



Deposit Takers (Craigs Investment Partners Cash Management Trust Limited) Exemption 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 (Craigs Investment Partners Cash Management Trust Limited) Exemption Notice 2010.
- 2 Commencement**
 This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Expiry**
 This notice expires on the close of 31 December 2010.
- 4 Interpretation**
 (1) In this notice, unless the context otherwise requires,—

Act means the Reserve Bank of New Zealand Act 1989

advertisement has the same meaning as in section 2A of the Securities Act 1978

CMT means Craigs Investment Partners Cash Management Trust Limited

investment statement has the same meaning as in section 38C of the Securities Act 1978

registered prospectus has the same meaning as in section 2(1) of the Securities Act 1978.

- (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.

5 Exemption from requirement to have current credit rating

CMT is exempted from section 157I of the Act.

6 Conditions of exemption in clause 5

- (1) The exemption in clause 5 is subject to the conditions that—
- (a) every registered prospectus, investment statement, and advertisement that relates to an offer of debt securities to the public by CMT must include a statement to the effect that CMT—
 - (i) does not have a current rating of its creditworthiness under section 157I of the Act; and
 - (ii) is exempted from section 157I of the Act until 31 December 2010; and
 - (iii) is in the process of winding down its debt security products; and
 - (b) CMT must not disclose any rating of its creditworthiness or financial condition that is not from an approved rating agency; and
 - (c) CMT must, by the close of 31 December 2010,—
 - (i) either repay the money owing in respect of every debt security issued pursuant to an offer of debt securities to the public; or
 - (ii) cease to be under an obligation to repay the money referred to in subparagraph (i).

- (2) The condition in subclause (1)(a) does not apply to an advertisement consisting solely of an application form for subscription for a debt security that accompanies a document that contains the statement required by that subclause.

Dated at Wellington this 1st day of June 2010.

Grant Spencer,
Deputy Governor.

Statement of reasons

This notice, which comes into force on the day after its notification in the *Gazette* and expires on 31 December 2010, exempts, subject to conditions, Craigs Investment Partners Cash Management Trust Limited (**CMT**) from section 157I of the Reserve Bank of New Zealand Act 1989 (the **Act**). Section 157I requires deposit takers to have a current credit rating.

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), considers it appropriate to grant the exemption because—

- the costs of obtaining a credit rating are unduly onerous or burdensome in circumstances where CMT is taking action to cease being a deposit taker, and a credit rating would be required only for the period that CMT remains a deposit taker:
- the exemption allows CMT sufficient time to work through an appropriate process to change its business to a point where it is no longer a deposit taker and will therefore not need to comply with Part 5D of the Act:
- the exemption is for a specified time for a specified individual entity and therefore is not broader than what is reasonably necessary to address the matters that gave rise to the exemption.

It recognises that CMT needs time to adapt its business model to remove itself from the new regulatory environment.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 3 June 2010.
This notice is administered by the Reserve Bank of New Zealand.
