

**Reprint
as at 2 March 2012**



**Deposit Takers (Wine Country
Credit Union) Exemption Notice
2010**

(SR 2010/105)

Deposit Takers (Wine Country Credit Union) Exemption Notice 2010: expired,
on 2 March 2012, 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).

Contents

	Page
1 Title	1
2 Commencement	2
3 Expiry	2
4 Interpretation	2
5 Exemption from section 157I of Act	2
6 Conditions of exemption	2

Notice

- 1 Title**
This notice is the Deposit Takers (Wine Country Credit Union) Exemption Notice 2010.

Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

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

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 1 March 2012.

4 Interpretation

- (1) In this notice, unless the context otherwise requires,—
Act means the Reserve Bank of New Zealand Act 1989
Wine Country means Wine Country Credit Union.
- (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.
- (3) Any term or expression that is defined in the Securities Act 1978 and used in this notice but not defined in this notice or the Act has the same meaning as in the Securities Act 1978.

5 Exemption from section 157I of Act

Wine Country is exempted from section 157I of the Act.

6 Conditions of exemption

The exemption in clause 5 is subject to the conditions that—

- (a) Wine Country must, on or before 31 May 2010, deliver to the Registrar of Companies a memorandum of amendments to each registered prospectus relating to an offer of its debt securities in order to ensure that the prospectus—
 - (i) prominently states that the creditworthiness of Wine Country is not rated by a rating agency approved by the Bank under section 157J of the Act; and
 - (ii) discloses that Wine Country is not rated because it is operating under an exemption from the requirement under the Act to have a credit rating; and
 - (iii) describes the general nature and effect of the exemption; and

- (iv) does not disclose an assessment of the creditworthiness of Wine Country that is in substance a credit rating (whether called a rating, grading, scoring, ranking, or by any other name) issued by an agency that is not approved by the Bank under section 157J of the Act; and
- (b) Wine Country must ensure that every investment statement and other advertisement relating to an offer of its debt securities that is distributed by, or on behalf of, Wine Country to any member of the public after this notice comes into force contains, or is accompanied by, the statements and information referred to in paragraph (a)(i) to (iii); and
- (c) Wine Country must not disclose, in any investment statement or other advertisement referred to in paragraph (b), an assessment of its creditworthiness that is in substance a credit rating (whether called a rating, grading, scoring, ranking, or by any other name) issued by an agency that is not approved by the Bank under section 157J of the Act; and
- (d) Wine Country must, at least once in every 6-month period during which this notice is in force, provide to the Bank a report that describes the steps that it has taken, and intends to take, to bring itself into a position where it can comply with section 157I of the Act before 1 March 2012.

Dated at Wellington this 27th day of April 2010.

Grant Spencer,
Deputy Governor.

Statement of reasons

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on 1 March 2012.

The notice exempts Wine Country Credit Union, as a deposit taker within the meaning of Part 5D of the Reserve Bank of New Zealand Act 1989 (the **Act**), from the requirement in section 157I of the Act 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) of the Act, considers it appropriate to grant the exemption because—

- the Bank is satisfied that the exemption is consistent with the maintenance of a sound and efficient financial system in that it is an exemption for a limited time within which Wine Country Credit Union is expected to come into compliance with the Act or to operate within the current class exemption available for deposit takers with liabilities of under \$20 million; and
- the additional direct and indirect costs of obtaining a credit rating are unduly onerous and burdensome in the circumstances. The relevant circumstances are that owing to the particular circumstances applying to Wine Country Credit Union, including its current business model, the cost of a credit rating would be a significant portion of its profit and would erode its ability to build and maintain prudent capital levels in the short term; and
- the exemption allows Wine Country Credit Union sufficient time to build appropriate capital levels and to work through an appropriate process to change the nature of its business, either to a point where it can meet the requirement for a credit rating without the obligation being unduly onerous or burdensome or to a point where it will be able to operate within the current class exemption available for deposit takers with liabilities of under \$20 million; and
- the transitional exemption is for a 2-year period and therefore the exemption is not broader than reasonably necessary to address the matters that gave rise to the exemption.

Reprinted as at
2 March 2012

**Deposit Takers (Wine Country Credit
Union) Exemption Notice 2010**

Date of notification in *Gazette*: 29 April 2010.

Contents

- 1 General
 - 2 Status of reprints
 - 3 How reprints are prepared
 - 4 Changes made under section 17C of the Acts and Regulations Publication Act 1989
 - 5 List of amendments incorporated in this reprint (most recent first)
-

Notes**1 General**

This is a reprint of the Deposit Takers (Wine Country Credit Union) Exemption Notice 2010. The reprint incorporates all the amendments to the notice as at 2 March 2012, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, see <http://www.pco.parliament.govt.nz/reprints/>.

2 Status of reprints

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 How reprints are prepared

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and provisions that are repealed or revoked

are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

4 Changes made under section 17C of the Acts and Regulations Publication Act 1989

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

5 *List of amendments incorporated in this reprint (most recent first)*

Deposit Takers (Wine Country Credit Union) Exemption Notice 2010 (SR 2010/105): clause 3
