



COVERSHEET

Minister	Hon Andrew Bayly	Portfolio	Minister of Commerce and Consumer Affairs
Title of Cabinet paper	Improving New Zealand's Capital Markets: Initial decisions and approval to consult	Date to be published	13 December 2024

List of documents that have been proactively released

Date	Title	Author
December 2024	Improving New Zealand's Capital Markets: Initial decisions and approval to consult	Office of the Minister of Commerce and Consumer Affairs
4 December 2024	Improving New Zealand's Capital Markets: Initial Decisions and Consultation ECO-24-MIN-0296 Minute	Cabinet Office
27 November 2024	Regulatory Impact Statement – Prospective Financial Information for Initial Public Offerings	MBIE

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 Economic Policy 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.

Improving New Zealand's Capital Markets: Initial Decisions and Consultation

Portfolio Commerce and Consumer Affairs

On 4 December 2024, the Cabinet Economic Policy Committee (ECO):

Streamlining prospective financial information disclosures for initial public offerings

- 1 **noted** that businesses making an initial public offering (IPO) to retail investors are required to prepare forward-looking information (known as prospective financial information (PFI)), which is prescriptive and expensive for businesses doing an IPO, especially compared to other jurisdictions;
- 2 **agreed** to amend the Financial Market Conduct Regulations 2014 to replace the current requirement to prepare PFI with a flexible regime that allows a business doing an IPO to prepare PFI if they want to;
- 3 **agreed** that the flexible regime will allow a business doing an IPO to either:
 - 3.1 not prepare PFI, in which case it should outline the reasons why no PFI is provided in its product disclosure statement;
 - 3.2 prepare PFI in a form of its choosing for the next financial year;
- 4 **agreed** that any PFI a business prepares should be accompanied with disclosure of the assumptions it has made and an explanation of the basis of any calculations;
- 5 **invited** the Minister of Commerce and Consumer Affairs (the Minister) to issue drafting instructions to the Parliamentary Council Office to give effect to the above decisions through amendments to the Financial Market Conduct Regulations 2014;
- 6 **authorised** the Minister to approve any matters that arise during drafting and that may be required to align with the above decisions;

Public consultation on reforming the climate-related disclosures regime

- 7 **noted** that stakeholders have raised concerns about aspects of the climate-related disclosure regime;

- 8 **agreed** to the release of the discussion document *Adjustments to the Climate-related Disclosures Regime* (the discussion document), attached as Appendix One to the paper under ECO-24-SUB-0296, for public consultation on proposed adjustments to the climate-related disclosures regime;
- 9 **authorised** the Minister to make minor and technical editorial changes to the discussion document before its release in December 2024;
- 10 **invited** the Minister to report back to ECO with the results of the public consultation and any proposed policy decisions;

Public consultation on changes to support KiwiSaver providers to invest more in private assets

- 11 **noted** that stakeholders have raised some regulatory barriers that are preventing or disincentivising investment in private assets by KiwiSaver providers;
- 12 **agreed** to the release of the discussion document *Enabling KiwiSaver Investment in Private Assets* (the KiwiSaver discussion document), attached as Appendix Two to the paper under ECO-24-SUB-0296, for public consultation on proposed changes to enable KiwiSaver providers to invest more in private assets;
- 13 **authorised** the Minister to make minor and technical editorial changes to the KiwiSaver discussion document before its release in December 2024;
- 14 **invited** the Minister to report back to ECO with the results of the public consultation and any proposed policy decisions;

Direction of the 2025 capital markets work programme

- 15 **noted** that in 2025, the Minister intends to undertake further work on the following aspects of the capital markets regulatory system:
- 15.1 considering changes to takeovers law based on non-contentious recommendations by the Takeovers Panel, to be pursued as a priority;
 - 15.2 reviewing certain financial product disclosure requirements related to equity and debt offers to ensure that the requirements balance benefits for retail investors against the costs on issuers;
 - 15.3 considering liability settings for auditors and directors of listed companies in relation to their continuous disclosure obligations;
- 16 **invited** the Minister to report back to ECO in 2025 on progress against the work outlined in paragraph 15 above and to seek agreement to consult on the issues as appropriate.

Rachel Clarke
Committee Secretary

Present (see over)

Present:

Hon David Seymour
Hon Brooke van Velden
Hon Shane Jones
Hon Chris Bishop (Chair)
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Tama Potaka
Hon Melissa Lee
Hon Simon Watts
Hon Nicola Grigg
Hon Andrew Bayly
Hon Andrew Hoggard
Hon Mark Patterson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Chris Bishop
Office of Hon Erica Stanford
Office of Hon Andrew Bayly
Office of Simon Court MP
Officials Committee for ECO