

10 December 2021

Kia ora,

## **REMINDER: New legal responsibilities for fuel industry participants take effect in 2022**

### **Open letter – Fuel Industry Act 2020**

I am writing to remind you of new requirements that will come into force in 2022 under the Fuel Industry Act 2020 ([the Act](#)). This follows our [open letter](#) in July this year which summarised your rights and obligations ahead of the first set of requirements under the Act taking effect in August 2021.

### **New requirements coming into force on 11 February 2022**

#### **Consumer information requirements**

From 11 February 2022, all retail fuel sites (other than truck stops and sites that predominantly refuel marine vehicles) will be required to display on their price boards the standard retail price of each engine fuel type for sale at the retail site.

This information must be displayed at any time that the retail fuel site is open for business. It must be visible to a person in a motor vehicle at, or passing by, the site, unless any other legislation that restricts the location or size of signage at that site would make compliance with this requirement unlawful.

The obligation to comply with these consumer information requirements can be found in [section 22](#) of the Act. Part 3 of the [Fuel Industry Regulations 2021](#) (the regulations) specifies the information that must be displayed and by whom in more detail.

#### **Information disclosure requirements**

Certain fuel industry participants will be required to provide specified key information to us under information disclosure requirements. This information will help us monitor the competitive performance of engine fuel markets, and to assess whether the purpose of the Act is being met.

The information disclosure requirements will be set out in regulations which are currently being developed by MBIE. Once those regulations are published, we encourage you to read them closely to determine whether there are information disclosure requirements that apply to you. We will also be in touch with more information about these requirements and how information disclosures will need to be provided to us.

### **New requirements coming into force on 11 August 2022**

#### **Fixed wholesale contractual terms**

From 11 August 2022, the obligations and rights that have applied to new contracts since 11 August 2021 will apply to all contracts. The exception to this is the right to terminate after five years, which applies to all contracts from 11 August 2021 regardless of when they were entered into.

As we have previously advised, wholesale suppliers will need to ensure that their contracts are expressed clearly, concisely, and in plain language, and contain transparent pricing methods. There are also requirements aimed at providing more opportunities for distributors to shop around for better wholesale prices – including by providing rights of termination and placing limits on exclusive contracts. The rules also contain a general prohibition against contractual terms that limit the reseller's ability to compete with the wholesale supplier or any other person.

We encourage you to review the Act and regulations carefully to ensure you understand your rights and obligations under the wholesale contract rules.

### **Further information and next steps**

To support the implementation of the new regime, we have met with industry participants to introduce our role under the Act and answer any initial questions. If we have not had an in-person introductory meeting with you and you would like one, please contact us.

If you have any queries about this letter or our fuel sector work more generally, please contact me at [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz).

Yours sincerely



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Manager, Fuel Regulation