

Credit Contracts and Consumer Finance Act 2003: Implementation of amendments deferred until 1 December 2021

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On 9 September 2021, the Government announced that it will defer the full commencement of the Credit Contracts Legislation Amendment Act 2019 (CCLAA) by two months, from 1 October 2021 to 1 December 2021, in response to the disruption caused by the re-emergence of Covid-19 in the community.

The Government considered this delay as necessary relief for lenders who, due to the recent Covid-19 alert level restrictions, were disrupted in their training and other preparations as resources were diverted and refocused to support existing customers.

Impact on amendment regulations

This announcement will also apply to 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.

However, lenders should be on notice that the Government has a strong expectation these amendments will be implemented no later than 1 December 2021.

Provisions unaffected by the announcement

Despite this announcement, some of the provisions of the CCLAA will still come into force on 1 October 2021. These provisions concern the requirements for creditors and mobile traders to receive certification by the Commerce Commission that their directors and senior managers are fit and proper persons for their positions. Please see our [previous article](#) for further information on these requirements.

Further, the provisions of the CCLAA that have already come into force over the last 18 months remain unaffected by this announcement.

Next steps

The Government has announced that the new Responsible Lending Code (found [here](#)) will be amended shortly to reflect the new commencement date of 1 December 2021.

The Government noted that it expects to finalise regulations concerning matters such as the content of annual returns and exemptions (for example, for insurance premium funders) before the end of September 2021. Any commencement dates set out in these regulations will also be deferred by two months.

Lastly, the Government signalled that it is likely to undertake a short public consultation on reissuing the addendum to the Responsible Lending Code (the Addendum) which expired on 31 March 2021. The Government had previously issued the Addendum in response to Covid-19 in June 2020. The Addendum sat alongside the Responsible Lending Code and provided guidance on how lenders could implement the lender responsibility principles and lender responsibilities when dealing with borrowers who have been affected by Covid-19.

If you would like advice on the new CCCFA regime or how this announcement will impact you, please contact a member of our [financial services regulation team](#).

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