



Reserve Bank
of New Zealand
Te Pūtea Matua

Deposit Takers Standards – Tranche 2

Supporting information on the exposure drafts

26 February 2026

CONSULTATION
PAPER



Submission details

The Reserve Bank of New Zealand – Te Pūtea Matua invites submissions on these exposure drafts by 5.00pm on 15 May 2026. Please note the disclosure on the publications of submissions below.

Submissions and enquiries

You should make your submission by email at: dta@rbnz.govt.nz

Publication of submissions

We will publish your submission on the Reserve Bank's website.

We will make all information in submissions public unless you indicate you would like all or part of your submission to remain confidential. If you would like part of your submission to remain confidential you should provide both a confidential and a public version of your submission. Apart from redactions of the information to be withheld (i.e., blacking out of text) the two versions should be identical. You should ensure that redacted information is not able to be recovered electronically from the document; the redacted version will be published as received.

If you want all or part of your submission to be treated as confidential, you should provide reasons why this information should be withheld if a request is made for it under the Official Information Act 1982 (OIA). These reasons should refer to the grounds for withholding information under the OIA. If an OIA request for redacted information is made, we will make our own assessment of what must be released taking your views into account.

We may also publish an anonymised summary of the submissions received in respect of this exposure draft.

How to have your say

You can have your say by uploading a PDF of your submission. Each chapter contains its own questions, and a complete list of the questions are shown in the annex below.

Navigating this document

This Consultation Paper has been released alongside exposure drafts for five Deposit Takers Standards (the **tranche 2 standards**) to be made under the Deposit Takers Act 2023 (the **DTA**) and supporting Guidance.

The document begins with an Introduction to provide the background to the development of the standards as a whole. It is then split into chapters, one for each tranche 2 standard.

- Chapter 1: Governance Standard
- Chapter 2: Risk Management Standard
- Chapter 3: Business Transfers, Holding Entities, and Restricted Activities Standard
- Chapter 4: Disclosure Statements Standard
- Chapter 5: Reporting Standard

The document uses consecutive paragraph numbering throughout. Other numbered features, such as consultation questions, are also numbered consecutively. This will aid us in the coordination of submissions on the Consultation Paper. You can read and respond to each chapter separately.

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Introduction

1. The Reserve Bank of New Zealand – Te Pūtea Matua (the **Reserve Bank**) is consulting on our exposure drafts of new prudential standards to be made under the Deposit Takers Act 2023 (**DTA**).
2. The DTA creates a single, modern regulatory regime for all financial institutions in the business of “borrowing and lending money” in New Zealand - this includes banks and non-bank deposit takers (**NBDTs**).
3. As the kaitiaki (guardian) of the financial system, we design rules to protect and promote the stability of the financial system. Financial stability can be considered a public good that enables communities and businesses to engage in a well-functioning financial system that allocates resources and manages risk throughout the real economy.
4. Our rules seek to avoid the major costs and disruption that could result from the failure of one or more deposit takers. As we saw in the Global Financial Crisis, failure of deposit takers can have wide ranging and long-term impacts for individuals, communities and businesses.
5. The DTA represents a paradigm shift in the way we approach financial stability. The introduction of the Depositor Compensation Scheme (**DCS**) and our new regulatory powers have come with statutory purposes that focus not just on systemic stability, but also on individual entity soundness. These features are a complementary package. The DCS provides benefits to all deposit takers and depositors through socialising the cost of failure, and this is accompanied by a new set of prudential standards to ensure entities benefiting from the DCS are individually safe and sound.
6. The Deposit Taker Standards (the **standards**) will replace our existing prudential requirements that are currently contained in several different sets of documents.¹ Importantly, the standards will be secondary legislation unlike most of our existing non-legislative prudential requirements. The standards will set the rules that deposit takers must meet to be safe and sound enough to take deposits from the public and benefit from the DCS.
7. We, the Reserve Bank, may issue standards if we are satisfied they are necessary or desirable to achieve one or more of the purposes of the DTA. The main purpose of the DTA is to promote the prosperity and well-being of New Zealanders and contribute to a sustainable and productive economy by protecting and promoting the stability of the financial system. There are also four additional purposes of the DTA, which are:
 - to promote the safety and soundness of each deposit taker;
 - to promote public confidence in the financial system;
 - to the extent not inconsistent with the main purpose or the other three additional purposes, to support New Zealanders having reasonable access to financial products and services provided by the deposit-taking sector; and
 - to avoid or mitigate adverse effects of the risks to the stability of the financial system and risks from the financial system that may damage the broader economy.

¹ These documents include the Banking Supervision Handbook, Banking Prudential Requirements, disclosure Orders in Council and notices made under section 80 of the Banking (Prudential Supervision) Act 1989. NBDTs have a separate set of rules that are also being consolidated.

8. The DTA also sets out statutory principles that we must take into account in achieving these statutory purposes. These principles include the desirability of many aspects of entity soundness, but also the desirability of taking a proportionate approach to regulation, the need to maintain competition in the sector, and the need to avoid unnecessary compliance costs.
9. Unlike the policy consultation papers which were consulted on as Core Standards (in May 2024) and Non-Core Standards (in August 2024) the exposure drafts will be released in three tranches. This document represents tranche 2 with tranche 3 to follow in June 2026. Tranche 1 of the exposure drafts was released in October 2026², with submissions closing in January. This process has allowed us to take into account the findings of the Capital Review³ and more evenly spread the consultation load.
10. Building on our previous policy consultation, we are now seeking technical feedback on the exposure draft versions of the standards. We are not seeking feedback on the broader policy proposals. The purpose of this consultation phase is to seek technical input on whether the drafting delivers on our outlined policy intent, as outlined in our summary of submissions⁴.
11. We are aiming for drafting that is legally effective, enforceable, provides certainty, describes legal and industry concepts conventionally and uses words and phrases in a consistent way. Quality drafting will reduce compliance costs for industry and make us more effective as a regulator. We would like to be assessed against the standard set by the Parliamentary Counsel Office and value feedback with that in mind.
12. Draft Guidance has been provided with each exposure draft in tranche 2 and is also intended to be provided with the remaining tranche. Guidance is designed to support the standards by explaining requirements in more detail. For the Reporting Standard, we are also releasing templates for data collection.
13. In some cases, where standards are principle-based (e.g. requiring a deposit taker to have processes or controls to achieve an outcome) the Guidance includes more detail on the Reserve Bank's view of factors that could be relevant to evaluating a deposit taker against that standard. In cases where we consider that what 'good' looks like is already well-established, we have not included a best-practice description in Guidance. Similarly, we have not provided guidance when we consider the content of the relevant standard is self-explanatory. The form and length of Guidance will therefore vary depending on the nature of a standard and the topic being discussed. We welcome views on the appropriateness of the draft Guidance, for example, in terms of the scope of issues and level of detail.
14. In some cases, the draft standards and Guidance refer to the expected substance of standards that are yet to be released (but will be included in tranche 3 of this process). We understand that submitters will not be able to fully comment on these interactions until after those other standards are being consulted on and things can be viewed as a 'package'. Comments on those interactions are welcome now, but we accept that feedback on tranche 3 may also cast back to other tranches, as how those interactions are intended to work in practice become clearer.

² Information on this consultation is available here: [DTA Standards exposure drafts \(tranche 1\) - Reserve Bank of New Zealand - Citizen Space](#)

³ Final decisions will be made in December 2025. Further detail is available on the Capital Review at:

[2025 Review of key capital settings - Reserve Bank of New Zealand - Te Pūtea Matua](#)

⁴ Summary of submissions is available at: [Deposit Takers Core Standards - Reserve Bank of New Zealand - Citizen Space](#) and [Deposit Takers Non-Core Standards - Reserve Bank of New Zealand - Citizen Space](#)

15. This consultation document is designed to support consultation on the exposure drafts and it is not intended an equivalent document will be released with the final standards. This document identifies specific decisions that were made in preparing the exposure drafts and identifies specific questions that will support development towards the final standards. Each standard provides the opportunity for stakeholders to submit on any area of the standard including where no specific question has been raised.



Reserve Bank
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Chapter 1

Governance Standard

Supporting information on the exposure draft

26 February 2026

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1 Non-technical summary

16. The Deposit Takers (Governance) Standard 2027 (the **Standard**) sets governance requirements for deposit takers in the following areas:
- responsibilities of the board of locally-incorporated deposit takers (**deposit takers**) and of the New Zealand Chief Executive Officer (the **New Zealand CEO**) of overseas licensed deposit takers to specify how these positions must exercise their governance responsibilities;
 - compositional and structural requirements for the board of deposit takers to support independent governance and help to ensure that sufficient governance attention is provided to the key concerns of the deposit taker; and
 - fit and proper requirements for directors and senior managers of all deposit takers to ensure the suitability of people appointed to these important positions.
17. The Standard seeks to promote sound, effective and efficient corporate governance practice to support the safety and soundness of all deposit takers and, ultimately, the New Zealand financial system. It seeks to address the risks to financial stability arising from poor management and oversight of deposit takers. Addressing these risks is critical to safeguarding public confidence in the financial system more broadly.
18. The Standard will replace existing requirements for registered banks contained in BS10: Review of suitability of bank directors and senior managers and BS14: Corporate Governance; and for non-bank deposit takers in the Non-Banks Deposit Takers Act 2013 and Non-Bank Deposit Takers (Debt Securities and Suitability Concerns) Regulations 2014.

Chair independence exception

19. We are consulting on policy options relating to retaining our existing exception to the independence criteria for the chair of the board in certain situations. We set out two options for retaining the exception while putting in place additional safeguards to manage the conflict-of-interest risks that can arise from this exception. We seek views from submitters on their preferred option.

2 Policy development

20. The exposure draft is the next step in developing the Standard. The policy decisions reflected in this exposure draft were subject to public consultation from 21 August 2024 until 22 November 2024. 25 submissions were received on this consultation.
21. A copy of the consultation document and a summary of submissions and our response to these is available at [Deposit Takers Non-Core Standards - Reserve Bank of New Zealand - Citizen Space](#)

3 Exposure draft

22. The exposure draft is intended to follow the policy determined in the previous consultation document, with any amendments as a result of submissions. As part of developing the exposure draft more detailed decisions have needed to be made. In particular, we draw your attention to the following points:

- Chair independence exception (refer to section 4 below)
- Risk culture and values: we originally proposed an outcome for the board to establish a risk culture and values to support the safety and soundness of the deposit taker. This outcome is now completely addressed through requirements in the Risk Management Standard rather than this Standard.
- Fit and proper (interviews): our consultation document and response to submissions indicated that the Standard would enable the use of interviews, by exception, as a part of the fit and proper assessment. The exposure draft of the Standard does not contain any provisions enabling the specific use of interviews as a part of a fit and proper assessment. Instead, we will continue to monitor the need for interviews as part of a fit and proper assessment going forward.

4 Chair independence exception

4.1 Background

23. Our policy consultation document for the Standard set out that we were considering whether to retain or remove an exception to our independence criteria which allows the chair of a New Zealand deposit taker to sit on the board of their holding entity with the approval of the Reserve Bank (the **Chair independence exception**). Our response to submissions indicated that we were considering further options relating to this exception and that we would consult on these as a part of the exposure draft process for the Standard. We later confirmed that we would consult on the two options set out below.⁵

4.2 Policy Problem

24. Independence rules for some members of the boards of deposit takers, including the chair, are put in place to support independent decision-making in the governance of the deposit taker. This is to ensure that governance decision-making is in the best interests of the deposit taker itself. The central role of the chair of the board in guiding independent decision-making places a premium on the independence of this position.

25. We currently allow an exception to the independence criteria for the chair of the board to also sit on the board of a holding entity with Reserve Bank approval. This can bring benefits to the deposit taker but also raises risks related to conflict of interests.

26. We wish to maintain the exception but are seeking to identify enhanced safeguards that can be put in place to manage the risks arising from this exception.

4.3 Options

27. We have identified concerns with the existing exception relating to the conflicts of interest that can arise, particularly in stress events, where the interests of the New Zealand subsidiary and the parent may diverge. This risk can be both real (in terms of the challenges that the person would

⁵ See "Governance Standard: Chair Independence Exception" available here: [Deposit Takers Non-Core Standards - Reserve Bank of New Zealand - Citizen Space](#)

face) and perceived (how their decision-making would be viewed externally). In light of this risk, we have considered whether or not to remove the exception.

28. Respondents to our initial policy consultation on the Standard supported retaining the existing exception. They identified benefits such as:
- enabling the interests of the New Zealand subsidiary to be represented to the parent;
 - providing stronger understanding of the parent’s strategic direction for the New Zealand subsidiary; and
 - providing a voice for the subsidiary’s perspectives in the parent’s decision-making.
29. We acknowledge the views of submitters of the benefits that can arise from this exception. While we consider that the risks we have identified are real and potentially have significant impact, they are most likely to arise in low-probability events. On balance, we consider that the benefits of the existing exception can be retained and the risks managed through adding safeguards to the status quo.
30. We have identified two alternative options for maintaining the chair independence exception that put in place additional safeguards. Under either of these options the chair of a deposit taker would be required to meet the independence requirements of the Standard (refer to clause 13) with the exception of clause 14(1)(a) relating to having control or significant influence over the deposit taker.
31. The table below outlines these options. Additional safeguards to the status quo are highlighted in italics. Other relevant design features relevant to the independent decision-making of the board are also noted.

	Option A	Option B
Description	Allow the New Zealand chair to sit on the parent board or holding company board with Reserve Bank approval and remain independent but exercise more proactive supervisory approach to manage risks, particularly in a crisis situation.	Allow the New Zealand chair to sit on the parent board or holding company board with Reserve Bank approval and require a majority of directors to be independent excluding the chair.
Other design features	<ul style="list-style-type: none"> • <i>A majority of directors must be independent. The chair can be included in this majority.</i> • At least half of the independent directors must be ordinarily resident in New Zealand. • Executives from parent group may sit on New Zealand subsidiary board, but they 	<ul style="list-style-type: none"> • <i>A majority of directors must be independent. The chair cannot be included in this majority.</i> • At least half of the independent directors must be ordinarily resident in New Zealand. • <i>The chair must be ordinarily resident in New Zealand.</i>

<p>would not meet the independence criteria.</p> <ul style="list-style-type: none"> • Groups 1 and 2 must have separate Audit and Risk Committees chaired by an independent director who is not the chair. • <i>More stringent supervisory controls through Reserve Bank approval. In order to grant approval, the Reserve Bank will consider:</i> <ul style="list-style-type: none"> ○ <i>the candidate's skills and experience (enhanced fit and proper assessment);</i> ○ <i>capacity to act in both roles; and</i> ○ <i>processes put in place to manage conflicts of interest.</i> 	<ul style="list-style-type: none"> • Executives from parent group may sit on New Zealand subsidiary board, but they would not meet the independence criteria. • Groups 1 and 2 must have separate Audit and Risk Committees chaired by an independent director who is not the chair. • <i>In order to grant approval, the Reserve Bank will consider whether the deposit taker meets the enhanced regulatory requirements highlighted above:</i> <ul style="list-style-type: none"> ○ <i>enhanced independence director requirements;</i> ○ <i>the chair must be resident in New Zealand.</i>
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32. The exposure draft sets out the drafting of these two options to illustrate how they would be implemented. Refer to clause 13 (2-7) and clause 15 (4-6) for the drafting of both options.

4.4 Analysis

33. The two options identified would both retain the safeguard that the exception can only be utilised with approval of the Reserve Bank. In addition, they each contain different additional safeguards to manage risks related to conflict of interests that can arise from the exception and that will support independent decision-making by the board. The additional safeguards favour either flexibility or certainty for deposit takers that utilise the exception:

- Option A is closer to the status quo and could provide greater flexibility because it does not contain additional fixed requirements to the status quo. This option's safeguards come from more stringent supervisory controls through the approval criteria the Reserve Bank will take into account. These require judgement to assess whether the appropriate controls have been put in place by the deposit taker and could be tailored to the circumstances of individual deposit takers providing greater flexibility.
- Option B would provide stricter regulatory requirements than Option A. This could provide greater certainty for deposit takers seeking to utilise the exception as these requirements would form the basis for the Reserve Bank's approval. This would likely require less supervisory oversight and controls as the safeguards are stronger for protecting independent decision-making by the board.

Option	Comment on safeguards
Option A	<i>More stringent supervisory control:</i> this is intended to strengthen the supervisory oversight relative to the status quo. This could include greater assessment and controls of candidate capacity, processes put in place to manage conflicts of interest, or use of direction powers to manage conflicts that may arise.
Option B	<p><i>Exclusion of the chair from the majority of independent directors:</i> this is intended to strengthen the numerical number of directors independent of the parent.</p> <p><i>Residency of the chair:</i> this is intended to strengthen ties to the interests of the New Zealand deposit taker where the exception is utilised.</p>

5 Specific questions

- Q1** What is your preferred option for the chair independence exception, option A or option B?
- Q2** Do you have any comments on the design features for the additional safeguards in the chair independence exception options?
- Q3** Do you have any comments on the exposure draft of the Governance Standard?
- Q4** Do you have any comments on the attached draft Guidance to support the Governance Standard? For example, are there any areas of the standard that you think would benefit from further guidance?



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Chapter 2

Risk Management Standard

Supporting information on the exposure draft

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1 Non-technical summary

34. The purpose of the Deposit Takers (Risk Management) Standard 2027 (the **Standard**) is to promote effective risk management practices for deposit takers and to ultimately minimise the likelihood of risks affecting the stability of the financial system.
35. The DTA provides the Reserve Bank with a power to issue a standard on risk management, which presents an opportunity to consolidate and set out the Reserve Bank's expectations for risk management by deposit takers.
36. In the proposed Standard, we set out requirements for deposit takers to have integrated risk management frameworks (**RMF**), policies and processes. The Standard is intended to promote the effective and comprehensive management of risk by deposit takers.
37. The Standard will be complemented by Risk Management Guidance (the **Guidance** - which is also being consulted on at this time).
38. The Guidance complements the Standard by providing more detail around some of the requirements in the Standard, as well as outlining some good prudential practices that deposit takers may wish to consider. The Guidance does not contain any requirements for deposit takers.

2 Policy development

39. The exposure draft is the next step in developing the Standard. The policy decisions reflected in this exposure draft were subject to public consultation from 21 August 2024 until 22 November 2024. 25 submissions were received on this consultation.
40. A copy of the consultation document and a summary of submissions and our response to these is available at [Deposit Takers Non-Core Standards - Reserve Bank of New Zealand - Citizen Space](#).
41. The development of the Standard has been prompted by several factors:
- There are currently limited formal requirements for deposit takers' risk management arrangements.
 - The IMF's 2017 New Zealand FSAP Report also found that the Reserve Bank had limited guidance and requirements in place regarding what constitutes adequate risk management. It recommended that we issue enforceable requirements on risk management and controls to provide more transparent expectations and better support supervisory action.
 - We recently conducted a high-level thematic review of risk management practices across the deposit taking sector and we have used the process to inform our guidance accompanying the Standard on best practice.

3 Exposure draft

42. We designed a principles-based standard, with the intention that it remains future-proof as exact practices improve over time, and to encourage a focus on achieving the purpose of the Standard instead of precise practices. The role of the accompanying guidance is to encourage best practice, and we expect to update our guidance around expectations for deposit takers on a more regular basis as risk management practices evolve.

43. The exposure draft is intended to follow the policy determined in the previous consultation documents and was amended following submissions. As part of developing the exposure draft more detailed decisions have been made. In particular, we draw your attention to the points below.

3.1 Risk management framework features – group supervision

44. Where a deposit taker is part of a group⁶, the Reserve Bank expects that risk will be managed through a whole-of-group approach (noting that overseas regulators would impose requirements at the global group level), at a New Zealand group level and at the individual deposit taker level.

- The Standard requires the head of a group to take a group-wide perspective in relation to the group's risk management. A deposit taker is required to consider risks from related parties within the group in its RMF (e.g., from its parent, any subsidiaries or sister companies it may have, or any branches operated by group members).
- The Reserve Bank expects that the appropriateness of using a group RMF would be assessed by that deposit taker according to the size and nature of the deposit taker's business, and the complexity of its operations, to ensure that the group-level framework is 'fit for purpose' for the institution.

3.2 Processes for capital adequacy and liquidity risk management (and related points for risk-specific standards)

45. We initially proposed including requirements for processes relating to capital adequacy and liquidity risk management in the Standard, however following public feedback, these requirements will now be covered by the individual risk-specific standards (see, for example, Part 2 of the [Liquidity Standard exposure draft](#) includes requirements relating to cash flow projections, funding strategy, and a contingency funding plan).

3.3 Identification and management of conflicts of interest – restrictions on discretionary benefits for risk management function members

46. Deposit takers are required to have a policy setting out why and how a discretionary benefit that is linked to its financial performance may be provided to a person involved in a risk management function for the deposit taker. The policy should consider and articulate the role of the deposit taker's financial performance in this process.

- In the consultation, we proposed to restrict the linking of a deposit taker's financial performance to any discretionary benefits that might apply to members of the risk management function.
- Following consultation, we have decided to take a more principles-based approach to this requirement, instead of directly prescribing the parameters of discretionary benefits. Deposit takers must consider the role of the deposit taker's financial performance in determining any discretionary benefits that might apply to members of the risk management function, in the context of its conflict of interest policy.

⁶ For further information, refer to our published consultation paper [Group Supervision Policy for Deposit Takers](#).

3.4 Risk management function – review requirements

47. The risk management function will be subject to regular review by the internal assurance function. We expect the frequency of the review would be event-based and periodic (such as at least once every three years). The results of the review must be reported to the deposit taker’s board Audit or Risk Committee.
48. Deposit takers will also be required to undertake annual reviews of the two board-approved documents required for a RMF, which include the risk management strategy (RMS) and risk appetite statement (RAS).
49. In the Guidance we have provided further clarification regarding review triggers and scope, as highlighted by respondents in the consultation. We also specify the respective responsibilities for each of the annual, three-yearly, and event-based review types.

3.5 Risk management function – assurance and audit requirements

50. The Standard requires deposit takers to have an independent and adequately resourced internal assurance function. More broadly, deposit takers must ensure respective risk management, compliance, and internal assurance functions are all adequately resourced with suitably experienced and qualified persons.
51. The exposure draft sets out several requirements relating to internal assurance functions. Namely, a deposit taker under its internal assurance function is required to prepare an annual audit plan to ensure compliance with its policies and processes.
52. The Standard does not require the internal assurance function to be an organisational unit. It is common for internal audit to be a separate organisational unit to internal assurance in a deposit taker and the Standard (clause 34) collectively refers to these organisational units as the internal audit function.

4 Specific questions

- Q5** Do you have comments on the structure of the exposure draft of the Risk Management Standard?
- Q6** Do you have any comments on our proposed whole-of-group approach for deposit takers managing risk where part of a group?
- Q7** Do you have any comments on the adopted approach regarding discretionary benefits which is now more principles-based?
- Q8** Do you have any comments on the proposed approach to restrict group 1 and 2 deposit takers from completely outsourcing their compliance and internal audit functions?

- Q9** Do you have any comments on the proposed approach to reviews?
- Q10** Do you have any other comments on the exposure draft of the Risk Management Standard?
- Q11** Do you have any comments on the attached draft Guidance to support the Risk Management Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?



Reserve Bank
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Chapter 3

Business Transfers, Holding Entities, and Restricted Activities Standard

Supporting information on the exposure draft

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1 Non-technical summary

53. The Business Transfers, Holding Entities, and Restricted Activities Standard 2027 (the **Standard**) aims to limit the ability of deposit takers to engage in certain business activities and transactions that can endanger their safety and soundness, and in some cases, the stability of the financial system. These limitations relate to:
- Business transfers
 - Holding entities
 - Insurance business
 - Non-financial activities
 - Locally incorporated deposit takers setting up subsidiaries or branches overseas
 - Issuing covered bonds.
54. The contents of the Standard are largely drawn from the prudential regime for registered banks under the Banking (Prudential Supervision) Act 1989. This includes requirements BS1: Statement of Principles: Bank Registration and Supervision. It also includes aspects of BS15: Significant Acquisitions policy.
55. There is accompanying draft Guidance, which should be read alongside the exposure draft of the Standard.

2 Policy development

Restricted activities

56. The exposure draft is the next step in developing the Standard. The policy decisions reflected in this exposure draft were subject to public consultation from 21 August 2024 until 22 November 2024. 25 submissions were received on this consultation.
57. A copy of the consultation document and a summary of submissions and our response to these is available at [Deposit Takers Non-Core Standards - Reserve Bank of New Zealand - Citizen Space](#).
58. The policy decisions confirmed that the proposed restrictions, with some adjustments, are appropriate under the DTA. We touch on these adjustments below.

Holding entities

59. The exposure draft contains requirements related to the ownership of deposit takers, as empowered by section 78(d) of the DTA. These requirements were covered in our public consultation on the Group Supervision Policy from 30 October 2025 to 30 January 2026. A copy of this consultation is available at [Group Supervision Policy for deposit takers - Reserve Bank of New Zealand - Citizen Space](#).
60. We have reflected feedback received from this consultation in the attached exposure draft. A summary of submissions will be published shortly.

Business transfers

61. The exposure draft also includes requirements related to business transfers, as empowered by section 90(1)(b) of the DTA. While we have not consulted on these requirements to date, we see

these as an important part of our prudential framework that should continue under the DTA. We describe these requirements below.

3 Exposure draft

62. The exposure draft of the Standard is intended to follow the policy decisions that were published in July 2025 (linked above). As part of developing the exposure draft of the Standard more detailed decisions have needed to be made. In particular, we draw your attention to the points below.

3.1 Requirements for business transfers

63. Part 2 of the draft Standard relates to section 41 of the DTA, which requires Reserve Bank approval for certain significant transactions. Specifically, it covers how to determine whether a part of a business is material and what other kinds of significant transactions require Reserve Bank approval. It also sets out notification requirements for certain large transactions that do not require Reserve Bank approval under Part 2 of the DTA.
64. The relevant provisions in the draft Standard largely retain our current policy under BS15: Significant Acquisitions Policy. We consider that the current policy remains desirable to advance the purposes of the DTA (notably to promote the safety and soundness of each deposit taker) and should not result in unnecessary compliance costs.
65. One area where we have revised our current policy is the threshold for notifying the Reserve Bank ahead of a large transaction. We propose reducing the size-based thresholds from 15% to 10% of total assets or common equity tier 1 (CET1) capital (as applicable). This is consistent with our more active approach to supervision under the DTA and better aligns with the approach taken by the Australian Prudential Regulation Authority (APRA).
66. Note that the provisions have also been reworked to fit with the approval regime in the DTA and our broader approach to drafting Standards as secondary legislation. This has added some complexity to the drafting. We welcome suggestions to enhance clarity and simplicity.
67. Note also that the draft standard uses the term 'CET1 capital' as a placeholder. This will be updated following completion of the Capital Standard to align with the term for the highest quality tier of capital under our revised capital framework.⁷

3.2 Requirements for holding entities

68. Part 3 of the Standard sets out approval requirements for deposit takers that have a New Zealand incorporated holding entity that carries out business other than that of a holding company or deposit taker. In the absence of being able to directly supervise holding entities, the Reserve Bank considers it necessary to have these requirements in place to help safeguard against the risk that the activities of holding entities could present to the safety and soundness of licensed deposit takers or broader financial stability.

⁷ See <https://www.rbnz.govt.nz/-/media/project/sites/rbnz/files/regulation-and-supervision/banks/capital-review/2025/20251212-decision-document-formatted-version.pdf>

3.3 Meaning of permitted financial service activities

69. Deposit takers will, in most circumstances, be restricted from carrying on material levels of non-financial business. Using the established term 'financial service' seeks to balance clarity with flexibility to accommodate innovation in the provision of financial services, the importance of which was emphasised in consultation submissions. Note that, while this definition of financial services includes acting as an insurer, the Standard also limits the extent of any insurance business activity that deposit takers are permitted to conduct.

3.4 Materiality threshold for non-financial business

70. The materiality threshold for conducting non-financial business is based on the materiality concept for preparing financial statements in accordance with generally accepted accounting practice. This carries over the current approach under BS1: Statement of Principles: Bank Registration and Supervision. We welcome feedback on the continued use of this concept of materiality in the Standard.

3.5 Temporary exemption from restrictions on material non-financial business

71. Our policy decisions included temporary grandparenting of existing non-financial activities for deposit takers who were previously licensed as NBDTs. We have implemented this in the draft Standard through an approval requirement set out in Part 1 of Schedule 1. This exemption is intended to facilitate the transition of particular NBDTs into the DTA regime. Post transition, all deposit takers will be subject to the same restrictions on material non-financial business.

4 Specific questions

Q12	Do you support the proposed reduction in the threshold for notifying the Reserve Bank of large transactions from 15% to 10%?
Q13	Do you have any comments on the draft provisions related to business transfers?
Q14	Do you have comments on the suitability of the term 'financial service' in relation to the restriction on non-financial activities?
Q15	Do you have any comments on the draft provisions related to holding entities?
Q16	Do you have comments on the approach to provide a temporary exemption for material non-financial business for certain deposit takers?
Q17	Do you have any other comments on the attached exposure draft of the Business Transfers, Holding Entities, and Restricted Activities Standard?
Q18	Do you have any comments on the attached draft Guidance to support the Business Transfers, Holding Entities, and Restricted Activities Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?



Reserve Bank
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Te Pūtea Matua

Chapter 4

Disclosure Statements Standard

Supporting information on the exposure draft

26 February 2026

CONSULTATION
PAPER



1 Non-technical summary

72. The Deposit Takers (Disclosure Statements) Standard 2027 (the **Standard**) sets out requirements regarding the disclosure statements that certain deposit takers are required to publish for prudential regulatory purposes.
73. We will be consulting on this Standard across two tranches. This version of the Standard covers general requirements and requirements for most of the information contained in disclosure statements. However, it does not include disclosures related to risk management, counterparty exposures, capital adequacy or other fiduciary activities (such as insurance business) due to the ongoing work on these standards at the time of drafting. Disclosure requirements for these topics will be included in the consultation package for Tranche 3 DTA Standards exposure drafts later in 2026.
74. The disclosure requirements in this version of the Standard largely carry over the disclosure requirements set out in Orders in Council⁸ (OICs) under the Banking (Prudential Supervision) Act 1989 with several important changes. These changes include:
- Establishing a 'disclosure statement policy' requirement that replaces the need for director attestations.
 - The addition of remuneration disclosures.
 - Establishing a prescribed order for how information is presented in disclosure statements.
 - Establishing a stronger link between disclosure statements and the Bank Financial Strength Dashboard (the **Dashboard**).
 - The addition of several quantitative disclosures related to the Deposit Takers (Lending) Standard 2027 (the **Lending Standard**) and the Deposit Takers (Liquidity) Standard 2027 (the **Liquidity Standard**).
 - A range of other technical changes that were consulted on during the policy development of the Standard.
75. There is also accompanying draft Guidance, which should be read alongside the exposure draft of the Standard.
76. The requirements under the Standard will not apply to Group 3 deposit takers. Instead, prudential information for Group 3 will be made available by the Reserve Bank on the Dashboard.

2 Policy development

77. The exposure draft is the next step in developing the Standard. The policy decisions reflected in this exposure draft were subject to public consultation on 16 May 2024 until 16 August 2024. 26 submissions were received on this consultation

⁸ 2024.06.12 - OIC locally incorporated amended June 2024 and OIC overseas branches amended December 2021

78. A copy of the consultation document and a summary of submissions and our response to these are available at [Deposit Takers Core Standards - Reserve Bank of New Zealand - Citizen Space](#)
79. The policy decisions confirmed that the proposed disclosure requirements, with some adjustments, are appropriate under the DTA. We touch on these adjustments below.

3 Exposure draft

80. The exposure draft of the Standard is intended to follow the policy decisions that were published in May 2025 (linked above). As part of developing the exposure draft of the Standard more detailed decisions have needed to be made. In particular, we draw your attention to the points further below.

3.1 Structure of the Disclosure Statement Standard

81. The Standard sets out disclosure requirements for all deposit takers in a single document, rather than separate documents for New Zealand and overseas licenced entities. Further, the requirements for year-end and mid-year disclosure statements are set out in relation to each matter for disclosure, rather than separately as is currently the case in disclosure OICs. This structure streamlines the amount of legal text that needs to be maintained and is intended to provide better clarity on how disclosure requirements differ across deposit takers.

3.2 Disclosure policy

82. The requirement for deposit takers to prepare a disclosure policy document aligns with international practice⁹ and serves as a replacement for the approach in disclosure OICs for directors to attest to the accuracy of disclosure statements. We have kept the draft requirements in the Standard fairly high level. This is consistent with approaches to similar requirements in other standards and seeks to ensure deposit takers have an appropriate level of flexibility in how to meet the requirements.
83. To clarify the role of the board/NZ CEO, the draft Standard focuses on describing controls and procedures. It also includes requirements for a responsible person for overseeing the disclosure process. These matters are also discussed in guidance. We are open to feedback on whether the draft Standard and Guidance suitably address requests raised in our previous consultation to clarify the role of the board in this context.

3.3 Remuneration disclosures

84. The requirement for remuneration disclosures aligns with international practice¹⁰ and aims to address compensation practices as a vector of excessive risk taking by providing consistent and comparable information to the public. The requirements are based on international practice but with less detail and are aligned, in certain respects, with the Deposit Takers (Governance) Standard 2027 (the **Governance Standard**).
85. Remuneration disclosures are required on qualitative and quantitative matters. The qualitative disclosures align closely with the Governance Standard requirement for a remuneration policy. The quantitative disclosures are required on an aggregated basis (that is, for senior managers as a

⁹ See the [Basel Committee on Banking Supervision disclosure requirements](#)

¹⁰ See the [Basel Committee on Banking Supervision's remuneration disclosure requirements: DIS35 - Remuneration](#)

group rather than as individuals). This approach is consistent with international practice and aims to balance the benefits of transparency with the desirability of privacy.

86. For overseas licensed deposit takers, the standard expands on the meaning of senior manager in section 6 of the DTA because it is too narrow and may not cover individuals that would be covered by remuneration disclosures if they were performing the same role at a New Zealand licenced deposit taker.

3.4 Information (in disclosure statements) must be presented in a required manner and include a table of contents

87. Clause 15 requires information in disclosure statements to be presented in a required manner. The intent is to improve the accessibility and comparability of disclosure statements, while also preserving some flexibility for deposit takers to present the details of required information in a manner that suits their circumstances.
88. We will specify a list of headings under which disclosure information must be reported in the Guidance. As we are yet to complete the Standard, we will consult on the draft list as part of the consultation package for Tranche 3 DTA Standards exposure drafts later in 2026. The relevant Appendix A in the Guidance is left blank in the meantime.

3.5 Link to the Dashboard

89. The Dashboard is a key element of the Bank's prudential disclosure regime and complements the more detailed, but less frequent, information in disclosure statements. To emphasise this link and to recognise the build-up of historical information on the Dashboard (since it launched in 2018), historical financial-statement information will no longer be required in disclosure statements. Instead, disclosure statements will need to make users aware of where the historical information can be found.
90. Note that, to further emphasise the link between the Dashboard and disclosure statements, the Deposit Takers (Reporting) Standard 2027 requires deposit takers to provide a link to the Dashboard on their website.

3.6 New disclosures on liquidity and lending risk

91. Under the draft Standard, disclosure statements require quantitative information related to how a deposit taker is managing their liquidity risks and their risks related to residential housing loans (see Parts 10 and 11). These metrics are based on those defined in their respective standard. However, they are not intended to provide precise measures of compliance with prudential obligations.
92. For example, loan-to-valuation ratio (**LVR**) and debt-to-income ratio (**DTI**) disclosures are required for six-month periods (relative to a deposit taker's balance date), for all Group 1 and 2 deposit takers. This differs from the intended measurement period for LVR and DTI restrictions under the Lending Standard, which is generally a three-month rolling window for Group 1 deposit takers and a six-month rolling window for Group 2 deposit takers.

3.7 Other technical changes

93. The policy decisions for the Standard included carrying over aspects of the disclosure OICs with several technical changes, mainly to streamline disclosure requirements and align with other DTA standards. See our proposed technical changes in Appendix 3 of the policy consultation document ([Deposit Takers Core Standards Consultation Paper for publication](#)) and see Table 4.4 of the final policy decisions for confirmed technical changes ([Deposit Takers Core Standards Report back publication version](#)).

4 Specific questions

- Q19** Do you have any comments on the drafting of the requirements for a disclosure policy?
- Q20** Do you have any comments on the drafting of the remuneration disclosure requirements?
- Q21** Do you have any comments on the requirements related to the Dashboard?
- Q22** Do you have any comments on the drafting of the requirement for disclosures related to the Lending Standard and the Liquidity Standard?
- Q23** Do you have any other comments on the attached exposure draft of the Disclosure Statements Standard?
- Q24** Do you have any comments on the attached draft Guidance to support the Disclosure Statements Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?



Reserve Bank
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Chapter 5

Reporting Standard

Supporting information on the exposure draft

26 February 2026

CONSULTATION
PAPER



1 Non-technical summary

94. The Deposit Takers (Reporting) Standard 2027 (the **Standard**) contains requirements for deposit takers to disclose financial and prudential information to the Reserve Bank. This information is an essential part of effective prudential regulation and supervision. We use the information to verify a deposit taker's compliance with prudential obligations, to identify risks to deposit takers' safety and soundness and to monitor the wider financial system.
95. The Standard replaces the reporting requirements made by information gathering notices under section 93 of the Banking (Prudential Supervision) Act 1989 (for registered banks) and section 50 of the Non-bank Deposit Taker Act 2013 (for non-bank deposit takers (**NBDTs**)). We also collect much of this information under section 262 of the Reserve Bank of New Zealand Act 2021 (the **RBNZ Act**).
96. The information categories and their associated data collection templates (see attached) are based on the reporting requirements for registered banks with the main differences being updates to reflect the regulatory regime under the DTA standards and to simplify reporting requirements for Group 3 deposit takers under the Proportionality Framework.

2 Policy development

97. The exposure draft is the next step in developing the Standard. The policy decisions reflected in this exposure draft were subject to public consultation as part of the Disclosure Standard from 16 May 2024 until 16 August 2024. 26 submissions were received on this consultation.
98. A copy of the consultation document and a summary of submissions and our response to these are available at [Deposit Takers Core Standards - Reserve Bank of New Zealand - Citizen Space](#)
99. We concluded that a standard was the appropriate legal mechanism under the DTA to collect periodic and non-bespoke information about deposit takers. The context and purposes of the DTA indicate that periodic and non-bespoke reporting is better suited for a standard rather than an administrative notice under section 99 of the DTA, which is more appropriate for ad hoc information requests. Using a standard improves certainty and predictability of reporting requirements, thus avoiding unnecessary compliance costs for deposit takers.
100. In addition to collecting data under the Reporting Standard, we will continue to collect data under section 262 of the RBNZ Act where we use data in carrying out our broader statutory functions (such as acting as the central bank for New Zealand). We will collect ad-hoc, bespoke and other data requests under section 99 of the DTA when necessary, in addition to data collection under the Reporting Standard.
101. As part of our policy development we engaged Group 3 deposit takers, in June 2025 on the design of the data collection templates. The reporting requirements and associated data collection templates reflect the feedback we received.

3 Exposure draft

102. The exposure draft of the Standard is intended to follow the policy decision published in May 2025 (linked above). As part of developing the exposure draft of the Standard more detailed decisions have needed to be made. In particular, we draw your attention to the points below.

3.1 Application of Reporting Standard

103. To cover the various reporting requirements for each type of deposit taker (e.g. New Zealand licensed deposit takers and overseas deposit takers), we use a combination of requirements that are either applied by the Standard itself or through licence conditions.
104. Specifically, we have set out baseline requirements (referred to as 'default information categories') in the Standard. For New Zealand licensed deposit takers, these align with Group 3 deposit takers' reporting requirements. We will then use licence conditions to require additional information categories for Group 1 and 2 deposit takers. Similarly, we will use license conditions to require additional reporting that is specific to dual-operating branches and New Zealand licensed deposit takers with overseas banking subsidiaries.
105. The schedule in the draft Standard also sets out the reporting frequency of deadlines pertaining to different information categories. Licence conditions can be used to adjust these requirements but only in relation to certain information categories. This aims to provide further transparency and predictability around the reporting obligations.
106. Under section 24 of the DTA we may impose conditions that identify the standards that a deposit taker must comply with and also requirements in standards that they must comply with. Any modifications we may make to a deposit taker's conditions of licence must be done in accordance with section 25 of the DTA.

3.2 Data collection templates and definitions documents

107. The draft Standard establishes the concept of 'data collection templates' to replace the survey templates currently required of registered banks and NBDTs. The templates are based on the current survey templates for registered banks, with some adaptations as needed to reflect the DTA context (such as different terminology or updated requirements). In some cases, Group 3 deposit takers have simpler templates, consistent with a proportionate regulatory approach.
108. Furthermore, the data collection templates regarding capital adequacy are largely updated to reflect our decisions in the 2025 Review of Key Capital Settings.¹¹ However, we emphasise that references to the current Bank Prudential Requirements documents are used as placeholders to assist with the consultation on the Reporting Standard exposure draft. These will be replaced by references to the Deposit Takers (Capital) Standard 2027.
109. We have published draft data collection templates and their associated definitions documents¹² alongside this document and welcome feedback. Note that we are not consulting on a draft template for Loan Level Data as part of this consultation.
110. The information categories and their respective examples in clauses 13 to 26 are designed to provide a level of certainty to deposit takers as to what information we may ask of them. But we would still have some flexibility to adjust data collection templates within those confines without the need to update the Reporting Standard itself. This helps avoid undue costs, for example, if we find that definitions in data collection templates need updating or if certain information requests

¹¹ See <https://www.rbnz.govt.nz/-/media/project/sites/rbnz/files/regulation-and-supervision/banks/capital-review/2025/20251212-decision-document-formatted-version.pdf>

¹² Note that there is no separate definition document for the cyber security templates which incorporate definitions within the templates themselves.

become obsolete due to (relatively minor) changes in accounting rules. However, if we wished to regularly collect prudential information that did not fall within an existing information category, we would update the Reporting Standard and formally consult on those changes accordingly. Depending on the circumstances (for example, to trial a new project), we may also collect data under section 99 of the DTA before setting requirements under the Reporting Standard.

3.3 Confidentiality and the Financial Strength Dashboard

111. The Reserve Bank's Financial Strength Dashboard (the **Dashboard**) is a tool to support market discipline. The Dashboard is a key element in our prudential disclosure regime and complements the more detailed, but less frequent, information in disclosure statements. To emphasise its importance and improve its accessibility we require deposit takers to publish a link to the Dashboard on their website.
112. For Group 3 deposit takers, the Dashboard is the only tool for the public disclosure of their prudential information as they will not be required to publish disclosure statements under the Disclosure Statements Standard.
113. The information we use to populate the Dashboard will be collected through the Reporting Standard. All information collected under the Reporting Standard must be held in confidence by the Reserve Bank and may only be disclosed outside of the Reserve Bank in the circumstances set out in section 442 of the DTA. Publishing this confidential information on the Dashboard is one such circumstance as it supports market discipline and therefore the soundness of deposit takers and the stability of financial markets.

4 Specific questions

- | | |
|------------|---|
| Q25 | Do you have any comments on the structure and application of the exposure draft of the Reporting Standard? |
| Q26 | Do you have any other comments on the exposure draft of the Reporting Standard? |
| Q27 | Do you have any comments on the attached draft Guidance to support the Reporting Standard? For example, are there any areas of the Standard that you think would benefit from further guidance? |
| Q28 | Do you have any comments on the attached data collection templates or associated definitions documents? |

Annex: Consolidated consultation questions

Chapter 1: Governance Standard

- Q1** What is your preferred option for the chair independence exception, option A or option B?
- Q2** Do you have any comments on the design features for the additional safeguards in the chair independence exception options?
- Q3** Do you have any comments on the exposure draft of the Governance Standard?
- Q4** Do you have any comments on the attached draft Guidance to support the Governance Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?

Chapter 2: Risk Management Standard

- Q5** Do you have comments on the structure of the exposure draft of the Risk Management Standard?
- Q6** Do you have any comments on our proposed whole-of-group approach for deposit takers managing risk where part of a group?
- Q7** Do you have any comments on the adopted approach regarding discretionary benefits which is now more principles-based?
- Q8** Do you have any comments on the proposed approach to restrict group 1 and group 2 deposit takers from completely outsourcing their compliance and internal audit functions?
- Q9** Do you have any comments on the proposed approach to reviews?
- Q10** Do you have any other comments on the exposure draft of the Risk Management Standard?
- Q11** Do you have any comments on the attached draft Guidance to support the Risk Management Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?

Chapter 3: Business Transfers, Holding Entities, and Restricted Activities Standard

- Q12** Do you support the proposed reduction in the threshold for notifying the Reserve Bank of large transactions from 15% to 10%?
- Q13** Do you have any comments on the draft provisions related to business transfers?
- Q14** Do you have comments on the suitability of the term 'financial service' in relation to the restriction on non-financial activities?

- Q15** Do you have any comments on the draft provisions related to holding entities?
- Q16** Do you have comments on the approach to provide a temporary exemption for material non-financial business for certain deposit takers?
- Q17** Do you have any other comments on the attached exposure draft of the Business Transfers, Holding Entities, and Restricted Activities Standard?
- Q18** Do you have any comments on the attached draft Guidance to support the Business Transfers, Holding Entities, and Restricted Activities Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?

Chapter 4: Disclosure Statements Standard

- Q19** Do you have any comments on the drafting of the requirements for a disclosure policy?
- Q20** Do you have any comments on the drafting of the remuneration disclosure requirements?
- Q21** Do you have any comments on the requirements related to the Dashboard?
- Q22** Do you have any comments on the drafting of the requirement for disclosures related to the Lending Standard and the Liquidity Standard?
- Q23** Do you have any other comments on the attached exposure draft of the Disclosure Statements Standard?
- Q24** Do you have any comments on the attached draft Guidance to support the Disclosure Statements Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?

Chapter 5: Reporting Standard

- Q25** Do you have any comments on the structure and application of the exposure draft of the Reporting Standard?
- Q26** Do you have any other comments on the exposure draft of the Reporting Standard?
- Q27** Do you have any comments on the attached draft Guidance to support the Reporting Standard? For example, are there any areas of the Standard that you think would benefit from further guidance?
- Q28** Do you have any comments on the attached data collection templates or associated definitions documents?