



Financial Markets Conduct (Climate-related Disclosures—Overseas Banks and Insurers) Exemption Notice 2024

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

Contents

		Page
1	Title	1
2	Commencement	1
3	Revocation	1
4	Application	1
5	Interpretation	2
6	Exemption from dating and signing requirements	2
7	Conditions	2

Notice

1 Title

This notice is the Financial Markets Conduct (Climate-related Disclosures—Overseas Banks and Insurers) Exemption Notice 2024.

2 Commencement

This notice comes into force on 29 July 2024.

3 Revocation

This notice is revoked on the close of 3 November 2026.

4 Application

An exemption granted by this notice applies to the following accounting periods of an exempt entity:

- (a) an accounting period that commenced before the exemption is granted (including an accounting period that ended before the exemption is

granted), if the exemption is granted before the climate statements or group climate statements for that period are required to be delivered to the Registrar for lodgement under section 461ZI of the Act; and

- (b) subsequent accounting periods.

5 Interpretation

- (1) In this notice, unless the context otherwise requires,—

Act means the Financial Markets Conduct Act 2013

exempt entity means an overseas person that is either or both of the following:

- (a) a climate reporting entity under section 461O(1)(a) of the Act (which relates to large listed issuers) that is a registered bank or a licensed insurer;
- (b) a climate reporting entity under section 461O(1)(b) or (c) of the Act (which relate to large registered banks and licensed insurers)

New Zealand chief executive officer, in relation to—

- (a) a licensed insurer, has the same meaning as in section 6(1) of the Insurance (Prudential Supervision) Act 2010; and
- (b) a registered bank, has the same meaning as in section 2(1) of the Banking (Prudential Supervision) Act 1989

overseas person means a body corporate that is incorporated outside New Zealand

Regulations means the Financial Markets Conduct Regulations 2014.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

6 Exemption from dating and signing requirements

Every exempt entity is exempted from sections 461Z to 461ZB of the Act to the extent that those sections require the exempt entity to ensure that its climate statements, or group climate statements, are dated and signed in accordance with section 461Z(1)(b), 461ZA(2)(b), or 461ZB(2)(b) or (3)(b) of the Act.

7 Conditions

- (1) The exemption in clause 6 is subject to the conditions that the exempt entity must, in respect of an accounting period to which the exemption applies,—
 - (a) ensure that any climate statements, or group climate statements, delivered for lodgement under section 461ZI of the Act are dated and signed on behalf of the entity by its New Zealand chief executive officer; and
 - (b) at the same time as those statements are delivered for lodgement, give the Registrar a notice containing the information referred to in subclause (2).

- (2) For the purposes of subclause (1)(b), the information is—
- (a) a statement to the effect that the exempt entity is relying on the exemption in clause 6 in respect of the accounting period; and
 - (b) a brief summary of the effect of relying on the exemption; and
 - (c) the name of the exempt entity’s New Zealand chief executive officer; and
 - (d) a statement from the New Zealand chief executive officer that confirms that the climate statements or group climate statements have been approved for lodgement in accordance with the corporate governance policies of the exempt entity.

Dated at Auckland this 23rd day of July 2024.

Liam Mason,
General Counsel,
Financial Markets Authority.

Statement of reasons

This notice comes into force on 29 July 2024 and is revoked on 3 November 2026.

This notice concerns overseas registered banks and overseas licensed insurers that are climate reporting entities under Part 7A of the Financial Markets Conduct Act 2013 (the **Act**). Those entities are exempted from the requirement to have their climate statements, or group climate statements, dated and signed by their directors.

The conditions of the exemption provide for—

- the climate statements or group climate statements to be dated and signed by the exempt entity’s New Zealand chief executive officer (the **NZ CEO**); and
- certain information to be given to the Registrar.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemption because—

- some large overseas banks and insurers face particular difficulties in arranging for 2 directors to sign climate statements where the board supervises multiple countries’ branches and would ordinarily for good governance devolve responsibility for the execution of similar documents to local senior management. It can be logistically challenging to get overseas directors of these entities to sign climate statements specifically for New Zealand purposes, particularly within the Act’s time frames. It would take a significant amount of time to provide sufficiently detailed explanations to overseas directors to the degree required

**Financial Markets Conduct (Climate-related
Disclosures—Overseas Banks and Insurers) Exemption
Notice 2024**

Statement of reasons

2024/138

to sign the climate statements, plus additional advice and education to brief the overseas directors on all of the detail of Part 7A of the Act and local compliance requirements; and

- there is no additional benefit in requiring directors to sign climate statements, as not having 2 directors sign and date the climate statements should not affect the potential liability or accountability of directors under the Act; and
- existing governance structures are considered sufficient for the signing of the climate statements if the exempt entity can show that the statements have been properly authorised for lodgement by way of the NZ CEO signing the statements and confirming that the climate statements have been approved for lodgement in accordance with the corporate governance policies of the exempt entity; and
- in light of these points, the FMA is satisfied that the exemption is desirable in order to promote the purposes of the Act. Specifically, the exemption should avoid unnecessary compliance costs and promote flexibility in the financial markets; and
- the exemption addresses the particular difficulties experienced only by entities that are large overseas banks and insurers. Given the limited application of the exemption, and the fact that investors and other interested persons will still have access to climate statements and group climate statements that are signed in accordance with the entity's corporate governance processes, that are lodged in New Zealand, and that meet all other applicable climate reporting requirements of the Act, the exemption is not broader than is reasonably necessary to address the matters to which it relates.

Issued under the authority of the Legislation Act 2019.

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This notice is administered by the Financial Markets Authority.

Wellington, New Zealand:

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