



Deposit Takers (Moratorium) Exemption Amendment Notice 2010

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 (Moratorium) Exemption Amendment Notice 2010.
- 2 Commencement**
 This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Principal notice amended**
 This notice amends the Deposit Takers (Moratorium) Exemption Notice 2009.
- 4 Schedule amended**
 (1) The Schedule is amended by inserting the following items in their appropriate alphabetical order:

Dorchester Finance Limited	30 September 2011
Mortgage Backed Bonds Limited	1 March 2013
St Laurence Limited	1 March 2013
Structured Finance (NZ) Limited	31 October 2011

- (2) The Schedule is amended by omitting the items relating to Hanover Capital Limited, Hanover Finance Limited, and United Finance Limited.

Dated at Wellington this 15th day of February 2010.

Grant Spencer,
Deputy Governor.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette*, amends the Deposit Takers (Moratorium) Exemption Notice 2009, which exempts certain entities from the requirement to have a credit rating. The notice inserts the names of 4 new entities to the list of exempted entities. These are entities that have previously issued debt securities to members of the public, but that are now in a moratorium approved by their stockholders and have not yet repaid all of their depositors, and are deemed to be deposit takers by section 157C(3) of the Reserve Bank of New Zealand Act 1989 (the **Act**). The notice also omits the names of 3 entities that no longer meet the definition of deposit takers as they do not have any outstanding debt securities.

The Bank, after taking into account the principles set out in section 157F of the Act, and satisfying itself as to the matters set out in sec-

tion 157G(2) of the Act, considers it appropriate to grant the exemption in relation to the 4 new entities because—

- the Bank is satisfied that the exemption is consistent with the maintenance of a sound and efficient financial system in that an exempted entity will be prevented by the conditions of the Deposit Takers (Moratorium) Exemption Notice 2009 from accepting deposits from the public:
- the additional direct and indirect costs of obtaining a credit rating are unduly onerous and burdensome in the circumstances. The relevant circumstances are that the deposit taker is unable to accept deposits from the general public as a condition of the exemption, and existing depositors have agreed not to withdraw their deposits until they fall due under the new arrangement. In these circumstances, a credit rating is not likely to provide material additional benefits to depositors:
- the exemption is conditional on the exempted deposit taker not issuing any further debt securities to the public, but at the same time it does not preclude the possibility of investment, for example, by a wealthy or experienced investor, that may assist an entity in moratorium; therefore the exemption is not broader than is reasonably necessary to address the matters that gave rise to the exemption.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 18 February 2010.
This notice is administered by the Reserve Bank of New Zealand.
