

JULY 2025

Webinar: The Regulator's Roadmap: Unpacking the FMA's Financial Conduct Report 2025

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Financial Conduct Report

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UNCLASSIFIED

Purpose

Our Goal



Our goal is to be transparent about the key risks and opportunities on the FMA's radar and how we plan to tackle them.



Our Aim

Our aim is to provide provide you with transparency on priority focus areas and the reasons behind this.

How should the report be used?

The Financial Conduct Report is designed to support Boards, Executives, and Senior Leaders in understanding the FMA's regulatory priorities.

This report offers valuable insights that can help your organisation align with regulatory expectations, strengthen conduct practices, and deliver better outcomes for both consumers and markets.

We encourage leaders to use this report as a tool to guide internal engagement and staff awareness around FCR and CoFI.



We welcome feedback on how we can further support promoting awareness, through resources or materials that help promote the FCR's insights.





Cross Sector Priorities

New Zealand's financial markets are dynamic and impacted by both domestic and global developments. These are our focuses on cross-sector priorities and emerging issues

Key Priorities:

- Removing unnecessary regulatory burden.
- Understanding emerging risks and opportunities.
- Ensuring customers are treated fairly when things go wrong.
- Disrupting scam activity.
- Advocating for reform for assets held in custody.



Key takeaways for boards, CEOs and senior executives

- + How will emerging risks and opportunities (such as private markets, virtual assets and tokenisation) impact your business? What are the potential risks or opportunities for your investors and consumers?
- + Is your business's technology operationally resilient? Are there any areas where you need to uplift your technical infrastructure, capability, or investment?
- + How well do you support consumers' rights to complain? Do you have sufficient processes for effectively addressing concerns raised?
- + How are scams and frauds impacting your business and consumers? What are you already doing to reduce harm, and what more can you do?
- + If your firm outsources client money or property custody, what steps do you take to oversee the provision of this service in the interests of clients? For supervisors, are you actively overseeing custody arrangements (if outsourced) and have you reviewed the appropriateness of any custodial functions delegated to managers?



Investment Management

Investing in financial products helps New Zealanders to manage their money and grow their wealth. This sector encompasses entities that provide investment vehicles or services to enable investors to seek returns on capital.

Key Priorities:

- Clarity of expectations around ethical disclosures.
- Consumers and investors understand fees, incentives, and commissions.
- Effective protection of client assets.
- Advocating for reform of assets held in custody.
- Ensuring consumers and investors interests are at the forefront.



Key takeaways for boards, CEOs and senior executives

- + Have you sufficiently communicated fees, incentives and commissions associated with investment products to investors?
- + Do you have adequate controls to effectively manage the risk in conflicts of interest?
- + For DIMS providers, how robust is your oversight of custody arrangements, and what measures do you have in place to review and test these arrangements?
- + Have you identified any gaps in your liquidity risk management practices and have you addressed them?

Questions

