



NZX confirms timing for new NZ RegCo model

11 November 2020 – NZX has today confirmed a 10 December go-live date for the Exchange's new regulatory agency, NZ RegCo.

The NZX Board announced in March the proposal to adopt a new regulatory operating and governance model, under which it would structurally separate the Exchange's commercial and regulatory roles. The model is similar to that used by other international exchanges such as the Singapore Exchange (SGX).

NZ RegCo is governed by an independent establishment board chaired by Trevor Janes, with board members Annabel Cotton, Elaine Campbell, John Hawkins and Mike Heron QC. It will be led by Joost van Amelsfort as CEO, who has served as NZX Head of Market Supervision since 2014.

NZX Chairman, James Miller, described the move to NZ RegCo as ground-breaking in the 150-year history of New Zealand's capital markets, and aligned with global best practice – in terms of the structure, governance and the operating model.

With regulation a central tenet of a healthy and well-functioning capital market, Mr Miller said the move to the NZ RegCo represents "a positive evolution of NZX and our role in New Zealand's capital markets".

The NZ RegCo model was shaped from a full review of NZX's regulatory operating model completed in 2019, which was prompted by the increasing complexity of governance arrangements.

"We will now have a stand-alone, independently governed, agency performing all frontline regulatory functions in support of NZX's statutory obligations as a licensed market operator."

Mr Miller said the NZ RegCo Board would provide both strategic and real-time regulatory support, and act as a point of escalation for key "bright line" regulatory decisions.

As part of its wider remit, the NZ RegCo Board will be responsible for ongoing oversight of:

- The performance of NZ RegCo's regulatory functions
- The adequacy of the conflict management arrangements relevant to NZX's commercial interests and NZ RegCo's regulatory interests

Mr Miller said the structural separation of the proposed model also provides the NZX Board increased capacity to focus on NZX's commercial mandate and initiatives, to deliver shareholder value.

Mr van Amelsfort said NZ RegCo's principal objectives include ensuring regulatory activity is risk-based and collaborative, and drives compliance focussed outcomes.

He said implementation required various amendments to be made to NZX's market rules and the NZCDC settlement system rules, working collaboratively with the support of the Reserve Bank and Financial Markets Authority. These amendments have been notified today and will also take effect on 10 December 2020.

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About NZX:

For more than 150 years we have been creating opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth and global ambitions of local companies.

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 Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. Our NZX Wealth Technologies subsidiary is an online asset management platform. Learn more about us at: www.nzx.com