



## **Credit Contracts Legislation Amendment Act Commencement Amendment Order 2021**

Patsy Reddy, Governor-General

### **Order in Council**

At Wellington this 13th day of September 2021

Present:

The Right Hon Jacinda Ardern presiding in Council

This order is made under section 2 of the Credit Contracts Legislation Amendment Act 2019 on the advice and with the consent of the Executive Council.

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### **Order**

**1 Title**

This order is the Credit Contracts Legislation Amendment Act Commencement Amendment Order 2021.

**2 Commencement**

This order comes into force on 17 September 2021.

**3 Principal order**

This order amends the Credit Contracts Legislation Amendment Act Commencement Order 2020.

**4 Clause 2 amended (Commencement of remaining provisions of Credit Contracts Legislation Amendment Act 2019)**

Replace clause 2(3) with:

- (3) The following provisions of the Credit Contracts Legislation Amendment Act 2019 come into force on 1 October 2021:
  - (a) section 5(2):
  - (b) section 50 to the extent that it inserts new sections 131B and 131C of the Credit Contracts and Consumer Finance Act 2003:
  - (c) sections 59 to 63 and 65 to 67 and Schedule 2 (which amend the Financial Service Providers (Registration and Dispute Resolution) Act 2008).
- (4) Any provisions of the Credit Contracts Legislation Amendment Act 2019 that have not been earlier brought into force come into force on 1 December 2021.

Michael Webster,  
Clerk of the Executive Council.

**Explanatory note**

*This note is not part of the order, but is intended to indicate its general effect.*

This order, which comes into force on 17 September 2021, defers, for 2 months, the commencement of most of the provisions of the Credit Contracts Legislation Amendment Act 2019 that were due to come into force on 1 October 2021 under the Credit Contracts Legislation Amendment Act Commencement Order 2020.

The provisions to be deferred include the following:

- new rules strengthening requirements to lend responsibly, including new rules about the inquiries that lenders must make, 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 that the borrower will make the payments under the agreement without suffering substantial hardship:
- duties to be imposed on directors and senior managers to ensure that lenders comply with their obligations:
- lender advertising to be subject to minimum advertising standards. In addition, if a lender advertises credit in a language, they would also have to offer to provide the borrower with information about the loan in that language:

- creditors and debt collectors to be required to disclose specific information to debtors before starting debt collection activity.

The deferral does not apply to the new requirements for certification, which will commence on 1 October 2021 as provided for in the commencement order made in 2020. Under those requirements, all directors and senior managers of lenders offering consumer credit contracts will be required to meet a “fit and proper person” test in order for the lender to register under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Those requirements will also apply to mobile traders.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 16 September 2021.

This order is administered by the Ministry of Business, Innovation, and Employment.