



Adjustments to the Climate-related Disclosures Regime

Summary of Discussion Document

The Ministry of Business, Innovation, and Employment is seeking public feedback on potential adjustments to the climate-related disclosures regime. We encourage feedback from climate reporting entities, the wider financial markets industry and the public.

Consultation process

The full discussion document is available [here](#).

Public consultation will close at 5pm on 14 February 2025. Please use the submission template available on the website and email your response to climaterelateddisclosures@mbie.govt.nz

What is the climate-related disclosures regime?

In 2021, a mandatory climate-related disclosures regime (**CRD regime**) was introduced in New Zealand. The CRD regime requires climate reporting entities to prepare annual climate statements in accordance with standards issued by the External Reporting Board. Climate reporting entities include listed issuers, registered banks, licensed insurers, credit unions, building societies and managers of registered investment schemes (other than restricted schemes). These entities prepare climate statements if they meet certain size thresholds as set out in the Financial Markets Conduct Act 2013. The Financial Markets Authority is responsible for independent monitoring and enforcement of the CRD regime. The first climate statements were filed in the first quarter of 2024.

What is being considered?

The Government is considering making adjustments to the CRD regime to ensure that reporting thresholds and director liability settings are appropriate and proportionate for the New Zealand context.

Why are we considering changes?

The Government has heard that the first year of reporting has highlighted some significant issues with the CRD regime which are negatively impacting New Zealand businesses.

Some climate reporting entities consider that the cost of reporting is excessive and disproportionate, and that the regime is encouraging a focus on compliance, rather than positive action to prepare businesses for the impacts of climate change. Other stakeholders consider that the regime is a barrier to listing on the New Zealand Exchange.

We have heard from stakeholders that the reporting thresholds for listed issuers and investment scheme managers are too low and that the New Zealand settings are not competitive when compared to the Australian reporting thresholds. We have also heard that the director liability settings are causing climate reporting entities to take a risk averse approach to reporting and are contributing to high legal and consultancy costs.

Issues we want feedback on

The discussion document explores options to consider:

- whether the listed issuer and investment scheme manager reporting thresholds should be raised (this would reduce the number of entities who must report);
- whether the director liability settings for the CRD regime should be adjusted to reduce, but not remove, the potential liability of directors for what is reported in climate statements; and
- if there would be value in encouraging subsidiaries of multinational corporations to file their parent company climate statements in New Zealand.

Questions to consider

There are specific questions in the discussion document you are invited to reply to.

In general, we are keen to hear from climate reporting entities (and other interested stakeholders) on the proposals discussed in the document to learn:

- if we have understood the issues correctly
- how much support there is for potential adjustments
- the impact of the proposals.

Read the full consultation document in the link above. Submissions close at 5pm, 14 February 2025.