



## HELPING BUSINESSES THRIVE WHILE PROTECTING CONSUMERS

National is determined to ensure New Zealand's regulatory environment is world class, so businesses can thrive and consumers are protected.

We want to see New Zealand businesses maintain their competitive advantage and consumers benefit from competitive pricing.

Changes we have made in government are encouraging the confident and informed participation of businesses, investors, and consumers in our financial markets. That participation is essential for driving business growth, exports and jobs in New Zealand.

National will complete the implementation of our world-best financial market legislation, which will provide better information to investors and streamline capital raising for businesses.

We will continue to make it easier to do business in New Zealand by removing unnecessary reporting requirements and cutting red tape.

We are also making it easier to do business with Australia through progressing New Zealand's commitments to a Single Economic Market.

National has updated and improved consumer law to protect vulnerable New Zealand families from loan sharks and protect consumers who purchase goods online. Our next step is to develop a Responsible Lending Code to provide guidance on how lenders should behave.

We're lowering fees for people in KiwiSaver default schemes and ensuring standardised reporting for all KiwiSaver funds.

There is more to do, because our regulatory environment is key to driving competition and innovation in the marketplace, as well as supporting an environment where well-informed consumers can participate with confidence.

## POLICY HIGHLIGHTS

- Lifting confidence in New Zealand's financial markets.
- Introducing new ways for businesses to raise capital.
- Reducing financial reporting requirements, unnecessary compliance and red tape to support New Zealand businesses.
- Strengthening New Zealand's reputation as a good place to do business.
- Providing more protection to vulnerable families and consumers through tightening rules around loan sharks and financial advice.

## NATIONAL IS...

### LIFTING CONFIDENCE IN OUR FINANCIAL MARKETS

- ✓ Established the Financial Markets Authority, creating a single regulator with a sharper focus on monitoring and enforcing securities law.
- ✓ Introduced new standards and requirements for financial service providers and financial advisers.
- ✓ Brought in the licensing and monitoring of trustees and auditors.
- ✓ Passed the Financial Markets Conduct Act to better regulate how financial products are offered, promoted, issued, and sold, and to support confident and informed market participants.

### EXPANDING OPPORTUNITIES FOR INVESTORS

- ✓ Making it possible to raise capital without a prospectus or investment statement (equity crowd-funding and peer-to-peer lending), to help early-stage and growth companies access much-needed capital.
- ✓ Allowing alternative stock exchanges with simpler listing and disclosure rules, which could assist more small and medium-sized enterprises to list and raise capital.
- ✓ Making it easier for businesses to offer employee share schemes.
- ✓ Enabled Fonterra's Trading Among Farmers scheme.

### MAKING IT EASIER TO DO BUSINESS

- ✓ Removing the requirement for small and medium sized companies to produce complex and unnecessary financial statements.
- ✓ Reducing the costs for businesses dealing with government agencies through use of the New Zealand Business Number, which is currently being used by 550,000 companies.
- ✓ Launching an integrated Employer Registration service, making it easier for newly-formed companies to communicate with government.
- ✓ Modernising New Zealand's patent laws so that Kiwi inventions enjoy world-class intellectual property protection.
- ✓ Reducing red tape – repealed 20 Acts and 18 sets of regulations in the areas of commerce and consumer affairs.

### MAKING IT EASIER TO DO BUSINESS IN AUSTRALIA

- ✓ Accelerating the creation of a Single Economic Market between Australia and New Zealand.
- ✓ Committing, with Australia, to making real progress over a range of areas in business law.



## MAINTAINING NEW ZEALAND'S GOOD GLOBAL REPUTATION

- ✓ Improving the transparency of New Zealand's company registration system and reducing the risk of New Zealand entities being used for money laundering, fraud, tax evasion and other criminal activity.
- ✓ Requiring all New Zealand registered companies and limited partnerships to have a director or general partner who lives in New Zealand or is a director of a company in a prescribed enforcement country.
- ✓ New Zealand is rated equal first in global anti-corruption by Transparency International and third by the World Bank in ease of doing business.



## IMPROVING KIWISAVER RULES

- ✓ Ensuring KiwiSaver funds report in a consistent and comparable format, so people can better compare funds and make more informed decisions.
- ✓ Reducing the fees that KiwiSaver default funds can charge, particularly for smaller fund balances.



## PROVIDING MORE PROTECTION FOR CONSUMERS

- ✓ Protecting vulnerable families from aggressive loan sharks by passing legislation requiring lenders to act responsibly and be completely open about the terms of the loan.
- ✓ Ensuring consumers have the same rights when purchasing goods and services regardless of whether they buy online, in a store, by auction, over the phone, or at home.



## WHAT WE WILL DO NEXT...

### 1. COMPLETE THE IMPLEMENTATION OF THE FINANCIAL MARKETS CONDUCT ACT

- **Introduce new disclosure requirements to improve investor literacy, confidence and participation in financial markets.**

Disclosure will be standardised, simplified and tailored for retail investors – enabling easier comparison of managed funds across providers.

### 2. ENSURE COMPETITION RULES PROTECT CONSUMERS AND ENCOURAGE INNOVATION

New Zealand's competition rules are designed to promote competition for the long-term benefit of consumers and to enable innovation to occur.

- **Pass legislation to strengthen competition laws by cracking down on serious cartel behaviour and better enabling pro-competitive collaborative arrangements.**

Allowing collaborative arrangements will be a welcome development for many of New Zealand's export industries.

- **Review the misuse of market power prohibition in response to the Productivity Commission's inquiries.**

The review will also explore options for overhauling regulations that may no longer be necessary or working effectively, including those for resale price maintenance and the cease and desist regime.

### 3. IMPROVE REGULATIONS THAT GOVERN BUSINESS

National is constantly seeking to improve the environment that businesses operate in. There are a number of pieces of legislation that National has introduced and will look to pass in the next term.

- **Pass the Accounting Infrastructure Reform Bill to help make the accounting and audit industry more efficient and effective.**

A more competitive and efficient accounting market will ensure better business practice and advice for New Zealand firms. A robust audit industry provides improved assurance for users of financial statements, building confidence in our financial markets.

- **Progress changes to maintain and strengthen the development of New Zealand Standards by passing the Standards and Accreditation Bill.**
- **Give credit unions improved legal status, promote innovation in the industry, and reduce unnecessary operating and compliance costs.**

Credit Unions play a valuable role in our communities and financial sector.

## 5. CONTINUE TO INFORM AND PROTECT CONSUMERS

- **Develop a Responsible Lending Code to provide guidance on how a responsible lender should behave. This will help to better protect consumers, especially those who are vulnerable and at risk of exploitation by lenders.**

We will also undertake a review of the Financial Advisers Act, to ensure this is working to give consumers confidence and hold advisers accountable.

We will explore opportunities to promote financial literacy and savings advice in schools and workplaces.

And we are introducing a voluntary health star food labelling system to help New Zealanders make informed and healthy food choices.

## 6. EXTEND THE USE OF THE NZ BUSINESS NUMBER

- **Extend the use of the New Zealand Business Number to reduce costs for businesses dealing with government agencies.**

All key government agencies that work regularly with businesses will be required to recognise and use the NZBN by the end of 2017. The NZBN will be extended beyond registered companies to all New Zealand business entities, such as sole traders, partnerships, trusts and not-for profit entities.

This means businesses will no longer have to keep updating their data with a myriad of different government databases. The NZBN will enable innovative time-saving administration solutions between businesses, their suppliers and government, giving them more time to spend on growing their business.

## 7. PROGRESS NEW ZEALAND'S COMMITMENTS TO A SINGLE ECONOMIC MARKET

- **Further progress a Single Economic Market with Australia.**

Creating a Single Economic Market will enable businesses, consumers, and investors to operate on both sides of the Tasman in a seamless regulatory environment.

Of the work programme we have developed with our Australian counterparts – covering areas like business reporting, intellectual property law and competition policy – we have already completed 14 of the agreed outcomes, and we are on track to deliver another six.

## DON'T PUT IT ALL AT RISK

### Labour and the Greens would:

Impose additional costs on New Zealand businesses through policies such as:

- ✘ A capital gains tax on all businesses and farms.
- ✘ An irresponsible increase to the minimum wage that will force employers to cut back on staff and future recruitment.
- ✘ Scrapping 90-day trial periods.
- ✘ Big increases in employer KiwiSaver contributions.
- ✘ A much more expensive ETS.
- ✘ New taxes on water use.
- ✘ A national award pay system that would require small regional businesses to pay the same wage rates as large big-city businesses.