

7 September 2021

[REDACTED]

[REDACTED]

Your Official Information Act 1982 Request (OIA)

We refer to your OIA request received on 10 August 2021. We are able to respond initially to some of your questions. We are progressing work on the other requests as promptly as we are able but need to extend the timeframes for response as explained below.

Responses to questions 5 and 6 of your request

- **Question 5: What have been the FMA's annual budgets for the last 5 years?**
You can review the FMA's annual budgets in our Annual Reports which are published on our website. You can view our 2020 Annual Report [here](#). For information relating to previous years, scroll to the bottom of the page under Archive, here you can view all our previous Annual Reports.
- **Question 6: How many staff does the FMA currently employ across all its offices?**
The FMA currently employs 250 staff.

Response to your questions 1 - 4

We have been progressing work bringing together information to answer these further questions. However, it will still take substantial work to collate that information. The FMA's information systems have changed over the period of time to which the information relates that you are seeking. Accordingly relevant files and source information is in various different formats and extracting the information is taking considerable work, and consultation with a number of FMA teams. We are also facing some additional resource constraints because of issues arising in response to COVID which has meant some work has had to be reprioritised.

We are therefore notifying you of an extension of the due date for the remainder of your request until 29 October 2021. This extension is made pursuant to 15A(1) of the OIA, namely due to the fact the request necessitates a search through a large quantity of information, and also due to the need to consult internally within the FMA to make a decision on the request. In these circumstances we are not able to respond within the original 20 working day timeframe as this would unreasonably interfere with the FMA's operations, and cannot be reasonably achieved.

We are actively progressing our work on your request and will respond earlier than this date if we are able.

Questions

If you have any questions about this response please contact Sian Lucas at sian.lucas@fma.govt.nz.

We also note that you have a right, by way of complaint under section 28(3) of the OIA to the Ombudsman, to seek an investigation and review of FMA's decisions to extend the time for replying in relation to the some of your request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Kind regards

A handwritten signature in blue ink that reads "Natalie Muir". The signature is written in a cursive, flowing style.

Natalie Muir
Manager, Governance

15 October 2021

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FMA response to Official Information Act request

We refer to your letter to the Financial Markets Authority (FMA) dated 10 August 2021 which contained a request under the Official Information Act 1982. We also refer to our subsequent correspondence with you where we answered some of your questions, and also you agreed to certain amendments of your original questions. We respond to the remaining questions below, using the same number formatting.

1. The following table outlines the number of referrals or complaints received by the FMA since 1 April 2018 in relation to insider trading, sorted by the source.

Year	Source of referral / complaint				Total
	Media	Member of Public	NZ Regulatory Body	Whistle Blower	
2018	1	4	5		10
2019	2	4	11		17
2020		6	18	1	25
2021		4	8		12
Total	3	18	42	1	64

2. The following table outlines the referrals or complaints received by the FMA since 1 April 2018 in relation to insider trading, sorted by the outcome or the assessment stage.

Year	Outcome / Assessment stage					Total
	Closed	Open inquiry	Open investigation	Referred outside FMA	Response provided	
2018	5		1	2	2	10
2019	13		1	2	1	17
2020	9	9	4	2	1	25
2021	4	7			1	12
Total	31	16	6	6	5	64

Notes:

- A 'Closed' outcome is where there was insufficient evidence of a breach for the FMA to take any further action.
- The 'Response provided' outcome normally relates to referrals or complaints from the public where the FMA has responded.
- The FMA has not taken enforcement action in relation to insider trading misconduct since 1 April 2018. However, the referrals or complaints at 'open investigation' assessment stage may involve enforcement action in the future.

- We consider the data alone is unhelpful in considering work undertaken in respect of insider trading. The effectiveness of that regime needs to be considered on a qualitative basis (which the data cannot provide). The high number of referrals relative to enforcement action should not be reflected as saying the regime is ineffective, as the data alone ignores the particular facts of each case as referred to FMA, the degree of evidence or level of suspicion highlighted in those referrals (or the quality of the referrals), and the actual explanations for the trading in question.

If you have any questions about this response, please contact me at sian.lucas@fma.govt.nz.

Yours sincerely,

Sian Lucas

Solicitor, Governance