



COVERSHEET

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| Minister | Hon Andrew Bayly | Portfolio | Commerce and Consumer Affairs |
| Title of Cabinet paper | Credit Contracts and Consumer Finance (Buy Now Pay Later) Amendment Regulations 2024 | Date to be published | 4 December 2024 |

List of documents that have been proactively released

| Date | Title | Author |
|-----------------|---|---|
| October 2024 | Credit Contracts and Consumer Finance (Buy Now Pay Later) Amendment Regulations 2024 | Office of the Minister of Commerce and Consumer Affairs |
| 24 October 2024 | Credit Contracts and Consumer Finance (Buy Now Pay Later Exemptions) Amendment Regulations 2024 LEG-24-MIN-0217 Minute | Cabinet Office |

Information redacted

YES / NO (please select)

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Cabinet Legislation 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.

Credit Contracts and Consumer Finance (Buy Now, Pay Later Exemptions) Amendment Regulations 2024

Portfolio Commerce and Consumer Affairs

On 24 October 2024, the Cabinet Legislation Committee:

- 1 **noted** that in August 2024, the Cabinet Economic Policy Committee agreed to exempt Buy Now Pay Later (BNPL) providers from complying with provisions in the Credit Contracts and Consumer Finance Act 2003 (CCCFA) relating to unreasonable fees (such as sections 41 and 44A of the Act) [ECO-24-MIN-0178];
- 2 **noted** that the Credit Contracts and Consumer Finance (Buy Now, Pay Later Exemptions) Amendment Regulations 2024 (the Amendment Regulations) will give effect to the decision referred to in paragraph 1 above;
- 3 **noted** that s138(1A) of the CCCFA requires that the responsible Minister be satisfied:
 - 3.1 the purposes of the CCCFA have been met;
 - 3.2 the exemption would not cause significant detriment to debtors under BNPL contracts;
 - 3.3 that compliance with the relevant provisions would, in the circumstances, require BNPL providers to comply with requirements that are unduly onerous or burdensome;
- 4 **noted** the advice of the Minister of Commerce and Consumer Affairs that this requirement has been met;
- 5 **authorised** the submission to the Executive Council of the Credit Contracts and Consumer Finance (Buy Now, Pay Later Exemptions) Amendment Regulations 2024 [PCO 26695/6.0];
- 6 **noted** that a waiver of the 28-day rule is sought:
 - 6.1 so that the Amendment Regulations can come into force on 1 November 2024;
 - 6.2 on the grounds that it:
 - 6.2.1 minimises the period BNPL providers have to comply with unduly onerous and burdensome requirements that were not designed for this type of credit product and that could jeopardise its viability;

- 6.2.2 minimises the risk of exposure to BNPL providers of private actions if they are in breach of these fee requirements during this interim period;
- 6.2.3 provides BNPL providers and the regulator with legal certainty on the rules they need to comply with and enforce;

7 **agreed** to waive the 28-day rule so that the Amendment Regulations can come into force on 1 November 2024.

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Chris Bishop (Chair)
Hon Simeon Brown
Hon Paul Goldsmith
Hon Tama Potaka
Hon Casey Costello
Hon Nicole McKee
Hon Simon Watts
Hon Nicola Grigg
Hon Andrew Bayly
Hon Scott Simpson, MP
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Official's Committee for LEG
Leader of the House's Office