

**Reprint
as at 1 March 2014**



**Deposit Takers (Charitable
and Religious Organisations)
Exemption Notice 2010**

(SR 2010/112)

Deposit Takers (Charitable and Religious Organisations) Exemption Notice 2010: revoked, on 1 March 2014, by clause 3.

Pursuant to section 157G of the Reserve Bank of New Zealand Act 1989, the Reserve Bank of New Zealand gives the following notice (to which is appended a statement of reasons of the Bank).

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Charitable and religious organisations

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.

Note 4 at the end of this reprint provides a list of the amendments incorporated.

This notice is administered by the Reserve Bank of New Zealand.

Notice

1 Title

This notice is the Deposit Takers (Charitable and Religious Organisations) Exemption Notice 2010.

2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

3 Revocation

This notice is revoked on the close of 28 February 2014.

Clause 3: replaced, on 30 November 2013, by clause 4 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013 (SR 2013/472).

4 Interpretation

(1) In this notice, unless the context otherwise requires,—

Act means the Reserve Bank of New Zealand Act 1989

charitable and religious organisation means a deposit taker that—

- (a) relies on the exemptions in the Securities Act (Charity Debt Securities) Exemption Notice 2013; or
- (b) is listed in the Schedule

information document means the information document referred to in clause 6 of the Securities Act (Charity Debt Securities) Exemption Notice 2013.

(2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

Clause 4(1) **charitable and religious organisation**: inserted, on 1 December 2010, by clause 4 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

Clause 4(1) **charitable and religious organisation** paragraph (a): replaced, on 30 November 2013, by clause 5(1) of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013 (SR 2013/472).

Clause 4(1) **information document**: replaced, on 30 November 2013, by clause 5(2) of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013 (SR 2013/472).

5 Exemption from requirement to have credit rating

A charitable and religious organisation is exempted from section 157I of the Act.

Clause 5: substituted, on 1 December 2010, by clause 5 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

6 Exemption from governance requirements

A charitable and religious organisation is exempted from section 157L of the Act.

Clause 6: substituted, on 1 December 2010, by clause 5 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

7 Exemption from capital ratio requirements

A charitable and religious organisation is exempted from sections 157T and 157U of the Act.

Clause 7: added, on 1 December 2010, by clause 5 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

8 Exemption from related party exposures requirements

A charitable and religious organisation is exempted from sections 157X and 157Y of the Act.

Clause 8: added, on 1 December 2010, by clause 5 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

9 Exemption from liquidity requirements

A charitable and religious organisation is exempted from sections 157ZA and 157ZB of the Act.

Clause 9: added, on 1 December 2010, by clause 5 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

10 Conditions of exemptions in clauses 5 to 9

(1) The exemptions in clauses 5 to 9 are subject to the following conditions:

- (a) a charitable and religious organisation that, on or after 1 December 2010, starts taking deposits in reliance on the Securities Act (Charity Debt Securities) Exemption

- Notice 2013 must notify the Bank that it intends to operate on the basis of the exemptions; and
- (b) a charitable and religious organisation must not disclose an assessment of its creditworthiness that is in substance a credit rating (whether called a rating, grading, scoring, ranking, or by another name) issued by an agency that is not approved by the Bank under section 157J of the Act.
- (2) The exemptions in clauses 5 to 9 are subject to a further condition that any information document relating to debt securities of the charitable and religious organisation and distributed on or after 26 November 2012 must contain, or be accompanied by, a statement that the charitable or religious organisation is temporarily exempted, until 28 February 2014, from—
- (a) the requirement in section 157I of the Act to have a credit rating; and
 - (b) the governance requirements in section 157L of the Act; and
 - (c) the capital ratio requirements in sections 157T and 157U of the Act; and
 - (d) the related party exposures requirements in sections 157X and 157Y of the Act; and
 - (e) the liquidity requirements in sections 157ZA and 157ZB of the Act.

Clause 10: added, on 1 December 2010, by clause 5 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

Clause 10(1)(a): amended, on 30 November 2013, by clause 6(1) of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013 (SR 2013/472).

Clause 10(2): amended, on 30 November 2013, by clause 6(2) of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013 (SR 2013/472).

Clause 10(2): amended, on 26 November 2012, by clause 3 of the Deposit Takers (Extension of Terms) Exemption Notice 2012 (SR 2012/344).

Schedule

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Charitable and religious organisations

Schedule: added, on 1 December 2010, by clause 6 of the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439).

The Kingdom Resources Trust

Dated at Wellington this 4th day of May 2010.

Grant Spencer,
Deputy Governor.

Statement of reasons

Note: the following statement of reasons should be read in conjunction with the statement(s) of reasons appended to:

- Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013
- Deposit Takers (Extension of Terms) Exemption Notice 2012
- Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on 30 November 2012. It exempts from the requirement to have a credit rating under section 157I of the Reserve Bank of New Zealand Act 1989 (the **Act**) deposit takers that are issuing debt securities in reliance on the exemption granted by clause 5 of the Securities Act (Charitable and Religious Purposes) Exemption Notice 2003.

The exemption granted by clause 5 of the Securities Act (Charitable and Religious Purposes) Exemption Notice 2003 applies to organisations that are exclusively for charitable, religious, and certain other purposes and is from the trustee and trust deed, prospectus, and investment statement requirements of the Securities Act 1978 and certain requirements of the Securities Regulations 1983.

The Reserve Bank of New Zealand, after taking into account the principles set out in section 157F of the Act, and satisfying itself as to the matters set out in section 157G(2) of the Act, considers it is appropriate to grant the exemption because—

- the Bank is satisfied that compliance with section 157I would be unduly onerous and burdensome in the circumstances. The relevant circumstances include that the deposit takers are established for charitable, religious, educational, or recreational purposes, that they operate under an exemption from certain requirements of the Securities Act 1978 and that, in various other ways, they are distinct from other deposit takers. These circumstances, in combination, limit the relevance of the deposit taker regime. The relevance of the circumstances may change in the future, for example, depending upon whether the Securities Act 1978 exemption, which is due to expire in 2012, is renewed;
- granting a temporary exemption is consistent with the maintenance of a sound and efficient financial system, given that the class of deposit takers benefiting from this exemption is a small proportion of all deposit takers and their treatment is unlikely to have a material impact on the system;
- the exemption is a short-term exemption and only extends to deposit takers that are operating under the Securities Act (Charitable and Religious Purposes) Exemption Notice 2003; this ensures that the exemption does not go further than is reasonably necessary to address the concerns raised above.

Note: the preceding statement of reasons should be read in conjunction with the statement(s) of reasons appended to:

- Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013
- Deposit Takers (Extension of Terms) Exemption Notice 2012
- Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010

Reprints notes

1 *General*

This is a reprint of the Deposit Takers (Charitable and Religious Organisations) Exemption Notice 2010 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Deposit Takers (Charitable and Religious Organisations) Exemption Notice 2010 (SR 2010/112): clause 3

Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013 (SR 2013/472)

Deposit Takers (Extension of Terms) Exemption Notice 2012 (SR 2012/344): clause 3

Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2010 (SR 2010/439)
