



What's happening? A new conduct licensing regime

- The new **Financial Markets (Conduct of Institutions) Amendment Act 2022** (CoFI) is designed to protect consumers and requires registered banks, licenced insurers and licenced non-bank deposit takers (financial institutions) to:
 - be licensed by the Financial Markets Authority (FMA) in respect of their conduct towards consumers; and
 - comply with a “fair conduct principle” to treat consumers fairly, establish, maintain, implement and comply with their “fair conduct programme”; and
 - comply with regulations that will ban target-based sales incentives e.g. profit share arrangements. The regulations relating to incentives will also apply to our brokers and intermediaries.
- Fair consumer treatment is a shared responsibility between financial institutions and intermediaries.
- Find out more about CoFI here: **Conduct of Financial Institutions (CoFI) legislation | Financial Markets Authority** (fma.govt.nz)

Conduct licensing regime Key dates

- **June 2022:** The Financial Markets (Conduct of Institutions) Amendment Act 2022 was passed into law.
- **July – September 2022:** FMA forums on General insurance intermediated distribution – representatives from insurers including Vero, brokers including IBANZ and intermediaries.
- **July 2022:** Consultation on the proposed standard conditions for financial institution licences. Submissions close 7 September 2022. Vero contributes to ICNZ submissions on all CoFI consultations.
- **Late-2022/early-2023:** FMA expected to release: (i) a licence application guide and (ii) guidance on intermediated distribution under CoFI and (iii) a Fair Conduct Programme information sheet
- **Mid-2023:** financial institution licence applications expected to open, ~18 months prior to regime commencement.
- **Early-2025:** regime commences and financial institution licences come into effect.

