2013/472

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

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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Notice

1 Title

This notice is the Deposit Takers (Charitable and Religious Organisations) Exemption Amendment Notice 2013.

2 Commencement

This notice comes into force on 30 November 2013.

3 Principal notice

This notice amends the Deposit Takers (Charitable and Religious Organisations) Exemption Notice 2010 (the **principal notice**).

4 Clause 3 replaced (Expiry)

Replace clause 3 with:

"**3 Revocation**

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

5 Clause 4 amended (Interpretation)

(1) In clause 4(1), definition of **charitable and religious organisation**, replace paragraph (a) with:

"(a) relies on the exemptions in the Securities Act (Charity Debt Securities) Exemption Notice 2013; or".

(2) In clause 4(1), replace the definition of **information document** with:

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

6 Clause 10 amended (Conditions of exemptions in clauses 5 to 9)

(1) In clause 10(1)(a), replace "clause 5 of the Securities Act (Charitable and Religious Purposes) Exemption Notice 2003" with "the Securities Act (Charity Debt Securities) Exemption Notice 2013".

(2) In clause 10(2), replace "30 November 2013" with "28 February 2014".

Dated at Wellington this 26th day of November 2013.

Grant Spencer,
Deputy Governor.

Statement of reasons

This notice, which comes into force on 30 November 2013, extends until 28 February 2014 the Deposit Takers (Charitable and Religious Organisations) Exemption Notice 2010 (the **principal notice**), which is due to expire at the close of 30 November 2013. That notice exempted from certain requirements under the Reserve Bank of New Zealand Act 1989 (the **Act**) deposit takers that issued debt securities in reliance on the exemption granted by clause 5 of the Securities Act (Charitable and Religious Purposes) Exemption Notice 2003 (the **old Securities Act exemption**). The old Securities Act exemption applied to organisations that are exclusively for charitable, religious, and certain other purposes and granted an exemption 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 old Securities Act exemption expires on 30 November 2013 and is being replaced (with amendments) by the Securities Act (Charity Debt Securities) Exemption Notice 2013.

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 renew the exemptions in the principal notice because—

- the Bank is satisfied that compliance with the sections of the Act to which the exemptions relate would be unduly onerous and burdensome in the circumstances. The relevant circumstances include that the deposit takers are registered as charities under the Charities Act 2005, that they operate under an exemption from certain requirements of the Securities Act 1978, and that, in some respects, they are distinct from other deposit takers:
- renewing the 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 short-term impact on the system:

- the exemption is a short-term exemption until 28 February 2014, at which time it will be replaced by an amended exemption from the non-bank deposit taker regime. It also only extends to deposit takers that are operating under the Securities Act (Charity Debt Securities) Exemption Notice 2013, which ensures that the exemption does not go further than is reasonably necessary to address the concerns raised above.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 28 November 2013.
This notice is administered by the Reserve Bank of New Zealand.

Wellington, New Zealand:
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