



IN CONFIDENCE

18 June 2021

Financial Markets Policy
Commerce, Consumers and Communications
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140

By email: financialconduct@mbie.govt.nz

Treatment of intermediaries under the new regime for the conduct of financial institutions

Thank you for the opportunity to provide feedback on the *Treatment of intermediaries of intermediaries under the new regime for the conduct of financial institutions* (May 2021) discussion document.

As a custodian, FNZ will potentially be subject to the COFI regime both in its capacity as an intermediary and an agent of a financial institution. FNZ's view is that under the COFI Bill as reported back from Select Committee, there are issues which require further revision in order to minimise the compliance impacts on intermediaries and agents and which will not detract from the underlying policy of ensuring good outcomes for consumers.

FNZ submits that on the basis of the current Bill it will be subject to compliance obligations which will:

- not achieve additional protection for consumers (as FNZ is not involved in the promotion of sales and goods to consumers and there is no direct relationship between FNZ and the consumer); and
- result in ambiguity and an overlap of unnecessary compliance obligations.

The key issues and reasoning are outlined in our responses in the submission template.

I am available to discuss any aspect of our submission should you require any clarification or further detail.

Yours Sincerely

Privacy of natural persons

Head of Risk & Compliance – New Zealand