



COVERSHEET

Minister	Hon Kris Faafoi	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Policy decisions on the Financial Markets Authority's levy	Date to be published	29 May 2020

List of documents that have been proactively released

Date	Title	Author
8 April 2020	Policy decisions on the Financial Markets Authority's levy	<i>Office of the Minister of Commerce and Consumer Affairs</i>
8 April 2020	CBC-20-MIN-0029	<i>Cabinet Office</i>
2 April 2020	Financial Markets Authority funding and levy Regulatory Impact Assessment	<i>MBIE</i>

Information redacted

NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Financial Markets Authority's Levy: Policy Decisions

Portfolio Commerce and Consumer Affairs

On 8 April 2020, the Cabinet Business Committee:

- 1 **noted** that the Ministry of Business, Innovation and Employment (MBIE) and the Financial Markets Authority (FMA) publicly consulted on the FMA's funding and the FMA levy between January and February 2020 [CBC-20-MIN-0001];
- 2 **noted** that on 6 April 2020, Cabinet agreed to increase the FMA's Multi-Category Appropriation by \$24.805 million by 2022/23 and outyears to a total of \$60.805 million per annum and that by 2022/23 and outyears, \$23.501 million of this will be recovered from financial markets participants through the FMA levy [CAB-20-MIN-0155.05];
- 3 **noted** that on 6 April 2020 Cabinet also agreed to phase the increase to the FMA's appropriation by \$12.500 million in 2020/21, \$17.500 million in 2021/22 and \$24.805 million in 2022/23 and outyears [CAB-20-MIN-0155.05];
- 4 **agreed** to make changes to the FMA levy model structure as set out in Appendix One to the paper under CBC-20-SUB-0029 to reflect:
 - 4.1 the amount of the FMA's funding increase that is to be recovered via the levy;
 - 4.2 revised forecasts of the estimated populations within each levy class;
 - 4.3 new or adjusted classes to reflect market developments;
 - 4.4 revised figures for each levy class's portion of the total amount of FMA levy recovered;
- 5 **noted** that changes will be proposed to the levy model next year to increase the amount to recover via the levy for the second and third years of the phased FMA funding increase, to take into account the impact of upcoming regulatory reforms, and for changes not possible this year due to constraints in adjusting the levy register system;
- 6 **authorised** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to draft regulations to give effect to decisions in the paper; under CBC-20-SUB-0029;

- 7 **authorised** the Minister of Commerce and Consumer Affairs to make minor or technical changes to the FMA levy model consistent with the above policy decisions.

Vivien Meek
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Rt Hon Winston Peters
Hon Grant Robertson
Hon Phil Twyford
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni
Hon Dr David Clark
Hon David Parker
Hon Nanaia Mahuta
Hon Jenny Salesa
Hon Damien O'Connor
Hon Kris Faafoi
Hon Ron Mark
Hon Tracey Martin
Hon James Shaw

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Treasury

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