



BELL GULLY

The Changing Regulatory Landscape and why you should care . Derivatives in Focus

**Banking & Financial Services Law Association Conference
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New Zealand



DIFFERENT

- “ Not G20 member
 - “ No local banks with substantial offshore operations
 - “ Little existing local financial markets infrastructure for derivatives
 - “ Few mandatory rules for OTC derivative participants
 - “ No legislative framework for reform (cf Corporations Legislation Amendment (Derivatives Transactions) Act 2012)
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DIFFERENT

“ NZ\$ shadow G20 scorecard

- Trade reporting	X
- Trade execution	X
- Central clearing	X
- Capital	✓
- Margin	X

SAME SAME

- “ Law taker, not law maker
 - “ Imperative of legal certainty
 - Companies Act netting legislation
 - RBNZ Act designated settlement system regime
 - PPSA designated settlement system preference
 - “ Loss of regulatory sovereignty (but nothing new)
 - AML
 - FSP Act } (FATF)
 - Capital adequacy rules (BIS)
 - Proposed Part 5B RBNZ Act (CPSS/IOSCO)
 - “ Affected by extraterritorial reach of G20 big hitters
 - “ Initial margin requirement could be problematic
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