

7 June 2019

Financial Markets Policy
MBIE

By email: FinancialConduct@mbie.govt.nz

***Submission to MBIE on the conduct of financial institutions options paper
(Options Paper)***

1. Thank you for the opportunity to provide feedback on the Options Paper
2. ANZ Bank New Zealand Limited (**ANZ**) strongly supports the policy goals and the proposed principles-based approach to conduct regulation set out in the Options Paper.
3. ANZ understands that we need to keep customers at the centre of everything we do and maintain their trust. We have listened to the messages from our regulators and we are making further changes to help us ensure that we are delivering good outcomes for our customers. New conduct regulation will help us further embed those changes.
4. ANZ has worked extensively with the New Zealand Bankers' Association (**NZBA**) and the Financial Services Council (**FSC**) to prepare industry submissions, which we support.
5. We'd like to emphasise the following points made in the NZBA and FSC submissions:
 - a) Any new conduct regime should be designed and implemented with care and must not be rushed. We are therefore concerned about the proposed timeframes for the legislative process and the implementation of the reforms, in particular when considering the financial advice and consumer credit changes also taking place at the same time. We believe both the timing of all three reforms and their requirements should be aligned.
 - b) The new regime should apply more broadly than banks and insurers, to all financial institutions, in order to avoid consumer confusion and regulatory arbitrage.
 - c) There are a number of areas highlighted in the NZBA and FSC submissions that should be the subject of further consultation and we would welcome the opportunity to engage with MBIE further.
 - d) In particular, while we agree that Director and senior manager accountability is important to a conduct framework and note that such regimes have been utilised overseas, we do not agree that Directors or senior managers should be personally liable under the proposals. Such an approach would be out of line with international precedent. It is important that an accountability regime, if introduced, does not limit innovation, nor discourage highly-skilled current or potential Directors and senior managers from taking leadership roles in an important industry for New Zealand.

Contact for submission

6. ANZ welcomes the opportunity to discuss our submission with MBIE officials. Please contact Jason Moss, Head of Regulatory Affairs, at **Privacy of natural persons**

Yours sincerely,

Confidentiality

Antonia Watson
Acting Chief Executive Officer
ANZ Bank New Zealand Limited

PROACTIVELY RELEASED