

COVID-19 in the community 2.0 – legislative responses

MBIE has advised that the Government has decided to implement a range of temporary measures across Commerce and Consumer Affairs legislation that respond to the disruption and uncertainty caused by the re-emergence of COVID-19 in the community in New Zealand. These measures, which will be welcomed by companies and other organisations in New Zealand, include delays to the commencement of some new regulatory obligations, and flexibility to make it easier for businesses and other entities to operate safely during heightened alert levels.

MBIE has advised that these changes will affect forthcoming credit reforms, food country of origin disclosure requirements, and include reinstating temporary relief from 2020 in respect of corporate governance legislation and contract and commercial law.

Of significance to New Zealand companies and other organisations (including lenders and borrowers in particular), the Government has agreed the following (subject, where applicable, to Parliament passing the necessary legislation):

- **Commencement of Credit Contracts Legislation Amendment Act to be delayed**

The full commencement of the Credit Contracts Legislation Amendment Act 2019 will be delayed by two months, to **1 December 2021**. This was necessary due to the impact of recent COVID-19 alert levels on lenders' implementation of the reforms, which has disrupted training and other preparations and forced a reprioritisation of resources to support existing customers.

This delay will include the regulations that were due to come into force on 1 October 2021, such as the Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020.

- **Electronic execution of security documents containing powers of attorney to be permitted temporarily**

Amendments made to the Contract and Commercial Law Act 2017 in 2020 will be reactivated temporarily to facilitate the electronic execution of security documents containing powers of attorney.

It is currently anticipated that this modification will last for an initial period of 6 months from

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the date of Royal Assent. Unlike the same modification made in 2020, the Government does not currently intend that this modification will apply retrospectively.

- **Relief regarding compliance with constitutions and rules**

The compliance relief contained in the COVID-19 Response (Requirements For Entities—Modifications and Exemptions) Act 2020 will be reinstated. MBIE has noted that this will enable organisations to:

- do certain things (including hold meetings, sign instruments, and vote on certain matters) electronically, even if their constitutions or rules do not provide for it; and
- modify more easily certain requirements or restrictions in their constitutions or rules (for example, defer reporting, or waive members' fees).

Want to know more?

Please get in touch with a member of the Anderson Lloyd [Corporate and Commercial](#) or [Banking and Finance](#) teams if you would like any further information or to discuss the impact of these changes.