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by e-mail

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SUBMISSION ON THE FINANCIAL MARKETS CONDUCT BILL EXPOSURE DRAFT

1. This submission has been prepared by Russell McVeagh in response to the consultation draft of the Financial Markets Conduct Bill ("FMCB") published by the Ministry of Economic Development ("MED").
2. We support the consolidation of the existing legislative framework relating to New Zealand's financial markets into a single piece of legislation. The MED has done a commendable job, particularly given the short time available.
3. Nevertheless, there are a few areas of concern. We have identified these concerns in the table set out in the schedule to this submission and would draw your attention in particular to the issues around obligations and liabilities to be imposed on directors. In our view the implementation of the proposed personal liability regime for directors may dissuade high quality candidates from accepting board roles in New Zealand companies, and thereby undermine one of the primary policy objectives of the FMCB.
4. We are mindful that the focus of MED's consultation is on the technical details of the FMCB, and not the policy aspects. Accordingly, we have, for the most part, limited our submission to drafting and technical issues in the FMCB and issues raised by the MED in the accompanying Request for Submissions.
5. Enquiries on this submission may be addressed to:

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