

Module	FINANCIAL SERVICES FOR CORPORATE AND INSTITUTIONAL CLIENTS
Jurisdictions	NEW ZEALAND
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Module Scope

Does the organisation comply with its relevant obligations when providing financial services to corporate and institutional clients?

Does a financial service provider meet all of registration and ongoing legislated requirements?

Does an organisation that provides regulated financial advice or a regulated client money or client property service complied with all of its relevant obligations?

Does an organisation that lists or trades financial products or otherwise participates in financial markets comply with the various rules and obligations for dealing on the market?

Does the organisation have processes and procedures in place to ensure that it is meeting its record keeping and financial product disclosure requirements?

Does the organisation ensure that it does not engage in conduct that is misleading or deceptive, or conduct that could be considered to be bribery or corruption?

Does the organisation have procedures in place to ensure that its climate statements comply with the requirements of the climate-related disclosure framework?

Module Application

The NEW ZEALAND FINANCIAL SERVICES FOR CORPORATE AND INSTITUTIONAL CLIENTS module can assist an organisation to become a financial service provider (FSP) authorised to provide financial services in New Zealand. For established FSPs, the module recommends systems and procedures that will enable the organisation to meet its ongoing obligations efficiently.

Organisations should consider the following questions:

- › Is your organisation an FSP that deals with corporate and institutional clients in New Zealand, or does it intend to become one in the future?
- › Is your FSP considering expanding its suite of financial services?

- › Could your FSP improve upon its compliance measures for registration conditions, dispute resolution, or AML/CFT?
- › Would your FSP benefit from an improved understanding of the statutory requirements of dealing on New Zealand financial markets?

If the organisation answers 'yes' to any of the above questions, then the NEW ZEALAND FINANCIAL SERVICES FOR CORPORATE AND INSTITUTIONAL CLIENTS module is relevant to them.

The NEW ZEALAND FINANCIAL SERVICES FOR CORPORATE AND INSTITUTIONAL CLIENTS module is divided into 16 topics that cover the key obligations of businesses providing financial services to corporate and institutional clients in New Zealand.

This module summarises the obligations relevant to specific roles, including:

- › FSPs
- › Specific types of FSPs: including financial advice providers, client money and client property service providers, non-bank deposit takers, credit unions, building societies, registered banks, issuers of insurance, financial product market operators and market service providers

The module also provides summaries of obligations relevant to certain commercial conduct or business activities, including:

- › Dealing on financial markets in New Zealand
- › Financial product disclosure and the issue, sale and purchase of financial products
- › Prohibited conduct in relation to financial products and financial services
- › Financial reporting and recordkeeping
- › Climate-reporting requirements

The 16 topics are:

- › Financial Service Providers (FSP)
- › Regulated Financial Advice and Regulated Client Money or Client Property Services
- › Non-bank Deposit Takers (NBDT)
- › Credit Unions
- › Registered Friendly Societies
- › Building Societies
- › Registered Banks
- › Issuers of Insurance
- › Financial Product Market Operators
- › Market Service Providers
- › Dealing on Financial Markets
- › Financial Product Disclosure
- › Prohibited Conduct in relation to /Financial Products and Financial Services
- › Financial Reporting and Record-keeping for FMC Reporting Entities
- › Retail payments and the Initial Pricing Standard (IPS)
- › Climate-reporting Entities

The module covers legal requirements created by the Reserve Bank of New Zealand (RBNZ) instruments (including the RBNZ Handbook) and a range of New Zealand legislation, including:

- › Anti-Money Laundering and Countering Financing of Terrorism Act 2009
- › Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011
- › Banking (Prudential Supervision) Act 1989
- › Building Societies Act 1965
- › Building Societies Regulations 1989
- › Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010
- › Deposit Takers (Liquidity Requirements) Regulations 2010
- ›
- › Financial Markets Conduct Act 2013
- › Financial Market Conduct Regulations 2014
- › Financial Reporting Act 2013
- › Financial Service Providers (Registration and Dispute Resolution) Act 2008
- › Financial Service Providers (Exemptions) Regulations 2010
- › Friendly Societies and Credit Unions Act 1982
- › Friendly Societies and Credit Unions (Fees) Regulations 1992
- › Insurance (Prudential Supervision) Act 2010
- › Insurance (Prudential Supervision) Regulations 2010
- › Non-Bank Deposit Takers Act 2013
- › Reserve Bank of New Zealand Act 2021
- › Reserve Bank of New Zealand (Registration and Supervision of Banks) Regulations 2008
- › Retail Payment System Act 2022
- › Secret Commissions Act 1910

Other legal instruments are also covered within the module, including:

- › Aotearoa New Zealand Climate Standards
- › FSC Code of Conduct
- › NZX Listing Rules
- › NZ Markets Disciplinary Tribunal Rules
- › Orders
- › Exemption notices

The module also covers the possible consequences to organisations that fail to comply with their relevant obligations, which include:

- › Financial penalties and fines
- › Compensation
- › Criminal charges
- › Imprisonment
- › Deregistration or suspension orders

The NEW ZEALAND FINANCIAL SERVICES FOR CORPORATE AND INSTITUTIONAL CLIENTS module does not cover New Zealand corporate law. This means that it does not include governance or financial reporting obligations that a business may carry as a consequence of its corporate structure.

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