

Doing Business in New Zealand

# FINTECH

**Hudson Gavin Martin**

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# OVERVIEW

## Market Size and Growth

New Zealand's fintech sector is the country's largest and fastest-growing technology export sectors, generating \$2.9 billion in global revenue in 2024. The sector has a 5-year compound annual growth rate of 24% - 2.3 times higher than the broader tech industry. Fintech experienced robust growth of 20% in 2024, adding \$498 million in revenue.

The sector employs between 7,000-8,000 staff globally and companies invest heavily in innovation, dedicating 20% of total revenue in 2023 (\$517 million) to research and development - twice the industry average of 10%. [Technology Investment Network. (2025). TIN Report 2024. Technology Investment Network. <https://tin100.com>]

## Key Players and Characteristics

New Zealand's fintech ecosystem spans multiple categories including payments and infrastructure, business financial services, digital banking, Buy Now Pay Later (BNPL), cryptocurrency and digital assets, Insurtech, Regtech, and Wealthtech. Major success stories include global leaders like Xero, which achieved \$2.1 billion revenue and \$640 million earnings in 2025.

The sector has demonstrated significant international appeal, with eleven multimillion-dollar firms acquired by offshore interests in recent years, including SLI Systems, FNZ, TALKINGTECH, TSG, Unimarket, Timely, Vend, Plexure, Hatch, Invenco, and Pushpay.

International players including Revolut, Stripe, Wise, and Airwallex have entered the market over recent years and increased New Zealand activity, validating local opportunities while creating competitive pressure on domestic providers.

## Investment Landscape

Mirroring international trends, investment in the sector peaked at \$186 million in 2022 but contracted sharply by 89% to \$21 million in 2023 as deal volume halved. Over the past three years, the sector raised \$372 million in total capital, with \$224 million from deals led by overseas investors.

As well as a range of general venture capital and angel investment networks, New Zealand has recently added fintech specialist funds such as Altered Capital and the NZ Fintech Fund (NZFF), a collaboration between Point16 and Icehouse Ventures.

New Zealand's large banks have recently been active in fintech investment, with BNZ acquiring open banking startup Blinkpay and making a strategic investment in Centrpay (and its payments app Payap) in late 2024. Westpac also has a stake in open data aggregator Akahu, and has partnered with digital banking provider Dosh to enable them to offer mortgages.

## Cryptocurrency and Digital Assets

New Zealand maintains a technology-neutral regulatory approach to cryptocurrency, treating digital assets as property for tax purposes under Inland Revenue guidance. There is no specific cryptocurrency regulation, but general financial services laws apply, including the Financial Markets Conduct Act 2013 (FMCA), Anti-Money Laundering (AML) requirements, and fair dealing/trading obligations.

The landmark 2020 *Ruscoe v Cryptopia* case established that cryptocurrency constitutes "property" under New Zealand law, creating important precedent not just for insolvency scenarios but for the treatment of crypto assets generally.

## FinTech NZ FinTechNZ

FinTech NZ serves as the industry body and inclusive community for New Zealand's fintech sector. It promotes the sector domestically and internationally, connecting financial services providers, technology innovators, investor groups, government, regulators, financial educators, and innovation advocates.

FinTech NZ has set an ambitious "north star" vision for Aotearoa New Zealand to become a globally renowned fintech nation, emphasising three strategic pillars: accelerating startup capacity, focusing on scale-ups, and deepening government engagement. HGM's [Andrew Dentice](#) has been a member of Fintech NZ's Executive Council since 2018 and Co-Chair from 2022 to 2025.

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# RECENT DEVELOPMENTS

## Open Banking and the Customer and Product Data Act

The Customer and Product Data Act 2025 became law on 29 March 2025, establishing New Zealand's consumer data right framework. Cabinet approved banking as the first designated sector in May 2025, confirming an implementation timeline for the four largest banks of 1 December 2025, with KiwiBank to follow in 2026.

The designation covers customer identification data, account information across transactional, savings, credit card and lending accounts, plus domestic payment initiation.

New Zealand has had an industry-led open banking regime since 2019, managed by Payments NZ (a company with New Zealand's largest banks as shareholders, responsible for managing the country's payments networks) via its 'API Centre'.

The API Centre launched its latest API standards (v2.3) in May 2025. These standards are to be incorporated into the Customer and Product Data Act by reference, forming the basis of the standards applying to the regulated open banking regime.

## Exchange Settlement Account System (ESAS) Access Expansion

The Reserve Bank opened access to ESAS – New Zealand's wholesale real time settlement systems for payments – to non-bank financial institutions in 2025, following a comprehensive review. Phase One launched in April 2025 for licensed non-bank deposit takers, with Phase Two opening in September 2025 for payment service providers, overseas deposit takers, and Financial Market Infrastructure operators.

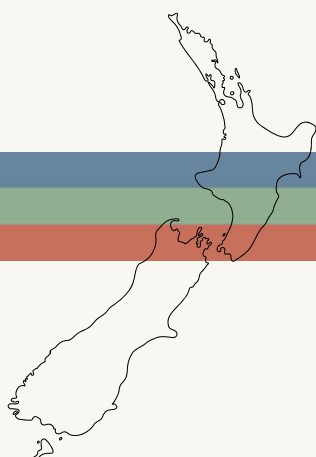
This development should enable fintech companies to access core settlement infrastructure directly, reducing reliance on traditional banks as intermediaries and facilitating innovation in payments and digital banking services.

## FMA Regulatory Sandbox

The Financial Markets Authority launched a regulatory sandbox pilot in January 2025, running through July 2025. From 24 applications received, six fintech companies were selected.

The sandbox allows firms to test innovative products in a controlled environment with FMA supervision, helping reduce compliance costs and accelerate market entry. The pilot will inform decisions about establishing a permanent sandbox programme.

It is hoped the sandbox will be a mutually reinforcing catalyst for financial services innovation – helping fintechs understand the regulatory landscape while also upskilling the regulator on innovative use cases and emerging technology. Fintechs passing through the sandbox should expect more regulatory clarity, and potentially either individual or class exemptions where current rules are unduly restrictive or don't properly anticipate their innovative business models.



# KEY LEGISLATION

New Zealand's fintech regulatory framework is built on technology-neutral legislation that generally applies existing financial services laws to fintech innovations rather than creating sector-specific rules. The regulatory regime can be light-touch for many fintech providers if they are not caught by licensing or disclosure obligations applying to traditional financial products.

## Financial Markets Conduct Act 2013 (FMCA)

The FMCA is the primary legislation governing financial products and services, including some fintech activities. Under the FMCA, fintech companies may require licensing depending on their activities, including:

- Managed Investment Schemes (MIS)
- Derivatives licensing
- Peer-to-peer lending services
- Discretionary Investment Management Services (DIMS)
- Financial advice provider (FAP) licensing

The FMCA also includes a 'fair dealing' regime applying broadly to financial service providers (including fintechs), prohibiting misleading or deceptive conduct and false, misleading, or unsubstantiated representations in financial services.

## Non-Bank Deposit Takers Act 2013 (NBDT Act)

The NBDT Act, administered by the Reserve Bank, may apply to fintech companies accepting customer deposits or repayable funds. Companies issuing debt securities as part of their service will usually need a licence from the Reserve Bank (as well as complying with associated disclosure and governance obligations under the FMCA).

To avoid these onerous requirements many fintech, digital banking and payments services providers look to hold client funds on bare trust. In response to requests from the fintech sector for more clarity on this topic, the FMA issued guidance in February 2025 clarifying that e-money and payment service providers holding client funds on bare trust will likely not be viewed as issuing debt securities. However, the FMA expects all providers holding customer funds on trust to follow industry best practice and applicable trustee duties, including clearly identified trust accounts, separation of provider and customer funds, and maintaining clear trust account records.

## Financial Service Providers (Registration and Dispute Resolution) Act 2008

Fintech businesses providing financial services must register on the Financial Service Providers Register (FSPR) and join an approved dispute resolution scheme if serving retail clients in New Zealand. This applies broadly to most fintech activities, from payments to investment services.

## Credit Contracts and Consumer Finance Act 2003 (CCCFA)

The CCCFA governs consumer lending and was significantly amended in 2024 to include Buy Now Pay Later (BNPL) services. BNPL contracts are now deemed consumer credit contracts, requiring providers to comply with responsible lending obligations and consumer protection measures (with certain exemptions from rules requiring affordability assessments).

## Anti-Money Laundering and Countering Financing of Terrorism Act 2009

Many fintech providers have AML/CFT obligations as reporting entities, requiring customer due diligence, transaction monitoring, and reporting of international wire transfers and suspicious activity. The Department of Internal Affairs regulates payments and fintech providers for AML purposes, and has published detailed sector-specific guidance for virtual asset service providers.

## Customer and Product Data Act 2025

This Act establishes New Zealand's consumer data right framework, beginning with the designation of open banking in December 2025 (see above for more details).

## Retail Payment System Act 2022

This Act provides the Commerce Commission with powers to regulate designated retail payment systems. So far this has focused on the Visa and Mastercard networks, with interchange fees initially capped in 2022 and further caps being introduced from 1 December 2025.

The Commerce Commission has also requested the Government to designate the interbank payment network, in part to allow it to regulate the pricing of 'account to account' payment solutions offered via open banking – but the request has not yet been taken up.

In July 2025, the Government announced its intention to ban the practice of merchant surcharging for payment processing fees. This is seen as an important step in ensuring the benefits of interchange caps are passed through to consumers.

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