

**Reprint
as at 2 December 2014**



**Deposit Takers (Foodstuffs
(Wellington) Co-operative Society
Limited) Exemption Notice 2011**

(SR 2011/134)

Deposit Takers (Foodstuffs (Wellington) Co-operative Society Limited)
Exemption Notice 2011: expired, on 2 December 2014, 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).

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Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.

Note 4 at the end of this reprint provides a list of the amendments incorporated.

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

Notice

1 Title

This notice is the Deposit Takers (Foodstuffs (Wellington) Co-operative Society Limited) Exemption Notice 2011.

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 December 2014.

4 Interpretation

- (1) In this notice, unless the context otherwise requires,—
- Act** means the Reserve Bank of New Zealand Act 1989
- Foodstuffs** means Foodstuffs (Wellington) Co-operative Society Limited, an industrial and provident society incorporated under the Industrial and Provident Societies Act 1908.
- (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

Foodstuffs is exempted from section 157I of the Act.

6 Exemption from capital ratio requirements

- (1) Foodstuffs is exempted from sections 157T and 157U of the Act.
- (2) The trustee in respect of the debt securities of Foodstuffs is exempted from section 157T of the Act in respect of those securities.

7 Exemption from related party exposures requirements

- (1) Foodstuffs is exempted from sections 157X and 157Y of the Act.

- (2) The trustee in respect of the debt securities of Foodstuffs is exempted from section 157X of the Act in respect of those securities.

8 Exemption from liquidity requirements

- (1) Foodstuffs is exempted from sections 157ZA and 157ZB of the Act.
- (2) The trustee in respect of the debt securities of Foodstuffs is exempted from section 157ZA of the Act in respect of those securities.

9 Condition of exemptions

- (1) The exemptions in clauses 5 to 8 are subject to the condition that Foodstuffs must not allot any debt security offered to the public in New Zealand unless the subscriber has, before subscription, received written notification that Foodstuffs is exempted, until 1 December 2014, from—
- (a) the requirement to have a current credit rating in section 157I of the Act; and
 - (b) the capital ratio requirements in sections 157T and 157U of the Act; and
 - (c) the related party exposures requirements in sections 157X and 157Y of the Act; and
 - (d) the liquidity requirements in sections 157ZA and 157ZB of the Act.
- (2) The notification referred to in subclause (1) may be included in any prospectus or investment statement or application form for the debt security.

10 Additional conditions relating to exemption from requirement to have current credit rating

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

- (a) debt securities offered by Foodstuffs to the public in New Zealand are offered only to persons who are members of Foodstuffs; and
- (b) Foodstuffs must not disclose an assessment of its credit-worthiness that is in substance a credit rating (whether called a rating, grading, scoring, ranking, or by another

name) issued by an agency that is not approved by the Bank under section 157J of the Act.

Dated at Wellington this 9th day of May 2011.

Grant Spencer,
Deputy Governor.

Statement of reasons

This notice comes into force on the day after its notification in the *Gazette* and expires on 1 December 2014.

Foodstuffs (Wellington) Co-operative Society Limited (**Foodstuffs**) is a deposit taker within the meaning of Part 5D of the Reserve Bank of New Zealand Act 1989 (the **Act**). This notice exempts Foodstuffs, and in some cases its trustee, from the following prudential requirements in the Act:

- section 157I (current credit rating requirements):
- sections 157T and 157U (capital ratio requirements):
- sections 157X and 157Y (related party exposures requirements):
- sections 157ZA and 157ZB (liquidity requirements).

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 grant the exemptions because—

- Foodstuffs is an industrial and provident society under the Industrial and Provident Societies Act 1908. It is a wholesale grocery merchant owned by its members and operating for their benefit:
- members would not gain material benefits or additional protections if Foodstuffs complied with the prudential requirements:
- the additional direct and indirect costs of complying with the prudential requirements are unduly onerous and burdensome

in the circumstances. Those circumstances are that the debt securities offered by Foodstuffs are not offered as investments to customers but are offered to members as part of an on-going business relationship connected with the grocery industry. Additionally, the prudential requirements cannot sensibly be applied to Foodstuffs unless it significantly changes its business and capital structure. Compliance with the prudential requirements would be unduly onerous and burdensome:

- Foodstuffs is a wholesale grocery merchant that restricts offers of debt securities to members of the public who are its members and does not extend such offers to the public at large, and therefore the exemptions are consistent with the maintenance of a sound and efficient financial system.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 12 May 2011.

Reprints notes

1 *General*

This is a reprint of the Deposit Takers (Foodstuffs (Wellington) Co-operative Society Limited) Exemption Notice 2011 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Deposit Takers (Foodstuffs (Wellington) Co-operative Society Limited) Exemption Notice 2011 (LI 2011/134): clause 3
