

DRAFT FOR CONSULTATION

Cash Transactions Protection Bill

Member's Bill

Explanatory note

General policy statement

The Cash Transactions Protection Bill addresses growing concerns that businesses and service providers are refusing to accept cash. This Bill seeks to protect New Zealanders' right to use physical currency for financial transactions and ensures there is access to cash as a private, accessible, and reliable method of payment.

It acknowledges that cash is a critical tool for vulnerable populations like those in rural communities, the elderly, and low-income earners who may experience barriers to digital banking. It mandates that vendors accept cash payments and have sufficient cash infrastructure to support access to cash and its circulation.

The Bill also preserves cash as an explicit privacy-preserving payment method, ensuring both freedom of choice and freedom from unwarranted surveillance in financial transactions. It puts New Zealanders' interests above global trends toward digital currencies, maintaining sovereign control over New Zealand's monetary policy and mitigating the risks associated with digital-only financial systems, like restricted access to funds. The Bill includes targeted exemptions to maintain sensibility.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause, which provides for this Bill to come into force after Royal assent.

Part 1

Preliminary provisions

Clause 3 sets out the Bill's purpose.

Clause 4 defines terms used in the Bill.

Clause 5 and *Schedule 1* provide for transitional matters.

Clause 6 states that the Bill binds the Crown.

Part 2

Cash payments to be accepted

Clause 7 requires a person in trade who supplies goods or services to accept payment for those goods or services in cash.

Clause 8 requires a person in trade who supplies essential goods or services to accept payment for those goods and services.

Clause 9 provides that a vendor must ensure they have access to cash in the event of a digital or electrical outage that lasts longer than 24 hours.

Clause 10 provides for exceptions to the requirement in *clause 7* including, for example, where payments in cash are prohibited under Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Clauses 11 and 12 state that the requirement in *clause 7* does not apply to certain types of supplies.

Clause 13 allows regulations to be made to specify exemptions to the requirement in *clause 7*.

Part 3

Infringement offences

Clauses 14 to 15 specify offences in respect of refusing to accept cash and charging for paying in cash.

Clauses 16 to 22 provide for an infringement regime to apply to the offences.

Part 4

Regulations

Clause 23 is a regulation-making power.

Part 5

Consequential amendments

Clause 24 provides that *clause 25* amends the Reserve Bank of New Zealand Act 2021.

Clause 25 provides that a function of the Reserve Bank is to ensure a minimum threshold of cash remains in circulation in New Zealand.

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Cash Transactions Protection Act **2025**.

2 Commencement

This Act comes into force on 3 months after Royal assent.

Part 1
Preliminary provisions

3 Purpose

- (1) The purpose of this Act is to require persons in trade to accept cash payments for certain transactions.
- (2) This purpose recognises that a person may choose to pay by cash to protect their personal privacy and seeks to protect freedom of choice for how they enter into financial transactions.

4 Interpretation

In this Act, unless the context otherwise requires,—

cash means any coin or bank note that is legal tender in accordance with section 152 and 153 of the Reserve Bank of New Zealand Act 2021

Commission means the Commerce Commission established by section 8 of the Commerce Act 1986

infringement fee, in relation to an infringement offence, means the infringement fee for an offence specified in **section 14 or 15**

infringement offence means an offence specified in **section 14 or 15**

online retail supply means a supply, by post or other remote means, of goods and services that have been sold online

trade means any trade, business, industry, profession, occupation, activity of commerce, or undertaking relating to the supply or acquisition of goods or services

vendor means a person who is in trade.

5 Transitional, savings, and related provisions

The transitional, savings, and related provisions (if any) set out in **Schedule 1** have effect according to their terms.

6 Act binds the Crown

This Act binds the Crown.

Part 2

Cash payments to be accepted

7 Vendor must accept payment in cash

- (1) A vendor must accept cash as a form of payment for goods and services supplied to another person (a **purchaser**), if the value of the supply is no more than \$500.
- (2) A vendor must not charge a purchaser paying in cash a fee, premium, or a higher price than would otherwise be payable because the purchaser is paying in cash.
- (3) If the cash comprises coins, **subsection (2)** applies only to the extent to which the coins are legal tender in accordance with 153(1) of the Reserve Bank of New Zealand Act 2021.
- (4) This section is subject to **sections 10 to 12**.

8 Payment in cash must be accepted for essential goods or services

- (1) This section applies to a vendor that receives financial or operational support from the Crown, or a local authority.
- (2) A vendor of essential goods or services must accept cash as a form of payment regardless of the value of the supplied goods or services.
- (3) This section is subject to any restrictions on cash transactions under Anti-Money Laundering and Counter Financing of Terrorism Act 2009.
- (4) **Section 7(2) to (4)** applies to this section.
- (5) For the purpose of this section, **essential goods or services** means goods or services that are purchased to meet absolute basic needs or are critical to maintaining day to day living arrangements, and includes—

- (a) food and water:
- (b) fuel:
- (c) health services:
- (d) household utilities such as water, electricity, gas, and telecommunications.

9 Vendors must make provision for digital or electrical outage

A vendor must ensure they have sufficient access to cash to allow them to continue to trade in the event of a digital or electrical outage that lasts longer than 24 hours.

10 Exceptions to requirement to accept cash

Section 7 does not apply to a vendor—

- (a) that is unable to accept cash because of—
 - (i) a technical system failure that temporarily prevents the processing of cash payments; or
 - (ii) temporarily having insufficient cash on hand to make change:
- (b) that is prohibited from accepting cash in accordance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009:
- (c) if an exemption under **section 13** applies.

11 Requirement to accept cash does not apply regarding online retail supply

The requirement in **section 7** does not apply in respect of online retail supply.

12 Requirement to accept cash does not apply to supply of land

The requirement in **section 7** does not apply in respect of any supply that wholly or partly consists of interests in land.

13 Exemptions

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations providing that **section 7** does not apply, or applies with modifications, in respect of—
 - (a) a specified vendor or class of vendors:
 - (b) a specified purchaser or class of purchasers:
 - (c) supplies of a particular type:
 - (d) payments above a specified threshold amount, being no greater than \$500.
- (2) Without limiting **subsection (1)**, the regulations may be subject to any conditions specified in the regulations.

- (3) If an exemption is provided for under this section, the reasons for the exemption must be set out in the explanatory note of the regulations.
- (4) Regulations under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Part 3

Infringement offences

14 Not accepting cash payment

A person who contravenes **section 7(1) or 8(1)** commits an infringement offence and is liable to—

- (a) an infringement fee of \$1,000; or
- (b) a fine imposed by a court not exceeding \$5,000.

15 Unlawful charging for cash payment

A person who contravenes **section 7(2)** commits an infringement offence and is liable to—

- (a) an infringement fee of \$1,000; or
- (b) a fine imposed by a court not exceeding \$5,000.

16 Proceedings for infringement offences

- (1) A person who is alleged to have committed an infringement offence may—
 - (a) be proceeded against by the filing of a charging document under section 14 of the Criminal Procedure Act 2011; or
 - (b) be issued with an infringement notice under **section 18**.
- (2) Proceedings commenced in the way described in **subsection (1)(a)** do not require the leave of a District Court Judge or Registrar under section 21(1)(a) of the Summary Proceedings Act 1957.
- (3) *See* section 21 of the Summary Proceedings Act 1957 for the procedure that applies if an infringement notice is issued.

17 Who may issue infringement notices

The Commission may issue infringement notices under this Act.

18 When infringement notice may be issued

The Commission may issue an infringement notice to a person if the Commission believes on reasonable grounds that the person is committing, or has committed, an infringement offence.

19 What infringement notice must contain

An infringement notice must be in the form prescribed in the regulations and must contain the following particulars:

- (a) details of the alleged infringement offence that fairly inform a person of the time, place, and nature of the alleged offence:
- (b) the amount of the infringement fee:
- (c) the address of the Commission:
- (d) how the infringement fee may be paid:
- (e) the time within which the infringement fee must be paid:
- (f) a summary of the provisions of section 21(10) of the Summary Proceedings Act 1957:
- (g) a statement that the person served with the notice has a right to request a hearing:
- (h) a statement of what will happen if the person served with the notice neither pays the infringement fee nor requests a hearing:
- (i) any other matters prescribed in the regulations.

20 How infringement notice may be served

- (1) An infringement notice may be served on the person who the Commission believes is committing or has committed the infringement offence by—
 - (a) delivering it to the person or, if the person refuses to accept it, bringing it to the person's notice; or
 - (b) leaving it for the person at the person's last known place of residence with another person who appears to be of or over the age of 14 years; or
 - (c) leaving it for the person at the person's place of business or work with another person; or
 - (d) sending it to the person by prepaid post addressed to the person's last known place of residence or place of business or work; or
 - (e) sending it to an electronic address of the person in any case where the person does not have a known place of residence or business in New Zealand.
- (2) Unless the contrary is shown,—
 - (a) an infringement notice (or a copy of it) sent by prepaid post to a person under **subsection (1)** is to be treated as having been served on that person on the fifth working day after the date on which it was posted; and
 - (b) an infringement notice sent to a valid electronic address is to be treated as having been served at the time the electronic communication first entered an information system that is outside the control of the Commission.

21 Payment of infringement fees

All infringement fees paid for infringement offences must be paid into a Crown Bank Account.

22 Reminder notices

A reminder notice must be in the form prescribed in the regulations and must include the same particulars, or substantially the same particulars, as the infringement notice.

Part 4 Regulations

23 Regulations

- (1) The Governor-General may, by Order in Council, make regulations for all or any of the following purposes:
 - (a) providing for anything this Act says may or must be provided for by regulations:
 - (b) prescribing forms for infringement notices:
 - (c) prescribing particulars that infringement notices must contain:
 - (d) providing for anything incidental that is necessary for carrying out, or giving full effect to, this Act.
- (2) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Part 5 Consequential amendments

24 Principal Act

Section 25 amends the Reserve Bank of New Zealand Act 2021.

25 Section 116 amended (Central bank functions)

After section 116(c)(iv):

- (v) ensuring the maintenance of sufficient cash in circulation to enable the public to conduct transactions in cash, should they wish to do so; and

Schedule 1
Transitional, savings, and related provisions

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Part 1
Provisions relating to this Act as enacted

- 1 Application of this Act to contracts entered into before commencement date**
- (1) This Act does not apply to a contract entered into before the commencement date and not varied or renewed on or after that date.
 - (2) If a contract entered into before the commencement date is varied or renewed on or after that date, the contract (as varied or renewed) must be treated for the purposes of this Act as a new contract entered into on the date of the variation or renewal.
 - (3) In this clause, **commencement date** means the date on which this Act comes into force.