisis simulation events. It also updated market incident protocols following the simulation undertaken in the review period.

Appendix 1: Our role in reviewing NZX

Our role

The FMA is an Independent Crown Entity and one of two main regulators of New Zealand's financial markets. Our purpose is to promote and facilitate the development of fair, efficient and transparent financial markets.

Under the FMC Act, we are required to review, at least annually, how well a licensed market operator is meeting its obligations. We are also required to publish a written report of the review.

If we consider, after carrying out a review, that a licensed market operator has failed or is failing to meet any one or more of its market operator obligations, we may, by written notice, require the licensed market operator to submit an action plan to the FMA.

Market operator obligations

In the FMC Act, 'market operator obligations' means:

- the general obligations in respect of licensed markets (section 314):
 - to ensure, to the extent that is reasonably practicable, that each of its licensed markets is a fair, orderly and transparent market
 - to have adequate arrangements for notifying disclosures made to it from participants in its markets, and for continuing to make those disclosures available
 - to have adequate arrangements for handling conflicts between its commercial interests and the need to ensure its markets operate in a fair, orderly and transparent manner
 - to have adequate arrangements for monitoring the conduct of participants in its markets
 - to have adequate arrangements for enforcing compliance with market rules
 - to have sufficient resources (including financial, technological and human resources) to operate its licensed markets properly
- an obligation to respond to a request from the FMA to make changes to market rules (section 333)
- an obligation to give the FMA an annual self-assessment of compliance with its obligations (section 337)
- an obligation to act on the directions of the FMA or the Minister, if the operator is found to be failing to meet any of its obligations (sections 340 to 342)
- any obligation imposed as a condition of a market operator's licence.

NZX licensed markets

During the review period NZX was licensed to operate the following markets in New Zealand:

- NZX Main Board
- NZX Debt Market
- Fonterra Shareholders' Market
- NZX Derivatives Market

Details of NZX's licence are on [our website](#).

Our oversight of NZX

Our ongoing oversight of NZX in this review period included:

- review of NZX quarterly regulatory reporting and supporting information
- reviews of NZ RegCo quarterly regulatory reporting and select matters
- sample review of NZ RegCo regulatory activity files
- half-year meetings with NZX and NZ RegCo to discuss quarterly reporting reviews, events in the period, strategy updates and business initiatives being executed
- other ad-hoc engagements with NZX and NZ RegCo in relation to events arising, enquiries and discussions about market matters as required
- liaising on NZX policy consultations and proposed rule changes where appropriate, as well as formal assessment of rule change applications

For the purposes of this review, we also considered documents and information provided to us including:

- corporate structure and governance arrangements
- papers and minutes of select board and committee meetings
- NZX's 'Market Assessment Report' setting out a self-assessment of its compliance with market operator obligations
- NZ RegCo's 'Oversight and Engagement Report'
- NZ Markets Disciplinary Tribunal's Annual Report 2024
- other supporting documents or information obtained that were relevant to our review, including policies and procedures, trends and environmental scanning registers, board and committee effectiveness reviews, assessments, memos and decision-making documents in support of consultations, and complaints registers.

Appendix 2: Ratings explained

The following rating scale has been used to demonstrate the significance of our recommendations:

Rating	Definition
Low	Minor process or control issue identified, however unlikely to have had a material impact on the overall effectiveness of the systems and the entity's ability to comply with its obligations.
Medium	Process or control issue, with the potential to have a moderate impact on the overall effectiveness of the systems and the entity's ability to comply with its obligations.
High	Process or control issue requiring immediate attention that did, or may have, a significant effect on the overall effectiveness of the systems and the entity's ability to comply with its obligations, given its significance or systemic nature.

Action plans to implement changes should be prioritised by the rating of each finding, with remediation of high-level findings requiring more immediate priority.

