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Committee Secretariat
Finance and Expenditure Committee
Parliament Buildings
Wellington

ICNZ'S SUBMISSION ON THE FINANCIAL MARKETS CONDUCT AMENDMENT BILL

Thank you for the opportunity to provide a submission on the Financial Markets Conduct Amendment Bill.

Te Kāhui Inihua o Aotearoa | The Insurance Council of New Zealand (**ICNZ**) represents general insurers. Our members accept the risks of over NZ$2 trillion of New Zealand's assets and liabilities. ICNZ's members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, and motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, cyber insurance, commercial property insurance, and directors and officers insurance).

The Bill represents a key piece of the Government's financial services reforms. As set out in the Bill's Explanatory Note, the objectives of these reforms are to—

- simplify and streamline regulation of financial services (including reducing duplication);
- remove undue compliance costs for financial markets participants; and
- improve outcomes for consumers.

However, as we highlight below, there are a number of aspects of the Bill that are not consistent with these overarching objectives.

ICNZ has feedback on the following aspects of the Bill.

- Fair Conduct Programme (**FCP**) minimum requirements
- Single licence and consolidation
- New Financial Markets Authority (**FMA**) powers to approve certain transactions
- New FMA on-site inspection power.

Fair Conduct Programme minimum requirements

Part 1 of the Bill amends the Financial Markets Conduct Act 2013 (**FMCA**). Clause 19 amends s446J, which sets the minimum requirements for a financial institution's FCPs.

Commencement of any changes to s446J of the FMCA

The requirements for FCPs outlined in s446J of the FMCA provide the underlying framework for the Conduct of Financial Institutions (**CoFI**) regime. We note the Bill currently provides for the changes to s466J provided in clause 19 of the Bill to come into effect 6 months after Royal assent. Where the changes proposed to s446J are refinements or relaxations, this will be a workable timeframe for financial institutions, however for any new obligations it may not be practical. These include the proposed new FCP requirements related to complaints and communicating with consumers, which we comment on specifically further below.

Compliance with other legislation

Under the CoFI regime set out in Subpart 6A of Part 6 the FMCA, financial institutions must "establish, implement and maintain" an effective fair conduct programme designed to ensure their compliance with the CoFI regime's fair conduct principle.

ICNZ supports reforming the minimum requirements for FCPs, where that will reduce prescription and provide flexibility for financial institutions while maintaining appropriate levels of consumer protection.

ICNZ supports the decision to omit from the FCP the requirement about enabling the financial institution to meet its legal obligations to consumers under other pieces of legislation.[1] Currently, financial institutions' FCPs must outline their policies, processes, systems and controls for compliance with other consumer-focused legislation (e.g. Consumer Guarantees Act 1993, Credit Contracts and Consumer Finance Act 2003). We consider that this obligation creates unnecessary duplication and compliance cost.

Omitting this requirement would allow the FCP to focus on implementing the principle that customers must be treated fairly in relation to the key activities of the financial institution. We consider that omitting this requirement will clarify the objectives of the FCP. Financial institutions are already required to comply with applicable consumer legislation and blurring the objectives of the FCP under CoFI risks confusion for consumers and financial institutions.

Employees

ICNZ supports the amendments proposed to the FCP requirements relating to employees to reduce the level of prescription.[2] The current requirements are overly prescriptive and do not allow for a proportionate, risk-based approach (to matters like training) taking into account the employee's role, experience and tenure. It is important that financial institutions can focus their training on the procedures or processes that are necessary or desirable to support the financial institution's compliance with the fair conduct principle. We consider that the proposed amendments would better enable this.

[1] Clause 19(1) repeals s446J(1)(a).

[2] Clause 19(5) replaces s446J(e) to (h) and introduces new s446J(e) and (f).

Complaints

We do not support introducing a new express minimum requirement for FCPs relating to complaints processes.[3] This is contrary to the objectives of removing duplication and reducing compliance costs.

The CoFI regime already addresses complaints. As was highlighted in the Ministry of Business, Innovation and Employment's (**MBIE**) Discussion Document '*Fit for purpose financial services conduct regulation':*

> "In relation to complaints processes, paragraphs (c) and (d) of s446J(1) set requirements around identifying and addressing conduct that may not comply with the fair conduct principle. Complaints are also expressly addressed in section 446D (which gives responding to a complaint as an example of when the fair conduct principle applies) and the duty in section 446H to ensure that information is available to assist consumers to understand how to make complaints."[4]

Financial institutions already have existing legal obligations in relation to complaints handling and accordingly we consider the proposed changes and associated compliance costs are unnecessary.

The existing requirements include:

- Requirements to be a member of an approved disputes resolution scheme pursuant to the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Each dispute resolution scheme requires participating members to have internal complaints handling services and to publicise the availability of that service.
- Standard conditions for full licensing under the financial advice regime require a Financial Advice Provider (**FAP**) to have an internal process for resolving client complaints relating to their financial advice service that provides for:
  - (a) complaints to be dealt with in a fair, timely and transparent manner, and
  - (b) records to be kept of all complaints and any action taken in relation to them (including the date on which each complaint was received and any action taken).
- The Financial Markets Conduct Regulations 2014 set requirements for FAPs to disclose to consumers how to make a complaint, an overview of the complaints process, and an explanation of the external dispute resolution process.
- For general insurers, the Fair Insurance Code sets out industry standards for complaints handling.

We do not consider that there is a problem to be addressed here that needs solving through additional regulation.

We therefore recommend that new s446J(g) inserted by clause 19(5) should be deleted.

Communicating about price

[3] Clause 19(5) introduces new s446J(g).

[4] https://www.mbie.govt.nz/assets/fit-for-purpose-financial-services-conduct-regulation-discussion-document.pdf, para 39.b.

Clause 19(7) will amend s446J(1)(j) so that it will state:

> **446J Minimum requirements for fair conduct programme**
>
> (1) The fair conduct programme must be in writing and include effective policies, processes, systems, and controls for—
>
> ...
>
> (j) communicating with consumers about the financial institution's relevant services or associated products in a timely, clear, concise, and effective manner <u>(including with respect to the price of the services or products)</u>;

As outlined below, this additional requirement with regard to communicating about "price" has not been consulted on, nor has the rationale for changing the original proposal, which referred to "fees and levies", been explained. Therefore, we consider that the proposal should not be taken forward, noting that it is contrary to the objectives of streamlining the CoFI regime and the FCP requirements.

We also note that clause 4 of the Bill includes a new definition of "price" in the FMCA seemingly to support this. The definition appears to be based on the definition of "price" in the Fair Trading Act. We recognise the term "price" is used in various parts of the FMCA already, for example in relation to derivatives and securities, but not in Subpart 6A that outlines the CoFI requirements.

Regarding the definition of "price" in clause 4(4) of the Bill, we question the meaning of the words "*although ostensibly relating to any other matter or thing*" and what this is intended to mean.

We consider that adding this additional reference to communicating on price to the existing requirement is contrary to the policy objectives of streamlining the requirements of the CoFI regime and removing duplication and compliance costs, and we do not support this change being made. The new requirement relating to communicating on *price* was not consulted on and we do not consider that the obligation should be brought in at this late stage.

This new requirement about communicating in relation to the "price" of the services or products seems to have transmogrified from consultation on a proposal related to "fees and charges". The May 2024 MBIE consultation stated:

> "In relation to fees and charges, the FMA and RBNZ conduct and culture reviews found instances of fees and charges materially outweighing benefits to customers, incorrect application of fees and charges, and fees and charges being incorrectly disclosed to consumers."[5]

The August 2024 Regulatory Impact Statement (**RIS**) underpinning the policy in the bill outlined the issue (on page 24) as:

> "In relation to fees, the basis for the relationship between financial institutions and customer is the exchange of money for products and services. The fair conduct principle provides that the requirement to treat consumers fairly includes paying due regard to

[5] MBIE Discussion Document, *'Fit for purpose financial services conduct regulation'* (May 2024), para 36

> consumers' interests. We expect this would include considering how fees and charges will be correctly applied and disclosed to consumers. In relation to intermediaries, there is also an express requirement in section 466J(1)(i) to address the design and management of incentives."[6]

The policy decision then made by Cabinet in 2024 was to add a requirement for FCPs to "include policies, processes, systems and controls relating to applying, disclosing, and reviewing fees and charges". However, the April 2025 Cabinet paper seeking the approvals for the Bill to be introduced suddenly refers to "communicating about the price of services and products" but contains no explanation or policy rationale to support the change from "fees and charges" to "price". Therefore, as well as being uncertain as to what this is intended to achieve for customers or otherwise, we have not previously provided feedback on the new proposal relating to "price" as it has not been consulted on. The rationale for making this change has not been explained.

Insurers understand the importance of consumers clearly understanding the price of the insurance products we offer to them which includes the total premium and, for example, the relevant government levies (if any) included in it. We also support transparency as to any fees or charges applied by an insurer or intermediary but note for completeness that general insurers do not usually charge any additional fees, with the premium representing what the customer pays. Premiums are clearly communicated to consumers.

In our submission to MBIE on the original proposal in 2024 our feedback was that given the issue identified associated with a lack of transparency with fees and charges appeared to pertain largely to intermediaries and as financial advice providers already have obligations for clear disclosure under the financial advice regime, there seemed to be an absence of an evidential foundation for adding this obligation to financial institutions under CoFI. We maintain this view. If there are deficiencies in the financial advice regime in this respect they would most properly be addressed directly there. We also note the FMA and RBNZ conduct and culture reviews cited in relation to this largely took place in 2018/19, before the financial advice regime was fully in effect and well before the current CoFI regime was enacted in 2022. Why this is now being raised is therefore unclear.

We consider it would be appropriate to give CoFI time to embed to see if there are any communication related issues to respond to before creating any further additional minimum requirements in relation to communication with customers, beyond the high-level, principle-based obligations that already exists.

Furthermore, adding this specific reference to "price" is out of step with the wider CoFI regime and its focus on conduct, will reduce flexibility, require review and amendment to FCPs and increase compliance costs without necessarily advancing the key objectives of the CoFI regime. If anything was to be added, and we do not consider there is a case for this, the addition should revert to the previous language of "fees and charges" as it is in relation to these that the policy rationale has been articulated.

[6] https://www.mbie.govt.nz/dmsdocument/29101-regulatory-impact-statement-fit-for-purpose-financial-markets-conduct-regulation

Insurance prices charged to customers are, as noted above, transparently presented to customers in the annual premium charged but these are based on complex actuarial models that incorporate risk assessments, statistical probabilities, reinsurance and capital costs, and competitive market conditions. Insurers invest heavily in developing pricing algorithms and underwriting models and creating uncertainty as to the regulatory obligations, could interfere with competitive market dynamics and pricing freedom.

Given the absence of any particular rationale or issue for extending the requirements of the CoFI regime in this way, and in light of the lack of meaningful consultation on the proposed requirement, we consider such an addition should not be made to the CoFI regime at this time and that doing so would create uncertainty.

Our recommendation is that clause 19(7) should be deleted, with the requirement to communicate with customers retained as it currently is.

Commencement and implementation of any new FCP requirements

We note that should any additional requirements (of any kind) be added to s446J then a material period for implementing this would be required. We suggest 12 months minimum rather than the 6 months currently provided as the required implementation would go well beyond simply updating the FCP itself.

Changing customer communications for example can require significant work to determine the impact of the regulatory changes, assess the required changes to communications and to update wordings and core insurance systems to implement this. Given renewal notices can be sent out up to 3 months before the renewal date, then even a period of 12 months would give insurers only 9 months in reality to implement the changes.

FCP summaries – repealing s446H

Further to the amendments in the Bill, we also continue to recommend that s446H is repealed. This would remove the requirement for a financial institution to publish a public summary of its FCP. The summary is unlikely to add value for customers. It is likely they will rarely be read.

Fundamentally, a FCP is not designed to be a consumer-facing document and we therefore consider publishing a summary to be unnecessary and unlikely to provide practical benefits to consumers. Providing this in addition to all other documentation that consumers are required to read about financial institutions' services and products is unlikely to add value and may detract from other important information such as insurance policy terms and conditions. The cost and time in preparing a summary and updating the summary to keep it current over time outweighs any consumer benefit.

Single licence and consolidation

We support amending the FMCA to require the FMA to issue a single conduct licence covering one or more market services[7] and consider that existing licences should be automatically consolidated by the FMA without additional work being required by market service providers.

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[7] Clause 17 amends s399.

A single licence has the potential to reduce duplication within the regulatory regime. To ensure operational efficiencies and reduced compliance costs from this change, it will be important that the FMA streamlines conditions under the existing market services licences. Given the differences in licences issued by the FMA, care will need to be taken to ensure that a consolidated set of licence conditions remain appropriate across all services, while avoiding transferring unique conditions from one type of licence to others where these conditions do not apply. We acknowledge that the FMA is currently consulting on how the licensing conditions might be streamlined.

To achieve the full benefits of a single licence structure, the FMA should also introduce a single regulatory return for licensees. We understand that the FMA is considering how regulatory returns could be streamlined.

We also consider that it is important that any potential issues that may arise in relation to a particular market service should be ring-fenced to the particular issue and not conflated to be an entity level issue just by virtue of the financial institution having a single licence.

New FMA powers to approve certain transactions

We do not support the introduction of new requirements for the FMA to approve certain transactions.[8]

Clause 18 inserts new Subpart 3A of Part 6 of the FMCA which require the FMA's approval for certain transactions. These include:

- A person "obtaining significant influence" over a licensee
- A licensee entering into a "significant transaction"
- Amalgamations.

It is unclear what specific risks related to these transactions require an approval from the conduct regulator, particularly given the prudential regulator will likely be involved.

We note that the provisions are similar to Subpart 5 of Part 2 of the Deposit Takers Act 2023. However, that Act is designed to address significantly different risks posed by banks and other deposit takers including systemic risks to the stability of the financial system. These are not risks posed by general insurers. Consistency across regulators should not be pursued as an end in itself.

For insurers, in many cases the approval would be an additional step on top of the existing change in control approval already required under the Insurance (Prudential Supervision) Act 2010 (**IPSA**).

The IPSA process requires a range of factors to be considered including financial strength, governance, risk management and involves a fit and proper assessment. A change in control may raise issues in relation to the implications for customers of some long-term products, for example mortgages, however these specific customer risks are not relevant to shorter term products like general insurance.

[8] Clause 18 inserts new Subpart 3A of Part 6 of the FMCA.

In most cases, a change in control of a general insurer is unlikely to raise any material concerns from a conduct perspective in our view as the insurer being purchased still needs to maintain requirements under its CoFI licence and IPSA licence. The FMA can have confidence due to conduct arrangements already in place and the regulatory powers it has under CoFI.

In broad terms, while we accept a change in control may lead to changes to a financial institution's operating model, strategy, governing body, institutional culture, management team, local support and/or outsourcing arrangements, and potentially have flow on impacts within the organisation as the transition is worked through, such impacts should not be assumed or overestimated. For example, a change in control may be a result of a transaction at a much higher-level of the ownership structure, with no or minimal impacts for the specific financial institution concerned, such as part of a restructure of a global group or sale at the group parent level.

Even when a change in control does lead to such changes, it should not be assumed that this would result in a reduction in the effectiveness of a financial institution's compliance with the FMA's conduct regulation regime. In fact, the very opposite may occur. For example, the change in control could result in a financial institution being able to leverage additional resourcing, capability or expertise to improve fair conduct outcomes. Furthermore, any additional capital introduced by a change in control could enhance a financial institution's solvency and/or sustainability and may have positive impacts from both a prudential and conduct perspective.

As noted at paragraph 92 of MBIE's Discussion Document '*Fit for purpose financial services conduct regulation*' the FMA expects licensed entities to engage with it in advance of a change in control and licensees also have a reporting obligation under regulation 191(1)(g) of the Financial Markets Conduct Regulations 2014 regarding any change in control.

Under the FMCA, the FMA has power to monitor entities' compliance with licences, vary or add licence conditions, or take other steps in the event a licensee contravenes its licensee obligations, including in an extreme situation cancelling their licence. These powers could be used by the FMA should it become concerned that a change in control would negatively impact upon the financial institution's compliance with the FMA's regime.

Introducing approval requirements would introduce additional direct and indirect costs and complexity on top of complex transactions that potentially already involve multiple regulatory approvals (e.g. from the RBNZ, the FMA, the Commerce Commission and/or from the Overseas Investment Office). In particular, regulatory duplication is highly likely between the FMA and the RBNZ and there are significant costs incurred in having to manage multiple regulators who have different timelines. We are also concerned at the potential delays caused by the 20-working day decision period only starting after the receipt of all information and reports that the FMA may require. This creates uncertainty as to whether the approval process could take weeks or months and may result in entities deciding not to progress with a transaction.

Introducing an additional FMA approval requirement is likely to create significant uncertainty, may cause delays and unduly restrict open financial markets and the flexibility to make appropriate changes where doing so makes sense commercially or for other reasons, noting that as indicated above such changes may have positive flow on impacts for customers. It also potentially makes New Zealand a less attractive market for capital investment from overseas.

We therefore recommend that clause 18 should be deleted.

New FMA on-site inspection power

Clause 56 introduces a new on-site inspection power for the FMA.[9] This power will operate without notice.

We strongly believe any power to conduct on-site inspection should not operate without notice, unless subject to a search warrant. A without notice inspection power is disproportionate in the context of the FMA exercising routine supervisory or monitoring powers. The FMA's existing investigative and search powers are sufficient for it to meet its objectives, including those objectives listed in the proposed s28A. For example, s25 of the Financial Markets Authority Act 2011 (**FMA Act**) empowers the FMA by written notice to require a person to supply information, documents or appear before the FMA to give evidence and s29 of the FMA Act gives the FMA the power to enter and search a place under warrant or with consent.

The FMA can, and already do, conduct on-site inspections currently, with consent. In the absence of a search warrant, prior consent or notice ensures that, in practical terms, an insurer can efficiently work with the FMA to understand what information and interactions are sought through an on-site inspection and how this can most efficiently be accessed in an orderly way. It will often be necessary for the insurer to navigate its information systems, processes and formats to assist the FMA to locate the information sought in substance. There may also be access and security issues with FMA personnel turning up to an insurer's premises unannounced, with staff present having no prior knowledge, being potentially (and understandably) fearful and unsure about how to engage with them. With the prevalence of hybrid working that most general insurers operate under, there is the likelihood that the staff who would be best placed to respond to the FMA may not be on-site. If notice is not given before inspection, there is a serious risk that this will result in a sporadic, incomplete or at worst, an inaccurate picture of matters which would frustrate the purpose of the visit.

We understand that the FMA's current monitoring and supervision activities, including off-site information requests and on-site visits, work well, with most entities agreeing to an on-site visit and willingly co-operating with the FMA.

In a hypothetical and rare case where it would be inappropriate to provide prior notice (e.g., because evidence shows there is serious impropriety justifying urgent on-site inspection on a without notice basis), it would be appropriate for the FMA to obtain a court-ordered search warrant before proceeding. This provides an appropriately robust level of protection for the use of this power which is important given the serious disruption, intrusion and contravention of rights and freedoms concerned.

In this regard, we consider the proposed new s28D (as set out in clause 56) which provides that a search warrant is not required to continue an on-site inspection where the FMA finds evidence of conduct that may constitute a contravention is unjustified and note there is no equivalent provision even in the Deposit Takers Act 2023 which covers the much heightened prudential risks posed by banks and other deposit takers including risks to the stability of the financial system.

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[9] Clause 56 inserts new s28A to 28D into the Financial Markets Authority Act 2011.

We consider that warrantless search powers, particularly when used in a law enforcement context, should be exceptional and justified only in emergencies, or where there are strong grounds that evidence may be destroyed.[10]

The Law Commission's report '*Search and Surveillance Powers*'[11], sets out the rationale for why warrants should be obtained before conducting a search. The report states[12]:

> "The requirement to obtain a warrant is designed to ensure that the decision to undertake a search or seizure is not left in the hand of the party who conducts it. There are a number of compelling reasons for this.
>
> - It is an essential component of the checks and balances that should exist in a system operation according to the rule of law. ...
> - It introduces its own disciplines and constraints into the routine procedures and activities of law enforcement activities. ...
> - It acts as some protection for the agencies themselves against claims of civil or criminal liability. ...
> - It promotes the protective object of section 21 of the Bill of Rights Act."

We note that the proposed powers may apply in an extremely broad range of circumstances. Under the proposed s28B, the FMA may enter a site if it considers it "necessary or *desirable*" (emphasis added) for the purposes of doing one or more things referred to in the proposed s28A. The scope of s28A is very broad and includes:

- Assessing the adequacy of a financial markets participant's policies, processes, controls or other arrangements for complying with its obligations under financial markets legislation (new s28A(a))
- Examining any matter relating to the business, operation, or management of a financial markets participant in order to understand and identify risks in connection with those matters (new s28A(d))
- Carrying out a review of all, or 1 or more classes of, financial markets participants in connection with conduct under financial markets legislation (new s28A(f)).

On the face of the legislation, it appears that the FMA would be empowered to conduct an on-site inspection without notice to assess, for example, the adequacy of a financial markets participant's FCP under the CoFI regime, to understand a financial markets participant's business risks, or to carry out a thematic review. These are inappropriate reasons to justify using such a strong power.

As noted above, the FMA has other existing powers which would be effective to obtain the information it requires in non-emergency situations (for example, s25 of the FMA Act). In light of

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[10] Compare s29 of the Financial Markets Authority Act 2011 which requires the FMA to obtain consent or a warrant to search a place where the FMA is satisfied it has reasonable grounds to suspect that a person has engaged in conduct that constitutes a contravention and to believe that the search will find evidential material.

[11] Law Commission Report 97 '*Search and Surveillance Powers*' June 2007, https://www.lawcom.govt.nz/assets/Publications/Reports/NZLC-R97.pdf

[12] Para 2.55

the FMA's existing powers, we do not consider that either proposed power comports with the Legislation Design and Advisory Committee's guidance[13] that:

- "If the information or evidence concerned can be obtained by means other than by granting new search powers (for example, by recourse to the common law, consent, or existing power), those alternatives should be used."[14]
- "Search powers should not be granted for the convenience of the agency or ease of prosecution. … A general justification that search powers are required is not sufficient."[15]
- "In the regulatory context, it may be appropriate to allow warrantless inspections to take place without notice if it is *the only effective way* to ensure that certain regulatory standards are being adhered to (for example, the inspections of restaurants)." (emphasis added)[16]

The legislation does not require that the matter being investigated meet any particular threshold of seriousness before the FMA may exercise its on-site power. The legislation also does not require that there be evidence of impropriety or a lack of co-operation.

We consider that the proposed legislation does not reflect the Government's policy intention behind introducing such a power. There have been various consultations and discussions in the past few years regarding proposed on-site inspection powers for the FMA and it has been consistently positioned as a power that would be used in limited and exceptional circumstances.

In the '*Fit for purpose financial services conduct regulation*' Discussion Document (May 2024), MBIE stated (emphasis added):

> "In *very limited circumstances* it may be necessary for regulators to conduct such inspections without notice at reasonable times. The absence of a consent or notice provision allows the regulator sufficient flexibility to turn up and inspect when *urgency* may be required, or where advice notice would 'tip off' the entity and lead to a risk that information will be destroyed or records altered."[17]

The Cabinet Paper '*Financial Services Reforms policy decisions*' published on 5 September 2024 states:

> "… This power would be used in limited circumstances (e.g. where giving notice would defeat the purpose of the visit or where urgency is required to prevent potential consumer harm), for the purpose of carrying out market conduct monitoring of financial market participants."[18]

However, the Explanatory Note to the Bill states (emphasis added):

> "The Bill introduces on-site inspection powers for the FMA to, without notice, enter and remain at a place of business of a financial markets participant for compliance

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[13] Legislation Design and Advisory Committee, *Legislation Guidelines*, 2021 edition

[14] Section 21.1

[15] Section 21.2

[16] Section 21.2

[17] Para 104

[18] Para 64

monitoring purposes. This allows the FMA to conduct *routine monitoring inspections* of financial markets participants that have a general purpose of proactively and independently verifying regulatory compliance and enables the FMA to act quickly and reduce potential harm to consumers."

We are concerned that as currently drafted the legislation would allow the use of the power in circumstances which would be entirely disproportionate, likely to be unproductive, and have a detrimental impact on the relationship between the FMA and insurers.

We believe there is serious reputational risk to the FMA if this clause were to allow regular compliance and monitoring functions to be undertaken under the authority of warrantless search powers.

With regards to general insurance, we are not aware of any issues that would justify giving the conduct regulator a power to conduct inspections without a notice or a warrant.

We therefore strongly recommend that clause 56 is deleted from the Bill. If clause 56 is not deleted from the Bill, then it should be amended to reflect the original intention that such powers should only be used in limited and exceptional circumstances. It should also include specific conditions and criteria that must be met before the FMA may exercise such powers.

We request the opportunity to make an oral submission to the Select Committee.

Ngā mihi,

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