



COVERSHEET

Minister	Hon Andrew Bayly	Portfolio	Commerce and Consumer Affairs
Cabinet paper	Financial Markets Conduct Regulations Minor and Technical Changes (2018)	Date to be published	Originally published in 2018. Republished in 2024 after faulty link

List of documents that have been proactively released

Date	Title	Author
May 2018	Financial Markets Conduct Regulations Minor and Technical Changes	Office of the Minister of Commerce and Consumer Affairs
2 May 2018	Financial Markets Conduct Regulations Minor and Technical Changes DEV-18-MIN-0061 Minute	Cabinet Office
21 February 2018	Regulatory Impact Summary: Application of Insider Trading Prohibition	MBIE

Information redacted

NO

Any information redacted in this document is redacted in accordance with MBIE's and MFAT'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 Economic Development Committee

Minute of Decision

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Financial Markets Conduct Regulations: Minor and Technical Changes

Portfolio **Commerce and Consumer Affairs**

On 2 May 2018, the Cabinet Economic Development Committee:

- 1 **noted** that minor technical issues have emerged, as expected, since industry began operating under the Financial Markets Conduct Act 2013 (FMC Act) and the Financial Markets Conduct Regulations 2014 (FMC Regulations);
- 2 **agreed** that where a provider of a Discretionary Investment Management Service, crowd-funding, or peer-to-peer lending platform services makes an error in disclosure information given to existing clients, they cannot continue to provide services to those clients if it is not in those clients' best interests;
- 3 **agreed** to clarify that the insider trading rules do not apply to the sale and purchase of financial products when they are first issued, except in relation to derivatives and newly issued units in listed unit trusts that are continuously offered;
- 4 **noted** that in June 2016, the previous government agreed to clarify the scope of the derivative money handling obligations in the FMC Regulations so that they did not apply more broadly than necessary to protect derivatives investors [EGI-16-MIN-0134];
- 5 **noted** that the Financial Markets Conduct Amendment Regulations 2018 give effect to the decisions referred to in paragraphs 2-4 above;
- 6 **noted** that:
 - 6.1 sections 448 and 549 of the FMC Act require the Minister of Commerce and Consumer Affairs to consult the Financial Markets Authority before recommending regulations under the FMC Act;
 - 6.2 section 550 of the FMC Act (procedural requirements for regulations relating to exemptions) requires the Minister of Commerce and Consumer Affairs to have regard to the purposes of the FMC Act and to be satisfied that the extent of an exemption is not broader than is reasonably necessary before recommending regulations;
- 7 **noted** the advice of the Minister of Commerce and Consumer Affairs that the requirements in paragraph 6 above have been met;

- 8 **noted** that the Financial Markets Conduct Amendment Regulations 2018 will come into force on 7 June 2018;
- 9 **authorised** the submission to the Executive Council of the Financial Markets Conduct Amendment Regulations 2018 [PCO 20760/4.0];
- 10 **authorised** the Minister of Commerce and Consumer Affairs to make decisions on any minor policy issues prior to 1 December 2019 relating to the FMC Regulations of the nature referred to in paragraphs 2 to 4, consistent with the purposes of the FMC Act.

Janine Harvey
Committee Secretary

Present:

Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon David Parker
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Damien O'Connor
Hon Clare Curran
Hon Shane Jones
Hon Kris Faafoi
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister of Commerce and Consumer Affairs