Stage 2 Cost Recovery Impact Statement

Customer and Product Data Act Fees and Levies

Agency Disclosure Statement

This Cost Recovery Impact Statement (CRIS) has been prepared by the Ministry of Business, Innovation and Employment (MBIE). It provides an analysis of options to set fees and levies to recover regulator costs from open banking under the Customer and Product Data Act 2025 (the Act) for the period between FY25/26 to FY29/30. Costs will be incurred by MBIE, the Office of the Privacy Commissioner (OPC) and an approved standards body.

Key limitations of the analysis are:

- the difficulty in forecasting how many people will apply for accreditation;[1] and
- uncertainty about the funding requirements for the approved standards body.

MBIE estimates the number of accreditation applicants based on the fintechs[2] currently approved as API Standards Users by the Payments NZ API Centre.[3] API Centre approval is currently a prerequisite for participating in unregulated open banking. However, this may understate demand, as more fintechs may seek accreditation under the regulated regime. Alternatively, fintechs may instead opt to access data via accredited intermediaries. To account for this uncertainty, MBIE has applied a conservative estimate, detailed in paragraphs 50–56.

MBIE is finalising negotiations with an existing provider to be an approved standards body under the Act. A key outstanding issue is how much funding the approved standards body will receive through levies, Negotiations [redacted]. Commercial Information [redacted] have provided for an additional $1 million per annum to cover any additional standards costs (e.g. overheads). This is discussed in more detail in paragraphs 65-66.

MBIE has undertaken targeted consultation with relevant stakeholders on the proposals in this CRIS. This approach was taken instead of public consultation because we have a reasonably good understanding of who would be likely fee and levy payers, and due to time constraints associated with meeting the Government's commitment to introduce regulated open banking by 1 December. We do not consider that a broader consultation would materially impact the conclusions or recommendations in this advice.

We do not consider these limitations prevent MBIE from providing advice to Ministers recommending the fees and levies to cost-recover regulated open banking under the Act.

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[1] Anyone who wishes to request data or actions (e.g. banking data or payments) on behalf of a customer under the Act must be accredited by MBIE.

[2] This CRIS refers to 'fintechs' (financial technology companies) throughout, to mean persons or organisations that use or intend to use customers' banking data

[3] Payments NZ is the industry body that owns and manages New Zealand's core payment systems. The API Centre is a business unit within Payments NZ that provides technical standards, rules, and operational guidelines for open banking.

A Quality Assurance Panel from MBIE has reviewed this CRIS. The Panel considers that the information and impact analysis summarised in the CRIS meets the Quality Assurance criteria.

Glen Hildreth

Manager – Consumer Policy

1 September 2025

Executive summary

This CRIS outlines MBIE's proposed fees and levies to support the implementation of regulated open banking under the Act. The proposals aim to fully recover costs incurred by MBIE, OPC, and an approved standards body over the five-year period from FY25/26 to FY29/30.

The Act introduces a Consumer Data Right (CDR) framework to enhance consumer control over data, promote innovation, and improve competition. Following passage of the Act, Cabinet agreed that banking would be the first sector designated under the Act; and regulations have been drafted to give effect to this decision. Regulatory functions include accreditation, compliance and enforcement, maintaining a register of participants, standards development, and public information provision.

MBIE proposes:

- Flat accreditation fees for fintechs seeking to become accredited requestors, ranging from $1,500 to $2,000 depending on application type.
- Tiered annual levies for data holders (banks) based on asset size and for accredited requestors based on revenue, ranging from $1,300 to $1.25 million.

The cost recovery model is guided by principles of legal authority, proportionality, equity, transparency, and administrative efficiency. Estimated total costs are $28.33 million for regulatory functions and $192,000 for accreditation over five years.

Targeted consultation with banks, fintechs, and Payments NZ informed the final proposals. Feedback supported shared levy contributions, reduced burdens for smaller entities, and a two-year review of fees and levies.

MBIE recommends adopting the proposed fee and levy structure, with implementation planned for 27 November 2025. A memorandum account will be used to manage revenues and expenses, ensuring financial sustainability and alignment with cost recovery objectives.

Status quo

1. The Act introduces an economy-wide CDR framework to:
    - give consumers greater control over how data about them is used and disclosed;
    - enable greater access to, and sharing of, customer and product data between businesses;
    - promote innovation and facilitate competition
    - facilitate secure, standardised, and efficient data services.

2. The Act provides a framework that can be applied to different sectors of the economy, such as banking or electricity, and is applied to a sector through regulations[4] (designation). Once applied to a sector, certain businesses that hold data about customers (data holders) will be required to provide that data they hold about customers to trusted third parties (accredited requestors) and carry out actions on behalf of the customer, with the customer's authorisation. Accredited requestors are accredited by MBIE under the Act to ensure they have adequate security and compliance arrangements.

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[4] See Part 5 Subpart 3 of the Act.

3. On 2 April 2025, the Government agreed to designate the banking sector under the Act, with ASB, ANZ, BNZ, Westpac, and Kiwibank to be designated as data holders.[5] Other banks may opt into the designation in future. A detailed rationale for designating the banking sector can be found in the RIS and stage 1 CRIS for designating the banking sector.[6]

4. Designating the banking sector under the Act requires the introduction of a range of regulatory functions that will incur costs to establish and operate. **Table 1**, below, outlines the regulatory functions in the Act.

Table 1: Regulatory functions to be funded by fees and levies

	Regulatory function:	Primary purpose:
FEES	• **Accreditation** administration: Assess applications, issue decisions, monitor and manage accreditations.[7]	Ensures only qualified, trustworthy entities can request data, supporting confidence in the system.
LEVIES	• **Compliance & enforcement**: Issue guidance, monitor compliance, investigate breaches, take enforcement action – including by OPC where there is a breach of the Privacy Act 2020.[8]	Promotes adherence to obligations and builds trust in the framework.
	• **Register of participants**: Maintain required information.[9]	Enables identification of accredited entities and secure API[10] connections.
	• **Standards body**: Develop technical standards, advise on implementation, support Act's purpose.[11]	Encourages stakeholder-led development and ensures broad representation.
	• **Information provision**: Share relevant information with stakeholders and the public.[12]	Raises awareness of rights and obligations, aiding compliance.

[5] ECO-25-MIN-0039 refers

[6] MBIE (2025), *Regulatory Impact Statement: Designating the banking sector under the Customer and Product Data Bill*, https://www.mbie.govt.nz/dmsdocument/30704-regulatory-impact-statement-designating-the-banking-sector-under-the-customer-and-product-data-bill-proactiverelease-pdf

[7] See Part 5 Subpart 4 of the Act

[8] See sections 52, 95(a)(i), (v) and (vi), of the Act

[9] See sections 121 and 122 of the Act

[10] API refers to Application Programming Interface: A set of protocols and tools that allow different software systems to communicate with each other. In the context of open banking, APIs facilitate secure and standardised access to customer data and payment services, between banks and third-party providers, acting on behalf of customers.

[11] See Part 5 Subpart 2 of the Act

[12] See section 95(c) of the Act

5. Cabinet agreed that the banking designation be fully funded by fees and levies, as provided for by the Act.[13]

6. The options analysed in this paper are for new fees and levies. These will fund the appropriation Customer and Product Data Sharing Services within Vote Business, Science and Innovation.[14] Cabinet has also agreed to establish a memorandum account to enable MBIE to account for revenues received and expenses incurred in establishing the banking designation to ensure sustained surplus or deficit is not incurred.[15]

Cost Recovery Principles and Objectives

Principles of the Cost Recovery Proposal

7. The cost recovery framework for regulated open banking, as proposed under the Act, is structured around a set of foundational principles. These principles are derived from the Act itself, the Treasury Guidelines for Setting Charges in the Public Sector, and guidance issued by the Office of the Auditor-General (OAG). Collectively, they ensure that any fees or levies introduced are legally compliant, equitable, and conducive to the effective operation of the regulatory regime.

8. The principle of **legal authority** mandates that any public entity imposing charges must be empowered by statute. The Act allows regulations to be made to prescribe:
    - fees for accreditation services including the amount and manner in which they are calculated (section 133)
    - a levy for data holders and accredited requestors covering the whole or a portion of the costs of certain regulatory functions, as described in the table above (section 135). The regulations may specify who is required to pay a levy and the amount of levies or method of calculating the levies. The regulations may also provide for different levies for different classes of specified persons.

9. The Act requires the responsible Minister (Commerce and Consumer Affairs) to undertake consultation with parties substantially affected prior to recommending the introduction of fees or levies (section 137(1)(a)). MBIE has consulted the parties substantially affected (banks and fintechs) through targeted consultation on a discussion paper seeking feedback on proposals for fees and levies.

10. **Proportionality** is a core principle requiring that charges be limited to the actual costs incurred in delivering regulatory services. MBIE has developed the proposed fee and levy structures based on detailed estimates of time and resources, thereby avoiding over-recovery and promoting cost-effective administration.

11. The **equity** principle ensures that those who benefit from or generate the need for regulation contribute proportionately to its cost. This is reflected in two proposed levy models: one in which only data holders are charged, and another in which both data holders and accredited requestors contribute, with fees scaled according to entity size

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[13] ECO-25-MIN-0039 refers

[14] Ibid.

[15] Ibid.

and revenue. This approach aims to distribute financial obligations fairly across stakeholders.

12. **Transparency** is essential for stakeholder confidence and compliance. The proposed cost structures—including flat fees and tiered levies—are designed to be clear and predictable. This enables participants to understand their financial obligations and supports informed decision-making.

13. **Administrative efficiency** requires that the cost of managing the fee and levy system be proportionate to the revenue collected. The use of simplified structures such as flat fees and tiered levies is intended to reduce administrative burden and enhance operational efficiency.

14. Agencies responsible for imposing charges must ensure that revenue collected is used appropriately. MBIE has committed to reviewing the fee and levy structures post-implementation to confirm alignment with actual costs and continued support of regulatory objectives.

Objectives of the Cost Recovery Proposal

15. The proposal is designed to achieve several key objectives:

- **Equity**: Ensuring that entities benefiting from the regime—such as banks and fintechs—contribute fairly to its cost. Consideration is given to whether the financial burden should fall on the risk exacerbator or the beneficiary.
- **System Integrity**: Full cost recovery supports the regulator's ability to perform essential functions such as accreditation, compliance monitoring, and enforcement, thereby maintaining trust and safety in the system.
- **Simplicity**: The cost recovery framework is designed to be simple to understand, comply with, and administer, reducing complexity for both participants and administrators.
- **Accessibility**: The proposal includes measures to support participation by smaller entities, such as reduced fees for non-intermediaries and tiered levies, which help lower barriers to entry.
- **Transparency and Predictability**: Clear documentation of fee structures and underlying assumptions provides stakeholders with confidence in the fairness and rationale of the charges.
- **Sustainability**: The regime is designed to be financially self-sustaining, minimising reliance on Crown funding and ensuring long-term viability.

Policy Rationale: Why a user charge? And what type is most appropriate?

Rationale for Cost Recovery

16. Cost recovery is considered appropriate for the implementation and operation of the regulated open banking regime under the Act. The regime benefits fintechs and banks by enabling streamlined access to customer and product data. These entities are the direct users of accreditation and regulatory services, and therefore should bear the financial responsibility for their provision.

17. This approach aligns with the principle of equity, ensuring that the financial burden is placed on the beneficiaries rather than the general taxpayer. It also supports system integrity by enabling the regulator to perform essential functions such as accreditation, compliance monitoring, and enforcement. Full cost recovery contributes to the sustainability of the regime by minimising reliance on Crown funding and ensuring long-term financial viability.

Nature of the Output

Accreditation

18. Anyone who wishes to request data or actions on behalf of the customer under the Act must be accredited. Accreditation will be administered by MBIE. MBIE will assess whether a business is fit to request data or actions on behalf of customers and is able to meet its statutory obligations. Accreditation will promote confidence among customers that those receiving customer data will hold this data safely and securely.

19. Accreditation fees enable MBIE to recover the cost of considering an application for accreditation. Consistent with other licensing and accreditation regimes and Treasury guidelines for public sector charging, it is appropriate for these fees to be charged to those requesting the service – the applicants – as they are the primary beneficiaries of the accreditation, as well as the entity responsible for generating the cost of processing the application.

20. Entities seeking to become accredited, or remain accredited[16], under the Act must pay accreditation fees. There will be two classes of accreditation – intermediary and non-intermediary. We propose different associated fees for different types and classes of application to reflect the difference in estimated time and resources required to assess different kinds of applications. For example, intermediary applicants will be assessed against an additional criterion relating to how they manage risks associated with acting on behalf of other entities.

21. Accreditation is classified as a private good due to its rivalrous and excludable nature—resources used to assess one application cannot be used for another, and only accredited entities can access the benefits.

Regulatory functions

22. As explained previously, the Act introduces a range of regulatory functions that will be carried out by MBIE and OPC. The Act also allows for the approval of other entities to undertake certain regulatory functions, such as maintaining the register.

23. Regulatory functions (excluding accreditation) are more appropriately recovered through levies rather than fees. Levies are charged to specific groups for a specified purpose, where those persons are not purchasing specific goods or services. They are commonly used where a group benefits from the service (in this case, the banking sector).

[16] To ensure accredited requestors continue to satisfy the requirements for being accredited and to promote confidence among customers accreditation will need to be renewed every year. Frequency of mandatory accreditation renewals will be reassessed, or whether only specified requirements need to be reviewed, will be reassessed in due course.

24. These regulatory functions are considered club goods, which are non-rivalrous but excludable. These services benefit a defined group of participants and can be restricted to those who meet specific criteria. This classification supports the use of fees and levies for cost recovery, consistent with Treasury guidelines for public sector charging.

Extent of Cost Recovery

25. Full cost recovery is proposed for both accreditation fees and levies. Accreditation fees are designed to recover the actual costs incurred by MBIE in processing applications, including personnel and ICT infrastructure. Levies are intended to cover the full cost of broader regulatory functions over a five-year period, with total estimated costs of $28.33 million. This approach ensures financial sustainability and supports system integrity by providing adequate resources for regulatory oversight. Full cost recovery also promotes operational efficiency by aligning charges with actual service delivery costs.

Type of Charges Proposed

26. Two types of charges are proposed: fees and levies. Accreditation fees are structured as flat charges with fees varying by type and class of application to reflect the estimated time and resources required for assessment. This structure provides transparency and predictability for applicants. Levies are proposed to fund regulatory functions (excluding accreditation) and include levies paid by both data holders and accredited requestors, tiered by assets and revenue respectively. The use of levies is appropriate for recovering costs of services that benefit a group rather than individuals and supports equitable cost distribution.

Other accreditation fee options considered

27. An hourly rate model for accreditation fees was considered during the development of the cost recovery framework but is not recommended due to significant administrative and operational drawbacks. Time-based billing requires staff to meticulously record hours spent on each application, compare actual time against estimates, and issue supplementary invoices where necessary. This process introduces complexity, increases administrative overhead, and heightens the risk of inaccurate billing and under-recovery of costs. As such, it does not meet the principle of administrative efficiency—which emphasises simplicity, transparency, and cost-effective delivery of regulatory services—nor the objective of simplicity, which seeks to minimise complexity and make compliance straightforward for participants.

28. These concerns are supported by previous experience where time-based invoicing proved ineffective and led to under recovery. In contrast, a flat fee model offers greater predictability for applicants, simplifies administration, and better supports both the cost recovery proportionality principle and administrative efficiency.

Other levy options considered

29. In developing the levy framework, MBIE considered several alternative approaches to allocating levies among accredited requestors and data holders, or whether only data holders should pay the levy. Each approach was assessed for against cost recovery objectives. While each has merits, none were considered as suitable as the approach

recommended below in the “level of proposed charges and their cost components (cost recovery model)” section.

30. Asset-based levies are administratively simple and stable, making them suitable for data holders such as banks, where asset size correlates with systemic importance. However, this approach is poorly suited to accredited requestors, particularly fintechs, whose asset levels may not reflect profitability or benefit derived from open banking. Applying asset-based levies to fintechs risks overcharging asset-heavy but low-revenue firms and creates fairness concerns. For these reasons, asset-based levies are recommended only for data holders and not extended to accredited requestors.

31. Revenue-based levies were recommended for accredited requestors due to their alignment with commercial benefit and ability to support tiering. However, they were not considered appropriate for data holders. Banks typically have large, stable asset bases, and revenue may not accurately reflect their role or responsibilities within the regime.

32. Usage-based levies offer a direct link to benefit received and encourage efficient use of services. This model was considered for accredited requestors. However, it is not currently feasible due to the difficulty of accurately forecasting API request volumes, which makes it challenging to set levy tiers. As a result, usage-based levies were ruled out for accredited requestors at this stage.

33. Levies based on business size were considered for accredited requestors as it was simple and transparent, and supported tiering to reduce burdens on small firms. However, business size is an imprecise proxy for financial capacity or benefit derived. This approach risks penalising large but low-performing firms and does not consistently align with the principle of proportionality. It was therefore not recommended for accredited requestors.

34. Profit-based levies were considered for accredited requestors due to their alignment with financial capacity and fairness for low-margin or early-stage firms. However, profit figures are highly variable, subject to accounting practices, and difficult to predict with certainty. This variability reduces reliability for forecasting and levy-setting. There is also a risk of avoidance through financial structuring. These challenges undermine the feasibility of profit-based levies, leading to their exclusion from the preferred model.

35. MBIE considered, and consulted on, an option where levies would be paid solely by data holders. However, more submitters preferred a shared contribution model, noting that accredited requestors benefit commercially from the regime and should help fund it. Tiered revenue-based levies were seen as fair and less likely to deter smaller players. Solely charging data holders was not recommended, as it does not align with the cost recovery principle of equity.

Entities Subject to Charges

36. Accreditation fees will be paid by fintechs applying to become accredited requestors or renewing their accreditation. MBIE anticipates receiving 10 non-intermediary and 10 intermediary applications in the first year, with additional applications and renewals in subsequent years.

37. Levies will be paid by data holders and also by accredited requestors. Large banks such as ANZ, ASB, BNZ, and Westpac would pay annual levies of approximately $1.25 million, while smaller banks and non-bank deposit takers would pay between $63,400 and $578,000 depending on asset size. Accredited requestors would pay levies

ranging from $1,300 for those with under $1 million in revenue to $85,000 for those with over $100 million in revenue. The tiered structure is designed to support accessibility and ensure proportionality in cost allocation.

Assessment Against Objectives

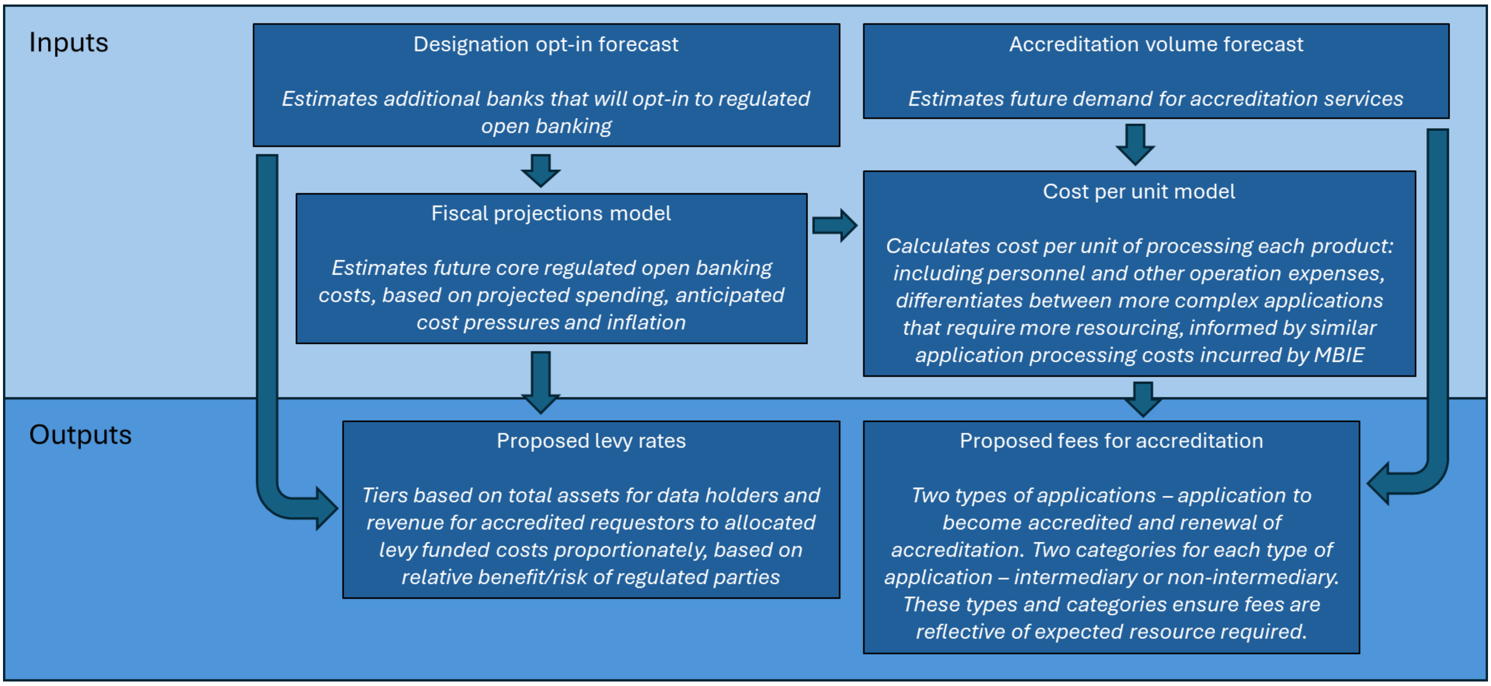
38. The proposed user charges are assessed against six key objectives:

- **Equity**: Charges are structured to ensure that entities benefiting from the regime—banks and fintechs—contribute fairly to its cost. The financial burden is aligned with the role of the beneficiary or risk exacerbator.
- **System Integrity**: Full cost recovery enables the regulator to perform essential functions such as accreditation, compliance monitoring, and enforcement, thereby maintaining trust and safety in the system.
- **Yes**: Charges are calibrated to reflect actual service delivery costs, incentivising MBIE to operate efficiently and manage resources effectively.
- **Accessibility**: Measures such as reduced fees for non-intermediaries and tiered levies for accredited requestors support participation by smaller entities and reduce barriers to entry.
- **Transparency and Predictability**: The fee structures and underlying assumptions are clearly documented, providing stakeholders with confidence in the fairness and rationale of the charges.
- **Sustainability**: The regime is designed to be financially self-sustaining, minimising reliance on Crown funding and ensuring its long-term viability.

The level of the proposed charges and their cost components (cost recovery model)

39. MBIE has calculated the level of fee and levy charges necessary to for full cost-recovery of all costs incurred by regulatory functions in **Table 1**. **Figure 1** summarises the approach taken by MBIE to calculating proposed charges, which has been informed by the fiscal projection model for regulated open banking and the cost per unit model.

Figure 1: Summary of approach to calculating proposed charges



Accreditation fees

Proposed accreditation fees

40. The proposed accreditation fees are designed to recover the estimated costs of administering the accreditation process under the Act. MBIE estimates the total cost of delivering this function to be $192,000 over five years. A breakdown of these costs is provided in the “Costs and outputs” subsection. **Table 2** below outlines the proposed accreditation fees.

Table 2: Accreditation fees

Type of accreditation application:	Fee (ex GST):
Application to become accredited	Intermediary: $2,000
	Non-intermediary: $1,500
Application to renew an existing accreditation	Intermediary: $1,700
	Non-intermediary: $1,000

Accreditation process

41. MBIE is required to consider a range of matters and verify information when considering applications to become accredited and renewals. This includes:

    a. checking the application is made in the correct form, contains all the required information, and is accompanied by the correct fee

    b. verifying an applicant’s identity

    c. checking the applicant has adequate security safeguards

    d. assessing the applicant’s capability to comply with their obligations under the Act, and their compliance history

e. checking whether the applicant holds adequate insurance

f. considering whether the applicant is classified as a financial service provider and, if so, confirming it is registered on the Financial Service Providers Register and is a member of an approved financial dispute resolution scheme

g. a good character check for directors and senior managers, including cross-referencing the applicant with the Companies Office's list of banned directors, conducting a criminal background check with Ministry of Justice, and reviewing financial statements.

42. If the applicant is applying to become an intermediary or renew an existing accreditation of the intermediary class, it will also need to demonstrate how it addresses any risks to customers that arise from this activity.

43. After assessing an application for accreditation MBIE must give notice of its decision. This can include approving an application in full, approving an application subject to a restriction or subject to terms and conditions of approval, or declining the application. As the fee recovers costs of the assessment process, it will not be refunded if MBIE declines the application.

44. MBIE will incur costs for staff time required to consider applications for accreditation and renewal of accreditation and the IT system to receive, process and store applicant information.

Estimated resourcing required for accreditation

45. MBIE has estimated the time required to process different types of accreditation applications, outlined in **Table 3**.

Table 3: Estimated time to process accreditation applications

Application Type	Non-Intermediary	Intermediary
Initial Application	15.5 hours	20.5 hours
Renewal Application	11.25 hours	16.25 hours

46. The additional time for intermediary applications reflects the need to assess an extra criterion: specifically, how the applicant manages risks associated with intermediary activities. For renewal applications, the estimated processing times are shorter, reflecting the assumption that renewals involve verifying continued compliance with specific requirements rather than conducting a full initial assessment.

47. There are limitations to these estimates, including:

a. as this is a new regulatory regime, there is no historical data on actual processing times

b. the time required to assess an application will likely vary depending on the applicant. For example, evaluating an applicant's security safeguards may take longer if their systems are particularly complex or comprehensive, whereas simpler systems may require less time to review

c. the quality and completeness of applications may vary significantly. Poorly prepared applications may require additional follow-up and clarification, increasing processing time

d. MBIE's internal resourcing levels and staff experience may influence actual processing times, particularly if application volumes exceed expectations

e. finally, external dependencies such as third-party checks (e.g. criminal background or insurance verification) may introduce delays beyond MBIE's control.

48. To mitigate these limitations, MBIE has based its estimates on comparable licensing and accreditation regimes it currently administers, such as eInvoicing where MBIE accredits Peppol access point providers. It has also used average processing times that include a buffer to accommodate variation in application complexity and quality. MBIE will monitor application volumes and processing times closely and will review the accreditation fees after 2 years, or earlier, to ensure they remain aligned with actual resourcing needs. Additionally, MBIE will provide clear guidance to applicants to improve application quality and streamline assessments, and will explore opportunities to automate or simplify parts of the process where feasible.

Expected demand for accreditation services – forecast application volumes

49. To determine the necessary resource and expected cost per application, MBIE must first forecast the volume of accreditation applications. **Table 4** below presents the projected number of applications over a five-year period.

Table 4: Projected number of accreditation applications

Volumes	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Application - intermediary	10	2	2	2	2
Application - non-intermediary	10	1	1	1	1
Renewal - intermediary	0	10	12	13	15
Renewal - non-intermediary	0	10	11	14	16
Total Five Years	20	23	26	30	34

50. The projected volume of accreditation applications is a conservative estimate, informed by two primary indicators: the number of fintech firms that have expressed interest in seeking accreditation, and those currently approved as API Standards Users by the Payments NZ API Centre. While these indicators provide a useful starting point, they are subject to several limitations that may affect the reliability of the forecast.

51. Participation in unregulated open banking involves several barriers. Fintechs must negotiate bilateral contracts with banks, meet stringent security and insurance requirements, pay high data access fees, and maintain API Centre membership. These factors likely suppress current participation, making API Standards Users a conservative basis for forecasting demand under the regulated regime. Additionally, some fintechs may not pursue accreditation if they already have access to functionality beyond what current standards provide, or may prefer to access data via accredited

intermediaries. The forecast also may not capture emerging fintechs or startups not yet operating in the market.

52. To mitigate these limitations, MBIE has adopted a cautious approach to forecasting and will continue to refine its estimates as more data becomes available. Scenario-based modelling may be employed to account for a range of possible outcomes, including high, medium, and low application volumes. MBIE will also monitor application trends and maintain active engagement with industry stakeholders to ensure that assumptions remain aligned with market realities.

53. While a conservative approach to forecasting accreditation volumes based on current fintech participation in unregulated open banking provides a cautious planning baseline, it is not without limitations. One key concern is the potential underestimation of demand. If actual application volumes exceed projections, MBIE may be under-resourced, resulting in processing delays, operational bottlenecks, and reputational risks for the regime. Additionally, conservative estimates may constrain MBIE's ability to respond flexibly to surges in interest, particularly if market conditions or regulatory incentives shift unexpectedly.

54. This approach may also lead to inefficient scaling. Minimal initial staffing based on low-volume expectations could necessitate urgent recruitment or reallocation of resources if demand increases, which can be both costly and disruptive. Furthermore, a low-volume forecast may reduce proactive engagement with fintechs, limiting opportunities to support applicants and encourage broader participation in the regime.

55. MBIE has allocated 0.22 full-time equivalent employees (FTE) to manage accreditation functions based on expected application volumes. While this reflects a conservative planning baseline, the accreditation process has been designed to allow for scalable resourcing if demand increases. MBIE will monitor volumes closely and reallocate internal resources or seek additional support if required.

56. MBIE proposes to review accreditation fees and resourcing levels after two years to ensure they remain aligned with actual demand and cost recovery objectives. Adjustments will be made if necessary to maintain service quality and fiscal neutrality.

Estimated cost for accreditation and setting fees

57. A yearly breakdown of estimated costs for the accreditation function is provided in **Table 5** below.

Table 5: Yearly breakdown of estimated costs for accreditation

	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total
Personnel	$28,400	$28,400	$28,400	$28,400	$28,400	$142,000
Other operating expenses	$10,000	$10,000	$10,000	$10,000	$10,000	$50,000
Total	$38,400	$38,400	$38,400	$38,400	$38,400	$192,000

58. The total estimated cost of $192,000 over five years reflects both staff time and other operating costs required to deliver the accreditation function. This includes personnel costs based on the average time required to process each type of application (see Table 3), as well as $50,000 in other costs not linked to staff time, such as IT infrastructure and administrative overheads. While Table 5 shows operating expenses as flat over time, this reflects Treasury guidance, which does not permit departments to assume automatic annual increases in appropriations (e.g. for inflation). Instead, the cost model uses a five-year average to smooth out fluctuations in expenditure, including one-off establishment costs in the early years. Departments are expected to manage cost pressures—such as CPI—through ongoing efficiency improvements.

Levies

Proposed levies

59. The proposed levies will be used to recover the costs of various regulatory functions of MBIE (excluding accreditation), OPC, and the approved standards body as illustrated in **Table 1**, and are estimated to cost $28.33 million over a five-year period.

60. MBIE recommends a tiered annual levy be charged to data holders based on the total assets of the data holder, and a tiered annual levy be charged to accredited requestors based on their revenue. The proposed levies are designed to recover the estimated costs of the regulatory functions over a five-year period. **Table 6** below outlines the proposed levies.

Table 6: Levies

Levy class – data holder	Annual Levy (ex GST)
Data holder with assets exceeding $100 billion	$1,248,700
Data holder with assets exceeding $20 billion, but not exceeding $100 billion	$578,000
Data holder with assets exceeding $1 billion, but not exceeding $20 billion	$192,000
Data holder with assets not exceeding $1 billion	$63,400
Levy class – accredited requestor	**Levy on renewal of accreditation (ex GST)**
Accredited requestor with annual revenue exceeding $100 million	$85,000
Accredited requestor with annual revenue exceeding $10 million, but not exceeding $100 million	$32,000
Accredited requestor with annual revenue exceeding $1 million, but not exceeding $10 million	$10,000

Accredited requestor with annual revenue of $1 million or less.	$1,300

61. To support efficient administration and ensure alignment with the cost recovery model, MBIE propose levies for data holders be issued annually. MBIE also propose accredited requestors only be levied upon renewal of accreditation, meaning they will not contribute levies in the 2025/26 financial year. This approach ensures predictable cost recovery and reflects the timing assumptions in the cost model.

Regulatory functions

62. As explained previously, the Act introduces a range of regulatory functions that will be carried out by MBIE and OPC. The Act also allows for the approval of a standards body to undertake certain regulatory functions, such as maintaining the register. **Table 1** outlines these regulatory functions.

Estimated resourcing required for regulatory functions

63. MBIE has estimated the resourcing required to deliver other regulatory functions under the Act, excluding accreditation. These functions include compliance and enforcement, standards development, operation of the register and sandbox, and provision of public information. The total cost over five years is estimated at $28.33 million.

64. Personnel costs are forecast at $2.58 million over five years. These costs are lower in the first year ($487,080) to reflect the initial establishment phase of the regime, during which compliance and enforcement activity will be limited. From year two onward, personnel costs increase to $523,620 annually as full regulatory functions are progressively implemented and maintained.

65. An annual allocation of $4 million has been budgeted for the prospective approved standards body from year two onward, with $2.33 million allocated in the first year. This funding is expected to support the development and maintenance of technical standards, operation of the register and sandbox, and provision of technical support to participants. These functions are essential to ensuring interoperability, security, and ongoing improvement of the regime.

66. A limitation of this estimate is that MBIE is still negotiating with an existing provider to be approved as the standards body under the Act. As a result, actual costs have not yet been finalised. If the provider seeks funding above the proposed $4 million annual allocation, MBIE may need to revisit the cost model or consider alternative procurement options to ensure the regime is delivered effectively and remains financially sustainable. If significant cost changes arise—such as unexpected increases in external costs (Negotiations)—MBIE would pursue adjustment of both the levy and the corresponding appropriation. Conversely, if actual costs are lower than forecast, MBIE may issue refunds or propose a reduction in levies to minimise compliance costs for regulated entities.

67. Other operating expenses total $5.04 million over five years and primarily cover IT infrastructure and system costs associated with setting up and maintaining the register of participants. The register is a critical component of the regime, enabling secure connections between accredited requestors and data holders and supporting transparency and accessibility.

68. Support costs, totalling $2.37 million over five years, represent overheads for regulatory systems. These include corporate services, management, and

administrative support necessary to sustain the delivery of regulatory functions and ensure operational efficiency.

69. This resourcing model reflects a phased implementation approach, with initial investment focused on establishing core systems and capabilities, followed by stable operational funding to support ongoing delivery of regulatory functions.

Expected volume of levy payers

70. MBIE has forecast the number of levy payers and the corresponding levy contributions over a five-year period. These projections are detailed in **Table 7** below

Table 7: Expected volume of levy payers

Levies	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Data holder - exceeding $100B	4	4	4	4	4
Data holder - $20B-$100B	-	1	1	1	1
Data holder - $1B-$20B	-	-	-	-	-
Data holder - not exceeding $1B	-	-	-	-	-
Accredited requestor >$100M	-	2	2	2	2
Accredited requestor >$10M	-	2	2	2	2
Accredited requestor >$1M					
Accredited requestor <$1M	-	16	19	23	27

71. The volume of data holder levy payers has been estimated based on Cabinet's decision to designate ASB, ANZ, BNZ, Westpac, and Kiwibank as data holders under the Customer and Product Data Act 2025 [ECO-25-MIN-0039]. ASB, ANZ, BNZ, and Westpac are expected to be subject to the levy from the outset, as they each exceed $100 billion in assets. Kiwibank, which falls within the $20 billion to $100 billion asset range, is expected to become a data holder in 2026, resulting in one additional levy payer in that tier from FY26/27 onward.

72. While the regulations will provide for other data holders to opt-in to the regime, we do not expect any to do so within the first five years. Therefore, no data holders are currently expected to fall within the lower asset tiers ($1 billion–$20 billion and under $1 billion) during the initial five-year period. These tiers have been included in the levy framework to accommodate future growth and sector expansion.

73. The number of accredited requestors subject to the levy has been estimated using projected accreditation volumes and a high-level assessment of the revenue profiles of

existing fintechs operating in the New Zealand market. Based on these assumptions, MBIE anticipates:

a. Two accredited requestors with annual revenue exceeding $100 million.

b. Two accredited requestors with annual revenue between $10 million and $100 million.

c. Sixteen to thirty-one accredited requestors with annual revenue under $1 million, increasing steadily over the five-year period as market participation grows.

74. This estimation also reflects that, as previously mentioned, we propose accredited requestors only be levied at the point of renewing their accreditation, with payment due one month after the renewal date. This means no accredited requestors will be levied in the first year of the regime.

75. No accredited requestors are currently expected to fall within the $1 million–$10 million revenue tier during the initial period, although this tier remains available to accommodate future applicants.

76. These estimates reflect a cautious but realistic projection of market engagement, informed by current participation in unregulated open banking and the anticipated benefits of the regulated regime. MBIE will continue to monitor levy payer volumes and adjust forecasts as more data becomes available.

Estimated costs of regulatory functions and allocation to levy payers

77. We have developed a cost model for the above regulatory functions which estimates costs to total $28.33 million over five years. A yearly breakdown is provided in **Table 8** below.

Table 8: Yearly breakdown of estimated costs for regulatory functions

	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total
Personnel	$487,080	$523,620	$523,620	$523,620	$523,620	$2,581,560
Approved standards body	$2,333,333	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$18,333,333
Other operating expenses	$1,069,500	$1,143,750	$1,043,750	$893,750	$893,750	$5,044,500
Support (overheads)	$494,575	$469,600	$469,600	$469,600	$469,600	$2,372,975
Total	$4,384,488	$6,136,970	$6,036,970	$5,886,970	$5,886,970	$28,332,368

78. To recover these costs, MBIE proposes a tiered levy structure based on entity size and financial capacity. Approximately 95.65% of the total cost is apportioned to data

holders, reflecting their systemic role and larger asset base, while the remaining 4.35% is apportioned to accredited requestors. This split was used to determine the levy amounts for each tier, ensuring proportionality and alignment with the cost recovery principle of equity.

Impact analysis

Impacts on fintechs

Status quo

79. Fintechs seeking to participate in unregulated open banking currently face several costs and requirements. First, they must apply to become API Standards Users through the Payments NZ API Centre, which sets an annual fee for participation. Commercial Information

80. After approval, fintechs must negotiate bilateral commercial contracts with individual banks to access customer data or initiate payments. These contracts are private, so the full cost implications are not publicly available.

81. However, it is known that fintechs incur service fees for each data or payment request made on behalf of customers—commonly referred to as API pricing.

Table 9: Standard API pricing at the four largest banks[17]

Bank	Payment Initiation API Call Fee	Account Information API Call Fee
ANZ	0.25% of the payment amount up to a maximum charge of $1 to businesses for goods and services	Unknown
ASB	Up to 20c	Up to 20c
BNZ	5c, with a minimum charge of $30 per month	1c, with a minimum charge of $30 per month
Westpac	Up to 30c	Unknown

Proposed changes

82. Accredited requestors will have the statutory right to request customer data and initiate payments. Once accredited, a fintech can make these requests without needing to:

    a. be an API Standards User of the Payments NZ API Centre

    b. have a bilateral contract with a bank.

83. Additionally, the Minister of Commerce and Consumer Affairs intends to seek Cabinet agreement to prohibit banks from charging service fees for requests involving designated customer data and payments. This means that under regulated open

[17] https://comcom.govt.nz/__data/assets/pdf_file/0025/363652/Retail-Payment-System-Update-on-open-banking-progress-10-December-2024.pdf

banking, fintechs will be able to make these requests free of charge—potentially saving significant costs, especially for those whose business models rely on frequent data updates.

84. For example, fintechs offering budgeting or account reconciliation services often make multiple API calls per update—such as retrieving account lists, balances, and recent transactions—and may refresh this data every 15 to 30 minutes. Fintechs have indicated to us that even with discounted API pricing, these costs can make their business models unsustainable.

85. As a result, many fintechs are expected to discontinue their API Standards User memberships and bilateral contracts with banks in favour of seeking accreditation, subject to the relevant terms and conditions of their contracts.

86. Furthermore, the rationale for funding of the API Centre through levies is to replace the current funding the API Centre receives through its membership fees.

87. While accreditation will introduce new costs through fees and levies, the overall financial impact will vary by fintech. However, on balance, we expect costs to decrease for most fintechs. **Table 10** compares fintech costs under open banking as it operates now (after the initial 12-month fee waiver by most banks[18]) with costs under the proposed changes (after the first year, when levies are applied).

Table 10: Comparison of annual costs to fintechs

Type of fintech	Status quo	Proposed changes
Fintech who provides near-real time accounting and budgeting	Commercial Information Service fee: $4,676,088[19] Commercial Information	Levy: $85,000 Accreditation fees: $1,500 **Total cost: $86,500**
Fintech who provides open banking payment service for merchants	Commercial Information Service fee: $2,611,500[20] Commercial Information	Levy: $32,000 Accreditation fees: $2,000 **Total cost: $34,000**

88. As previously mentioned, MBIE propose accredited requestors only be levied upon renewal of accreditation, meaning they will not contribute levies in the 2025/26 financial year. This supports early-stage participation and reduces upfront costs for new entrants. This approach ensures that smaller and emerging businesses can participate without facing disproportionate costs.

[18] Westpac, ANZ, and ASB have announced they will waive customer data and payment fees for the first 12 months after a fintech has been onboarded. Kiwibank has announced it will not charge fees at all.

[19] Estimation uses BNZ's standard API pricing of 1c, with a minimum charge of $30 per month and assumes 0.5% of the population use the fintech's service and make 1 account information request every 30 minutes.

[20] Estimation uses ASB's standard API pricing of up to 20c per request and assumes 5% of the population use the fintech's service and make 10 payment requests per annum.

Impacts on banks

Status quo

89. The four major banks currently participating in unregulated open banking are approved as API Providers through the Payments NZ API Centre, which requires payment of an annual fee. Payments NZ has not publicly disclosed how these fees are determined, and there is no indication that they are scaled based on bank size or assets.

Proposed changes

90. Commercial Information [redacted]

Impacts on customers

Status quo

91. **Table 9** summarises the standard API charge the four largest banks charge fintechs for initiating data requests or payments on behalf of customers. These costs are typically passed through to the fintechs' merchant or business clients.

92. Merchants or businesses using unregulated open banking payment methods pay fees to fintech providers, which vary by provider. BlinkPay, for example, charges a standard rate of 0.95% per successful transaction, capped at $3 NZD. We understand that these costs are generally passed on to end consumers of the service.

93. Banks and fintechs also pay membership fees to the API Centre. We expect that, to some extent, the costs of these fees are passed on to their customers.

Proposed changes

94. As noted earlier, the Minister of Commerce and Consumer Affairs intends to seek Cabinet agreement to prohibit banks from charging service fees for requests involving designated customer data and payments. This means that under the regulated open banking regime, accredited fintechs will be able to access customer data and initiate payments without incurring per-request charges. For fintechs whose business models rely on frequent or real-time data access, this change could significantly reduce operational costs. These savings are expected to flow through to customers, particularly where fintechs currently pass on data access costs through their pricing models.

95. Commercial Information [redacted]

96. Commercial Information [redacted]

97. Overall, we expect the indirect costs to consumers to decrease. While some bank customers may face modest cost increases, these are expected to be offset by lower costs for fintech customers, particularly in services that rely on frequent data access or payment initiation.

Consultation

98. MBIE carried out targeted consultation with banks, fintechs[21], and Payments NZ between 3 July and 23 July through a formal feedback process on a discussion paper seeking feedback on proposals for fees and levies. During this period, we also held one-on-one meetings with individual submitters and convened a group session with fintechs to discuss their feedback in more detail. See **Table 11** below for a full list of stakeholders who provided feedback.

Table 11: Targeted consultation stakeholders

Type of organisation	Individual submitters
Banks	ASB; ANZ; BNZ; Westpac; Kiwibank
Financial technology companies	Akahu; BlinkPay; Mastercard; Usable Balance; POLi; Volley; Worldline; Xero
Payments industry body	Payments NZ

99. MBIE undertook targeted consultation instead of public consultation due to time constraints associated with meeting the Government's commitment to introduce regulated open banking by 1 December. We do not consider that a broader consultation would materially impact the conclusions or recommendations in this advice.

Options canvassed

Accreditation fees proposed

100. MBIE sought feedback on the following proposed accreditation fees:

Table 12: Proposed accreditation fees in the discussion paper (excluding GST)

Application Type	Fee
Intermediary – New	$3,270
Non-intermediary – New	$1,965
Intermediary – Renewal	$1,910
Non-intermediary – Renewal	$1,200

101. These fees are different to the final proposals in the "level of proposed charges and their cost components (cost recovery model)" section due to subsequent adjustments to the estimates of the number of accredited requestors based on stakeholder feedback, and the costs.

[21] The fintechs consulted were chosen by FintechNZ and were intended to offer a cross-section of views.

Levy options proposed

102. The proposed levies were designed to fund broader regulatory functions that will be carried out by MBIE, the OPC, and an approved standards body.

103. The proposed levies were based on a cost model developed for the cost of regulatory functions (excluding accreditation). This estimates a total cost of $28.33 million over five years.

104. MBIE canvassed two options for how levies could be applied:

    a. Option 1: Levies paid by data holders only, based on total assets

    b. Option 2: Levies paid by data holders (based on assets) and accredited requestors (based on revenue).

Table 13: Levies under option 1

Data Holder Assets	Annual Levy (ex GST)
> $100 billion	$1,300,000
$20–100 billion	$576,000
$1–20 billion	$200,000
≤ $1 billion	$80,000

Table 14: Levies under option 2

Levy class	Annual Levy (ex GST)
Data holders	
Data holder with assets exceeding $100 billion	$1,240,000
Data holder with assets exceeding $20 billion, but not exceeding $100 billion	$567,000
Data holder with assets exceeding $1 billion, but not exceeding $20 billion	$200,000
Data holder with assets not exceeding $1 billion	$80,000
Accredited requestors	
Accredited requestor with annual revenue exceeding $100 million	$80,000
Accredited requestor with annual revenue exceeding $10 million, but not exceeding $100 million	$30,000
Accredited requestor with annual revenue exceeding $1 million, but not exceeding $10 million	$10,000

Accredited requestor with annual revenue of $1 million or less.	$1,150

Key feedback

105. **Table 15** sets out the key feedback received and how we propose to address this feedback in the final proposals.

Table 15: Key feedback from targeted consultation

Feedback/theme:	MBIE response:
Submitters broadly supported the proposed accreditation fees, recognising the need for MBIE to recover the costs of administering the accreditation regime.	MBIE has provided advice to the Minister about the proposed fee structure for accreditation.
Several submitters raised concerns about the frequency of accreditation renewals, suggesting they may be unnecessarily burdensome.	MBIE has provided advice to the Minister about the need for yearly accreditation renewals. MBIE will reassess the scope and frequency of renewals over time.
Several submitters questioned the estimated number of applicants and suggested MBIE may be underestimating demand.	MBIE has revised our modelling for accreditation fees to reflect a higher number of applicants in the first year, and a greater proportion of intermediaries than originally anticipated.
A submitter proposed that accreditation renewal processes be tailored to the size and scope of the accredited requestor's operations, with lighter requirements for low-risk or low-volume participants.	MBIE has provided advice to the Minister about why tailoring the accreditation renewal process to the size or scope of an accredited requestor's operations is not appropriate.
Divergent views in relation to preferred levy model.	MBIE has provided advice to the Minister about why levy option 2, where the levies are shared between data holders and accredited requestors, is more appropriate.
Proportionality – many submitters emphasized that fees and levies should reflect the level of benefit derived from participation, suggesting various alternative measures such as profit and usage.	MBIE has provided advice to the Minister about proportionality, including consideration of other approaches to setting levies.
Equity – concerns that banks will pay a substantially higher levy than accredited requestors, and second levy if they also become accredited requestors.	MBIE has provided advice to the Minister about equity, including a recommendation to exempt data holders from paying a second levy in their capacity as accredited requestors.
Submitters strongly support reviewing fees and levies after two years.	MBIE proposes to review the fees and levies after two years.

Conclusions and recommendations

106. MBIE recommends adopting:

    a. the proposed accreditation fee structure, with adjustments to the estimates of the number of accredited requestors based on stakeholder feedback, and the costs.

    b. Option 2 for levies—where costs are shared between data holders and accredited requestors— with adjustments to incentivise participation from smaller banks and non-bank deposit takers. Where data holders are also accredited requestors, they would only be required to pay the data holders' levy. This approach best meets the cost recovery principles and objectives outlined in the consultation, and aligns with Treasury's guidance on setting public sector charges.

Implementation plan

How will the proposals be given effect

107. MBIE will administer the new fees and levies through dedicated resources for accreditation, compliance and enforcement, information and education, and regulatory stewardship and standards. These resources are currently being established. In the interim, the costs associated with these regulatory functions will be met through a memorandum account set up by MBIE, as agreed by Cabinet. This approach ensures that the regime can begin operating without delay while the necessary infrastructure and personnel are put in place.

108. To support implementation, MBIE has allocated 0.22 FTE for accreditation functions, 1.5 FTE for information and education activities, and 1.8 FTE for regulatory stewardship and standards. The information and education function will help ensure that the public is informed about their rights when participating in the regime and regulated parties are informed about their obligations and responsibilities, while the stewardship and standards function will support the development, maintenance, and continuous improvement of technical standards and regulatory processes.

109. The proposed commencement date for the new fees and levies is 27 November 2025. This timeline allows sufficient lead-in for several critical activities, including:

    a. drafting and potential redrafting of regulations by the Parliamentary Counsel Office (PCO); interagency and Ministerial consultation on the exposure draft regulations

    b. completion of the Cabinet process for secondary legislation

    c. establishment of the MBIE teams responsible for administering the regime

    d. public notification of the regulations by 27 October in accordance with the 28-day rule

    e. the development and rollout of a communications strategy to inform prospective accreditation applicants and data holders once the fees and levies are publicly announced.

Implementation risks and mitigations

110. The proposed fees and levies have implementation risks, including (but not limited to):

    a. There is a risk that limited drafting capacity within the Parliamentary Counsel Office (PCO) could delay the timely development of regulations. To mitigate this, MBIE has proactively engaged with PCO to provide early visibility of the work and the proposed timeline. PCO has advised that while the timeline is tight, it remains achievable. MBIE will continue to maintain regular communication and ensure that drafting instructions are provided as early as practicable. Based on these mitigations, we are confident that the risk is being appropriately managed.

    b. A key implementation risk is the potential delay or failure in establishing the accreditation resource and finalising the accreditation process. If MBIE is unable to set up the necessary personnel and systems in time, it could undermine confidence in the regime, delay the onboarding of accredited requestors, and compromise the effectiveness of the open banking framework. To mitigate this risk MBIE is actively working to establish accreditation criteria and prioritisation of resource.

Minimising compliance costs

111. MBIE is taking several steps to minimise compliance costs associated with paying the fees and levies under the Act. These costs relate to the administrative effort required to fulfil payment obligations, rather than the amount charged.

112. To reduce this burden, MBIE will collect levies from accredited requestors at the same time as annual renewal fees. This approach consolidates payment obligations into a single transaction, simplifying financial planning and reducing duplication for applicants. By bundling the charges, fintechs can manage their regulatory payments more efficiently and avoid the need to track multiple due dates or payment processes.

113. The tiered levy structure is designed to be simple and predictable, with fixed annual amounts based on revenue or asset size. This avoids complex calculations and supports transparency in financial planning.

114. These measures are intended to ensure that the process of paying fees and levies is efficient, proportionate, and accessible—particularly for smaller entities and startups.

Enforcement strategy

115. As part of the enforcement strategy, MBIE will verify that accredited requestors are paying the correct levy by requesting evidence of their annual revenue. This may include financial statements or other documentation to confirm the appropriate levy tier. This approach ensures fairness and integrity in the cost recovery model, while supporting trust and transparency in the regime.

116. If a data holder or accredited requestor fails to pay the levy by the required due date, MBIE will initiate follow-up action and may use enforcement tools where appropriate. This could include, for example, suspending or revoking accreditation in accordance with the powers provided under the Act. These measures are intended to ensure compliance with the cost recovery framework and maintain the integrity and fairness of the regime.

Monitoring and evaluation

117. To ensure the effectiveness, transparency, and efficiency of the fees and levies regime under the Act 2025, MBIE will monitor key indicators such as the number of accreditation applications received and processed, average processing times, and compliance rates with levy payments.

118. Accredited requestors will be required to provide evidence of their annual revenue to confirm the correct levy tier, and MBIE's compliance and enforcement team will verify this through financial documentation.

119. To support the 'open book' approach to cost recovery, MBIE will establish clear performance metrics for its regulatory functions. These may include application timeliness and service notifications.

120. MBIE proposes a formal review of the fees and levies regime after two years, including updated cost data and stakeholder consultation. This review would assess whether the regime remains proportionate, effective, and fit for purpose, particularly as it expands to other sectors such as electricity.

Review

121. MBIE considers an initial review after two years to assess whether the regime remains fair, proportionate, and effective is appropriate. This review would include updated cost data, stakeholder consultation, and an evaluation of participation levels and compliance trends. However, the electricity sector is expected to be designated under the Act in December 2026, which will require an earlier reassessment of the cost recovery model to ensure it is fit for purpose across sectors. The review process will involve updating the cost recovery impact statement (CRIS), assessing the performance of regulatory functions, and considering feedback from regulated parties. Any proposed changes will be subject to consultation.

Version control

Other version	Date	Link