



## Deposit Takers (Funding Conduits) Exemption Amendment Notice 2010

Pursuant to the 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 (Funding Conduits) 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 (Funding Conduits) Exemption Notice 2010.

**4 Expiry**

Clause 3 is amended by inserting “or clause 11(2)” after “clause 10(2)”.

**5 New clause 11 inserted**

The following clause is inserted after clause 10:

**“11 Further temporary exemption from requirement to have current credit rating**

“(1) GPG Finance plc is exempted from section 157I of the Act.

“(2) This clause expires on the close of 31 December 2010.”

**6 Schedule amended**

The Schedule is amended by inserting the following item in its appropriate alphabetical order:

GPG Finance plc, a company      Guinness Peat Group plc, a company  
incorporated in England and Wales      incorporated in England and Wales

Dated at Wellington this 13th day of July 2010.

Grant Spencer,  
Deputy Governor.

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**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 (Funding Conduits) Exemption Notice 2010 (the **principal notice**). The amendments add GPG Finance plc to the list of deposit takers (known as **specified funding conduits**) in the Schedule of the principal notice. This has the effect of exempting GPG Finance plc from sections 157I and 157M of the Reserve Bank of New Zealand Act 1989 (the **Act**). The exemptions are subject to conditions, although *new clause 11* (as inserted by *clause 4* of this notice) temporarily exempts GPG Finance plc from section 157I of the Act unconditionally. *New clause 11* expires on 31 December 2010.

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 exemptions because—

- requiring a specified funding conduit to incur the additional costs of complying with the requirements to have a current credit rating and a risk management programme in isolation from the specified funding conduit's group is unduly onerous in circumstances where—
  - the specified funding conduit's parent unconditionally guarantees debt securities issued by the specified funding conduit:
  - the specified funding conduit uses the funding it receives from depositors solely or substantially to fund its parent or members of its group:
  - the specified funding conduit's risk profile is indistinguishable from that of its parent, and its parent is not a deposit taker:
- the exemptions are not broader than reasonably necessary to address the matters that gave rise to the need for them and are consistent with the maintenance of a sound and efficient financial system because GPG Finance plc will have to satisfy all the conditions of the principal notice.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 22 July 2010.  
This notice is administered by the Reserve Bank of New Zealand.

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