



NZX welcomes capital markets reforms

13 December 2024 – The package of reforms announced today by Commerce Minister Andrew Bayly will unlock access to capital, and boost New Zealand market liquidity and economic growth, NZX Chief Executive Mark Peterson says.

“NZX’s welcomes the reforms. New Zealand needs to remove regulatory roadblocks that are hindering investment and access to capital for New Zealand companies and projects,” Mr Peterson says.

“Minister Bayly’s announcements on streamlining or removing regulations that add cost to companies looking to list, and the intention to consult on changes to climate-related disclosures and KiwiSaver settings, are a positive step in supporting investment and economic growth in New Zealand.

“The package of changes, which include making the requirement to provide prospective financial information for initial public offers optional, signalling consultations on climate-related disclosure settings, and general disclosure requirements – alongside the Law Commission review into director liability settings – will materially improve the viability for companies wanting to meet their growth aspirations via the listed market.”

“New Zealand needs the public markets now more than ever. With investment required into schools, hospitals, houses, roads and other infrastructure, what better way to accelerate this than by using public markets and KiwiSaver to assist in funding this growth and development. For a healthy, well-functioning, productive economy that is internationally competitive, New Zealand needs vibrant, liquid capital markets, and the changes signalled by the Minister will help achieve that.”

The Government’s announcements align with initiatives recommended in the *Growing New Zealand’s Capital Markets 2029* report released in 2019. That review had 42 recommendations from 210 New Zealand industry participants covering KiwiSaver, regulation, public sector assets and infrastructure, promotion of public markets, tax, new products, and technology. All were designed to improve the efficiency and effectiveness of New Zealand’s capital markets.

“Industry has implemented the recommendations assigned to it. NZX has implemented NZX Dark – a mid-point order book – reformed and simplified Listing Rules, including initiatives to facilitate listings of cooperatives, and is planning to launch an index futures product in 2025. All these industry initiatives will assist with Government reforms in improving the liquidity and depth of our capital markets. We look forward to working with the Government and its agencies in delivering further initiatives to help unlock growth and opportunities for New Zealanders.”

Mr Peterson says adjustments are urgently needed to improve New Zealand’s climate-related disclosures.

“NZX supports climate reporting but there needs to be balance in how this is applied. At present New Zealand’s climate-related disclosures, standards and settings do not align with other international markets. NZX is of the view New Zealand’s mandatory CRD reporting requirements need to align to global standards – particularly with that of Australia and its approach to implementation. If New Zealand is serious about transition, disclosures would also apply equally to both listed and unlisted companies. Level playing fields are important for these matters of greater good,” Mr Peterson says.

“We must ensure our regulations are fit for purpose and right sized for a country of our size. With directors of climate-reporting entities personally liable for a company’s emissions reporting, this has

imposed significant cost to companies in assurance and legal fees. That is money that would be better spent on climate mitigation and adaptation.

“Likewise NZX welcomes consultation on KiwiSaver settings. KiwiSaver funds could invest in range of New Zealand assets, including hospitals, schools, roading, housing and water infrastructure – if the products were structured right. Those assets would be built, Kiwis would still receive a steady flow of returns into their KiwiSaver accounts, and our country and people would benefit not only from the assets being delivered, but through jobs and growth. Everyone wins from New Zealanders investing in New Zealand.

“Andrew Bayly and the Government should be congratulated for taking positive steps in helping New Zealand companies, families, and our economy get ahead. NZX and our stakeholders look forward to working with the government in implementing these reforms – and others – in the years ahead.”

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About NZX

For more than 155 years we have been committed to connecting people, businesses and capital. Our vision is to be a trusted New Zealand business delivering sustainable wealth, value and opportunities for all. NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smart, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their client's assets. Learn more about us at: www.nzx.com