



Improving market governance of the New Zealand Emissions Trading Scheme

Closed 27 Feb 2023

Opened 17 Nov 2022

Contact

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Overview

The Government engaged with stakeholders about its proposals to improve governance of the market for New Zealand Units (NZU).

This engagement sought feedback on the impact of treating NZUs as financial products, the leveraging of existing financial market legislation, and on alternative market governance proposals considered as part of the policy design phase.

[Read the consultation document \(PDF 2.4MB\)](#)

Proposed changes included:

- Using existing financial legislation to regulate the market, which will prohibit insider trading and market manipulation.
- Requiring market operators of NZU exchanges to be licensed as a financial product market.

- Regulating NZU financial advice, transaction and/or custodial services to bring these in line with the Financial Markets Conduct Act.
- Improving transaction reporting to bring transparency to trading of NZUs, including the price and type of stakeholder buying or selling (while protecting sensitive information).
- Improving transparency in transactions and providing participants with an optional centralised exchange.

What happens next

This consultation closed on 27 February 2023.

If you have any further questions, please email etsconsultation@mfe.govt.nz.

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