

House of Representatives

Amendment Paper

Financial Markets Conduct Amendment Bill

Proposed amendment

Arena Williams, in Committee, to move the following amendment:

New clauses 18A and 18B

After *clause 18* (page 18, after line 23), insert:

18A Section 446E amended (Meaning of financial institution)

In section 446E, insert as subsection (2):

- (2) In this subpart, **financial institution** also includes,—
- (a) in relation to any form of debt that allows the purchaser to have immediate access to products or services while paying for them at a later date through interest-free instalments, the provider of that debt; and
 - (b) any institution or service that has been designated under **section 446FA**.

18B Section 446FA and cross-heading inserted (FMA may designate as financial institution for purposes of this subpart)

After section 446F, insert

FMA may designate as financial institution for purposes of this subpart

446FA FMA may designate as financial institution for purposes of this subpart

- (1) The FMA may designate the provider of certain financial services to be a financial institution as it relates to the provision of those services for the purposes of this subpart.

- (2) A designation under **subsection (1)** must apply to 1 or more of the following:
 - (a) a specified provider of financial services:
 - (b) a specified financial service:
 - (c) a specified class of financial services.
- (3) Before issuing a designation under **subsection (1)**, the FMA must be satisfied that there is evidence that affected financial services or providers of financial services demonstrate 1 or more of the following:
 - (a) harm to consumers in New Zealand:
 - (b) regulatory avoidance by providers:
 - (c) a significant scale of use of the services:
 - (d) novel product design.
- (4) When issuing a designation under **subsection (1)**, the FMA must be satisfied that the designation is in the best interest of consumers in New Zealand.
- (5) A designation under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Explanatory note

This Amendment Paper amends the Financial Markets Conduct Amendment Bill.