

DRAFT FOR CONSULTATION

Credit Contracts and Consumer Finance Amendment Regulations 2020

Governor-General

Order in Council

At Wellington this day of 2020

Present:
in Council

These regulations are made under section 138(1) of the Credit Contracts and Consumer Finance Act 2003—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Commerce and Consumer Affairs made in accordance with section 138(1BC) and (1C) of that Act.

Contents

		Page
1	Title	2
2	Commencement	3
3	Principal regulations	3
4	New regulations 4AA to 4AN and cross-headings inserted	3
	<i>Assessment whether likely that credit or finance provided under agreement will meet borrower's requirements and objectives</i>	
4AA	Lender must collect and assess information	3
4AB	Additional requirements for certain waivers, warranties, and insurance	4

**Credit Contracts and Consumer Finance Amendment
Regulations 2020**

	<i>Assessment of likelihood of substantial hardship</i>		
	4AC	Purpose	4
	4AD	Interpretation	5
	4AE	General rule	5
	4AF	Lenders must estimate borrower's likely income	6
	4AG	Lenders must do initial estimate of borrower's likely relevant expenses	6
	4AH	Lenders must adjust initial estimate of borrower's likely relevant expenses	6
	4AI	High-cost consumer credit contracts—Presumption of substantial hardship	7
	<i>Lender responsibility to ensure advertising complies with advertising standards</i>		
	4AJ	Purpose of regulations 4AK to 4AN	7
	4AK	Advertising of payment amounts	7
	4AL	Advertising of interest rates or charges	8
	4AM	Advertising of credit fees if advertisement states there is no interest	8
	4AN	Prohibited advertising practices	8
5	New regulations 4F to 4H and cross-heading inserted		9
	<i>Disclosure</i>		
	4F	Disclosure of agreed changes	9
	4G	Disclosure of changes following exercise of power	10
	4H	Disclosure of changes to guarantors	10
6	Regulation 20 amended (Contract manager appointed by new creditor)		11
7	New regulations 22 and 23 and cross-heading inserted		11
	<i>Other provisions about securitisation or covered bond arrangements or similar arrangements</i>		
	22	Circumstances in which section 59B(4) of Act applies	11
	23	How section 59B of Act applies in those circumstances	11
8	New regulation 24 and cross-heading inserted		12
	<i>Disclosure before debt collection starts</i>		
	24	Disclosure before debt collection starts	12

Regulations

1 Title

These regulations are the Credit Contracts and Consumer Finance Amendment Regulations 2020.

2 Commencement

- (1) Regulations 6 and 7 come into force on 1 June 2020.
- (2) The rest of these regulations come into force on 1 April 2021.

3 Principal regulations

These regulations amend the Credit Contracts and Consumer Finance Regulations 2004 (the **principal regulations**).

4 New regulations 4AA to 4AN and cross-headings inserted

After regulation 4, insert:

Assessment whether likely that credit or finance provided under agreement will meet borrower's requirements and objectives

4AA Lender must collect and assess information

- (1) This regulation applies, for the purpose of section 9C(3)(a)(i) and (5A) of the Act, before a lender enters into, or makes a material change to, an agreement, in order for a lender to determine whether it is likely that the credit or finance provided under the agreement will meet the borrower's requirements and objectives.

Lender must collect information

- (2) The lender must determine the following aspects of the borrower's requirements and objectives:
 - (a) the amount, or maximum amount, of credit or finance that the borrower seeks;
 - (b) the purpose of the credit or finance;
 - (c) the term of the credit or finance;
 - (d) if the agreement is a revolving credit contract, whether the borrower requires credit on an ongoing basis;
 - (e) if the agreement will include fees or charges for any other additional goods or services that were not part of the borrower's stated purpose of the credit or finance, whether the borrower requires those goods or services and accepts their costs;
 - (f) whether the borrower requires any fees or charges to be added to the amount of credit (for example, whether the borrower requires premiums for insurance related to the credit or payment for extended warranties or repayment waivers to be financed), and whether the borrower is aware of the additional costs of the fees or charges being financed, rather than being paid for separately.

Lender must assess information

- (3) The lender must then make the determination in section 9C(3)(a)(i).

4AB Additional requirements for certain waivers, warranties, and insurance

Purpose and application

- (1) This regulation applies, in addition to regulation 4AA,—
 - (a) for the purpose of section 9C(3)(a)(i) and (5A) of the Act,—
 - (i) before a lender enters into an agreement, to the extent that a repayment waiver or extended warranty forms part of the agreement under section 9B(4) of the Act:
 - (ii) before a lender makes a material change to a repayment waiver or extended warranty that forms part of the agreement under section 9B(4) of the Act,—

in order for a lender to determine whether it is likely that the credit or finance provided under the agreement will meet the borrower's requirements and objectives; and
 - (b) for the purpose of section 9C(5)(a)(i) and (5A) of the Act, before a lender arranges a relevant insurance contract, in order for a lender to determine whether it is likely that the insurance will meet the borrower's requirements and objectives.

Lender must collect information

- (2) The lender must determine the following aspects of the borrower's requirements and objectives:
 - (a) whether the waiver, warranty, or insurance is useful for the borrower, which may include inquiries into—
 - (i) whether the borrower has existing cover that may protect against some or all of the risks for which the borrower is seeking cover:
 - (ii) whether the borrower's circumstances (for example, employment status) may make them ineligible to claim some or all of the benefits under the proposed waiver, warranty, or insurance; and
 - (b) whether the borrower accepts the additional costs of the waiver, warranty, or insurance.

Lender must assess information

- (3) The lender must then make the determination in section 9C(3)(a)(i) or (5)(a)(i) in so far as it applies to the repayment waiver, extended warranty, or relevant insurance contract.

Assessment of likelihood of substantial hardship

4AC Purpose

Regulations 4AD to 4AI apply for the purpose of section 9C(3)(a)(ii) and (5A) of the Act, before a lender enters into, or makes a material change to, an agreement, in order for a lender to determine whether it is likely that the borrower

will make the payments under the agreement without suffering substantial hardship.

4AD Interpretation

In regulations 4AE to 4AI, unless the context otherwise requires,—

income means net income after tax, KiwiSaver or other superannuation contributions, and other similar deductions (for example, in the case of an employee, their take-home pay)

relevant expenses means—

- (a) fixed financial commitments, including any child support that is payable under the Child Support Act 1991 and payments on any debts:
- (b) living expenses, including accommodation costs, insurance, utilities, food and groceries, personal expenses (including clothing and personal care), costs associated with dependents if applicable (such as school fees and child care), medical expenses, and transport expenses:
- (c) any regular or frequently recurring discretionary expenses.

4AE General rule

The lender must,—

- (a) make reasonable inquiries in order to estimate (over a reasonably foreseeable time period)—
 - (i) the borrower's likely income on a weekly, fortnightly, or monthly basis (*see* regulation 4AF); and
 - (ii) the borrower's likely relevant expenses on a corresponding basis (*see* regulations 4AG and 4AH); and
- (b) be satisfied on reasonable grounds that it is not likely that the borrower will suffer substantial hardship in making the payments under the agreement because—
 - (i) the borrower's likely income exceeds their likely relevant expenses, allowing a reasonable surplus to pay or save for other expenses; or
 - (ii) the agreement is a reverse mortgage, or a bridging loan, in respect of land and the borrower reasonably expects to be able to meet the payments under the agreement (while still having enough money to meet likely relevant expenses and to have a reasonable surplus to pay or save for other expenses); or
 - (iii) there are other exceptional circumstances that mean that money (other than likely income) will be available to meet the payments under the agreement (and to meet likely relevant expenses and to have a reasonable surplus to pay or save for other expenses).

4AF Lenders must estimate borrower's likely income

- (1) The lender, when estimating the borrower's likely income, must—
 - (a) obtain from the borrower a statement of their current income; and
 - (b) verify the borrower's current income, based on reliable documentary evidence, which may include payslips, tax records, bank account transaction records, financial statements, or a letter from an employer, the Ministry of Social Development, or any other source of the income; and
 - (c) ask the borrower about any likely changes to their income.
- (2) The lender must ensure that any conflict between information about income is adequately reconciled.

4AG Lenders must do initial estimate of borrower's likely relevant expenses

- (1) The lender, when estimating the borrower's likely relevant expenses, must—
 - (a) obtain from the borrower a categorised statement of their current relevant expenses; and
 - (b) verify the borrower's current relevant expenses, based on at least 90 days' worth of transaction records for—
 - (i) any bank account into which the borrower's income is paid; and
 - (ii) any bank account or credit card account of the borrower into which the borrower's income is transferred over that period; and
 - (c) ask the borrower about any cash withdrawals from these accounts that may contribute towards a payment of a relevant expense; and
 - (d) ask the borrower about any likely changes to their relevant expenses; and
 - (e) obtain a credit report, identify from that any other relevant expenses that the borrower is likely to have (for example, financial commitments), and undertake reasonable inquiries into the amount of those expenses.
- (2) The lender must ensure that any conflict between information about relevant expenses is adequately reconciled.
- (3) In this regulation, **bank account** means any account with a registered bank or other financial institution that is of a type that is ordinarily used for the payment of relevant expenses.

4AH Lenders must adjust initial estimate of borrower's likely relevant expenses

- (1) The lender must—
 - (a) compare their initial estimate of the borrower's likely living expenses, individually or as groups of expenses, against a reasonable cost of those expenses; and

- (b) take the borrower's likely living expenses to be the greater of the lender's initial estimate of living expenses and a reasonable cost of those expenses, unless there are reasonable grounds to do otherwise.
- (2) If the borrower has any regular or frequently recurring discretionary expenses that can be compared against a reasonable cost of those expenses, subclause (1) also applies to those expenses with any necessary modifications and the lender must also comply with that subclause in respect of those expenses.
- (3) In this regulation, a **reasonable cost of expenses** means the cost of those expenses for a person in the borrower's position, having regard to income, the number of dependents and, if relevant, their ages, and the location in which the borrower lives.

4AI High-cost consumer credit contracts—Presumption of substantial hardship

- (1) This regulation applies in the case of a high-cost consumer credit contract if the lender has reasonable evidence that the borrower has been in default in payment under 1 or more consumer credit contracts in the preceding 90 days.
- (2) There is a presumption that a borrower will be unlikely to make repayments on a high-cost consumer credit contract without suffering substantial hardship.
- (3) However, this presumption does not apply if the lender has reasonable evidence that the borrower has remedied the default in payment.

Lender responsibility to ensure advertising complies with advertising standards

4AJ Purpose of regulations 4AK to 4AN

Regulations 4AK to 4AN apply, for the purpose of section 9C(3)(b)(i) of the Act.

4AK Advertising of payment amounts

- (1) This regulation applies if an advertisement is being distributed to the public or a section of the public and it refers to an amount of a payment under an agreement.
- (2) The advertisement must state,—
 - (a) if ascertainable, the total amount of the payments (but only if the contract would, on the assumptions set out in Schedule 1, be paid out within 7 years of the date on which credit is first provided under the contract), or
 - (b) in any other case, the annual interest rate or rates for that class of credit contracts (with the rate or rates being expressed in terms of a percentage).
- (3) This information must be as prominent as the amount of a payment.

4AL Advertising of interest rates or charges

- (1) This regulation applies if an advertisement is being distributed to the public or a section of the public and it refers to an interest rate or an interest charge.
- (2) The advertisement must state—
 - (a) the annual interest rate or rates for the class of credit contracts covered by the advertisement (with the rate or rates being expressed in terms of a percentage):
 - (b) if there is more than 1 rate, how each rate applies:
 - (c) if an annual interest rate is fixed for the term or any part of the term of the contract, the period during which the annual interest rate is fixed:
 - (d) if an annual interest rate is variable or adjustable, a statement to that effect:
 - (e) any mandatory credit fees (for example, any establishment fees and regular account management fees) and the amount of those fees if ascertainable or, if not, the method of calculation of the fees.

Example

A creditor that refers to an interest rate in an advertisement might include the following statement: “Interest 9.95%–24.95% per annum. Establishment fee \$100.”

- (3) However, subclause (2) does not require the advertisement to state matters in relation to default interest charges.
- (4) The annual interest rate or rates stated in the advertisement—
 - (a) must be the rate or rates that are ordinarily available to borrowers who meet the lender’s borrowing requirements for that class of credit contracts:
 - (b) must be the current annual interest rate or rates, if the rate is variable or adjustable:
 - (c) must be at least as prominent as any other interest rate or interest charge.

4AM Advertising of credit fees if advertisement states there is no interest

- (1) This regulation applies if—
 - (a) an advertisement states that there is no interest under the contract; but
 - (b) there are mandatory credit fees under the contract.
- (2) The advertisement must state any mandatory credit fees and the amount of those fees if ascertainable or, if not, the method of calculation of the fees.

4AN Prohibited advertising practices

An advertisement must not make any of the following representations, explicitly or by implication:

- (a) that the lender will not inquire fully into the borrower’s circumstances (for example, “no credit checks”, “instant approval”, “15 minute approval”, or “guaranteed acceptance”):
- (b) that the lender will not fully take into account a borrower’s circumstances in assessing whether or not to enter into an agreement (for example, “bankrupt—OK”, “bad credit history—OK”):
- (c) that a loan has already been approved or granted, if the inquiries required by section 9C(3)(a) have not been completed and the credit contract has not been entered into or varied (as applicable) (for example, “\$500 credit available in your account”).

Note

Note that clause 59 of the Bill is inserting regulations here

- **4AAA — Advertising for high-cost consumer credit contracts: financial mentoring services**
- **4AAB- Advertising for high-cost consumer credit contracts: risk statements**

5 New regulations 4F to 4H and cross-heading inserted

After regulation 4E, insert:

Disclosure

4F Disclosure of agreed changes

- (1) This regulation applies for the purposes of section 22(1) of the Act.
- (2) The following is information that must be disclosed, to the extent that it has changed as a result of the variation:

Credit limit

- (a) the credit limit:

Annual interest rate

- (b) the annual interest rate or rates under the contract (with the rate or rates being expressed in terms of a percentage):
- (c) if there is more than 1 rate, how each rate applies:
- (d) if an annual interest rate is fixed for the term or any part of the term of the contract, the period during which the annual interest rate is fixed:
- (e) if an annual interest rate is determined by referring to a base rate, particulars that describe how the annual interest rate is determined, including—
 - (i) the name of the base rate or a description of it; and
 - (ii) the margin or margins (if any) above or below the base rate to be applied to determine the annual interest rate; and
 - (iii) where and when the base rate is published or, if it is not published, how the debtor may ascertain the rate; and

(iv) the current annual interest rate or rates:

Total interest charges

(f) the total amount of interest charges payable under the contract, if ascertainable (but only if the contract would, on the assumptions set out in Schedule 1, be paid out within 7 years of the date on which credit is first provided under the contract):

Credit fees and charges

(g) if the contract is a high-cost consumer credit contract, a statement of the rate of charge under the contract, as required to be calculated in accordance with section 45D of the Act and these regulations:

Payments required

(h) if more than 1 payment is to be made,—

(i) the amount of the payments or the method of calculating the amount; and

(ii) if ascertainable, the number of the payments; and

(iii) if ascertainable, the total amount of the payments (but only if the contract would, on the assumptions set out in Schedule 1, be paid out within 7 years of the date on which credit is first provided under the contract); and

(iv) when the first payment is due, if ascertainable, and the frequency of payments.

4G Disclosure of changes following exercise of power

(1) This regulation applies for the purposes of section 23(2)(b) of the Act.

(2) Other information that must be disclosed under section 23 of the Act is, if the contract is a high-cost consumer credit contract, a statement of the rate of charge under the contract, as required to be calculated in accordance with section 45D of the Act and these regulations.

4H Disclosure of changes to guarantors

(1) This regulation applies for the purposes of section 26(2)(b) of the Act.

(2) Other information that must be disclosed under section 26 of the Act is, if the contract is a high-cost consumer credit contract, a statement of the rate of charge under the contract, as required to be calculated in accordance with section 45D of the Act and these regulations.

Note

Note that clause 59 of the Bill is inserting regulation 5A after regulation 5 and regulations 6A and 6B after regulation 6.

6 Regulation 20 amended (Contract manager appointed by new creditor)

In regulation 20(2)(b), after “guarantee”, insert “and to comply with the Act as if the contract manager were the creditor”.

7 New regulations 22 and 23 and cross-heading inserted

After regulation 21, insert:

Other provisions about securitisation or covered bond arrangements or similar arrangements

22 Circumstances in which section 59B(4) of Act applies

- (1) This regulation prescribes circumstances for the purpose of section 59B(4) of the Act.
- (2) The circumstances are that—
 - (a) the rights of a person who provides credit under a consumer credit contract (an **original creditor**) are transferred (whether by assignment or by operation of law) to another creditor (the **new creditor**); and
 - (b) the transfer is made for the purposes of securitisation or covered bond arrangements or similar arrangements; and
 - (c) there is a contract between the new creditor and a person (a **contract manager**) that provides for the contract manager—
 - (i) to collect all payments from every debtor and guarantor; and
 - (ii) otherwise to manage the relevant contract and every guarantee and to comply with the Act as if the contract manager were the creditor; and
 - (iii) to deal with every debtor or guarantor for those purposes accordingly.
- (3) Any term used in this regulation, but defined in regulation 19, has the meaning given in regulation 19.

23 How section 59B of Act applies in those circumstances

In the circumstances prescribed in regulation 22,—

- (a) section 59B of the Act does not apply to the directors and senior managers of the new creditor:
- (b) section 59B of the Act applies to the directors and senior managers of the contract manager as follows:
 - (i) those directors and senior managers must exercise due diligence to ensure that the duties and obligations of a creditor under the Act are complied with:
 - (ii) section 59B(2)(a) of the Act applies as if the nature of the business to be taken into account were the contract manager’s busi-

ness (for example, its size) and the nature of the consumer credit contracts that are subject to the securitisation, covered bond arrangements, or similar arrangements:

- (c) the Act (including section 116A) applies to the directors and managers of the contract manager in respect of any breach of section 59B.

8 New regulation 24 and cross-heading inserted

After regulation 23 (as inserted by regulation 7), insert:

Disclosure before debt collection starts

24 Disclosure before debt collection starts

- (1) The following information is the information that must be disclosed under section 132A of the Act concerning the contract as is applicable:

Information about credit contract

- (a) the full name and contact details of the creditor at the date of the credit contract:
- (b) the date of the credit contract:
- (c) the debtor's purpose of the credit when the credit contract was entered into:

Statement about debt to be collected

- (d) a statement as required by subclause (3) or (4):

Information about debt collection

- (e) the full name and contact details of the debt collector:
- (f) information about ways in which the debtor can make a complaint about the debt collector, including—
 - (i) the contact details for the Commerce Commission:
 - (ii) the name and contact details for the dispute resolution scheme of which the creditor is a member (unless the Financial Service Providers (Registration and Dispute Resolution) Act 2008 does not require the creditor to be a member of such a scheme):
 - (iii) an explanation of what that service provides:
 - (iv) that the scheme will not charge a fee to any complainant to investigate or resolve a complaint:

Other information

- (g) a statement of the debtor's right under section 55 of the Act (if applicable), and advice as to how an application under that section may be made:

- (h) that the person can ask for free and confidential budgeting and financial capability advice from MoneyTalks, the contact details for MoneyTalks, and a link to MoneyTalk's Internet site.
- (2) The contact details for MoneyTalks must be provided on the first page of the disclosure statement.

Statement about debt to be collected

- (3) If the contract is a consumer credit contract in connection with which continuing disclosure under section 18 of the Act is required, the statement required by subclause (1)(d) must disclose—

Matters disclosed under section 19

- (a) the following information for the period starting with the closing date of the period covered by the last continuing disclosure statement under section 19 of the Act and ending with the date on which the disclosure under section 132A of the Act is made:
 - (i) the opening and closing dates of the period covered by the statement; and
 - (ii) the opening and closing unpaid balances; and
 - (iii) the date, amount, and a description of each advance during the statement period; and
 - (iv) the date and amount of each interest charge debited to the debtor's account during the statement period; and
 - (v) the date and amount of each amount paid by the debtor to the creditor, or credited to the debtor, during the statement period; and
 - (vi) the date, amount, and a description of each fee or charge debited to the debtor's account during the statement period; and

Extra information

- (b) to the extent that the amounts in paragraph (a) do not include any default fees yet to be debited, the total amount of those fees, and the total amount to be collected (as increased by those further fees), to the extent that those amounts are ascertainable at the time of disclosure; and
- (c) the rates of any ongoing interest charges, credit fees, and default fees that will continue to be charged under the contract.

Example

Debt collection is about to start in June under a consumer credit contract. The last continuing disclosure statement was 1 May.

Section 132A disclosure is made on 1 June. The unpaid balance is now \$100 (which must be disclosed under paragraph (a)(ii)). The unpaid balance includes default fees of \$10 that the creditor debited on 25 May (which must be disclosed under paragraph (a)(vi)).

The contract provides that, if debt collection starts, further default fees totalling \$15 can be debited. Those fees are ascertainable. Those total default fees of \$15 must be disclosed under paragraph (b), along with the total amount to be collected, which is \$115 (\$100 as increased by \$15).

The contract also provides that, if debt collection starts, charges of \$1 per phone call, and default interest charges of y% of the unpaid balance, may be debited. It is not ascertainable how many telephone calls may be needed. The rate of \$1 per telephone call and the rate of y% must be disclosed under paragraph (c).

- (4) If the contract is not a consumer credit contract in connection with which continuing disclosure under section 18 of the Act is required, the statement required by subclause (1)(d) must disclose—
- (a) the unpaid balance before any default fees relating to the debt collection are debited to the debtor under the contract; and
 - (b) the total amount of any default fees to be debited to the debtor under the contract, and the total amount to be collected (as increased by those further fees), to the extent that those amounts are ascertainable at the time of disclosure; and
 - (c) the rates of any ongoing interest charges, credit fees, and default fees that will continue to be charged under the contract.

Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, most of which come into force on 1 April 2021, amend the Credit Contracts and Consumer Finance Regulations 2004.

These regulations insert various new regulations, with 5 main effects, as follows.

Lender responsibilities to make reasonable inquiries

New regulations 4AA to 4AI apply for the purpose of section 9C of the Act, which requires lenders to make reasonable inquiries before entering into agreements, so as to be satisfied that it is likely that the credit or finance provided under the agreement will meet the borrower's requirements and objectives and the borrower will make the payments under the agreement without suffering substantial hardship. These requirements will also apply before lenders make a material change to agreements.

The regulations prescribe—

- inquiries that must be made:
- processes, practices, and procedures that a lender should follow when making reasonable inquiries:

- the way in which the results of the inquiries must be taken into account;
- circumstances that would prevent a lender from being satisfied as to a matter.

Lender responsibilities to ensure advertising complies with advertising standards

New regulations 4AJ to 4AN set advertising standards. Lenders have a responsibility to ensure that any advertising complies with the advertising standards set out in the regulations and is not, or is not likely to be, misleading, deceptive, or confusing to borrowers.

Disclosure

New regulation 4F prescribes other information that creditors must disclose under section 22 of the Act (which relates to variation disclosure if the parties to the contract agree to change the contract).

New regulation 4G prescribes information that creditors must disclose about the rate of charge under a high-cost consumer credit contract if the rate changes following a creditor exercising a power under the contract to change certain matters.

New regulation 4H prescribes information that creditors must disclose to every guarantor under a guarantee about the rate of charge under a high-cost consumer credit contract.

Other provisions about securitisation or covered bond arrangements or similar arrangements

Regulations 6 and 7 come into force on 1 June 2020.

New regulations 22 and 23 relate to section 59B of the Act, which requires every director and senior manager of a creditor under a consumer credit contract to exercise due diligence to ensure that the creditor complies with its duties and obligations under this Act. However, section 59B(4) of the Act says that in any circumstances prescribed under section 138(1)(da) (being circumstances that relate to securitisation or covered bond arrangements or similar arrangements), that section applies as stated in the regulations.

New regulation 22 prescribes circumstances for the purpose of section 59B(4) of the Act and *new regulation 23* prescribes how section 59B of the Act applies in those circumstances. In essence, in those circumstances, section 59B will apply by requiring the directors and senior managers of a contract manager (that is appointed by a new creditor such as a securitisation trustee) to exercise due diligence to ensure that the duties and obligations of a creditor under the Act are complied with.

To avoid doubt,—

- if the circumstances prescribed in *new regulation 22* are not met, section 59B of the Act applies to the directors and senior managers of the new creditor;
- *new regulations 22 and 23* do not limit the obligations of the new creditor as a creditor (see section 5 of the Act):

- regardless of whether the circumstances prescribed in *new regulation 22* are met,—
 - the creditor remains liable as creditor under the Act (*see* section 135 of the Act):
 - section 59B of the Act also applies to the directors and senior managers of the creditor.

Regulation 6 makes consequential amendments to regulation 20.

Disclosure before debt collection starts

New regulation 24 prescribes the information that must be disclosed under section 132A of the Act concerning the contract as is applicable.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*:

These regulations are administered by the Ministry of Business, Innovation, and Employment.