

House of Representatives

Supplementary Order Paper

Tuesday, 12 March 2013

Reserve Bank of New Zealand (Covered Bonds) Amendment Bill

Proposed amendments

Hon Bill English, in Committee, to move the following amendments:

Clause 2

In *clause 2*, replace “on the day after” (line 6 on page 2) with “on the 7th day after”.

Clause 9: new section 139A

In *clause 9, new section 139A*, replace “In **sections 139B to 139J**,” (line 29 on page 3) with “In this section and in **sections 139B to 139J**,”.

In *clause 9, new section 139A*, definition of **covered bond**, replace paragraph (b) (lines 11 to 13 on page 4) with:

- (b) the principal and interest owing under the bond, note, or other debt security are guaranteed by a covered bond SPV; and

Clause 9: new section 139B

In *clause 9, new section 139B*, replace “For the purposes of **sections 139C to 139J**,” (line 30 on page 4) with “In **sections 139A to 139J**,”.

Clause 9: new section 139C

In *clause 9, new section 139C(1)*, replace “**sections 139B to 139J**,” (line 21 on page 5) with “**sections 139A to 139J**”.

In *clause 9, new section 139C(2)*, replace “**sections 139B to 139J**,” (line 37 on page 5) with “**sections 139A to 139J**”.

Clause 9: new section 139F

In *clause 9, new section 139F(2)(da)*, replace “that the covered bond programme specifies” (line 7 on page 9) with “that the covered bond programme specifies, or refers to documents that specify,”.

In *clause 9*, replace *new section 139F(2)(f)* (lines 19 to 25 on page 9) with:

- “(f) that the covered bond programme provides for the covered bond SPV to perform, or arrange to have performed on its behalf, the requirements of **section 139H(1)(a) and (b)(i)**—
- “(i) in the event that any amounts become due and payable by the covered bond SPV under the covered bond programme; and
- “(ii) until the security interest over the cover pool assets has been enforced; and

In *clause 9*, *new section 139H(1)(e)(i)*, replace “it” (line 16 on page 12) with “the registered covered bond programme”.

Clause 11

Replace *clause 11(2) and (3)* (line 35 on page 16 to line 15 on page 17) with:

- “(2) However, despite **subsection (1)**, an issuer may, in relation to an existing covered bond programme, make an application under **section 139E** of the principal Act (as inserted by **section 9** of this Act) at any time on or after the date on which this Act comes into force and, in that case,—
- “(a) **section 139E(4A) and (5)(a) and (ab)** of the principal Act (as inserted by **section 9** of this Act) apply on and from the date on which the application is approved or declined under **section 139G** of the principal Act (as inserted by **section 9** of this Act); and
- “(b) all other amendments made by this Act apply on and from the date of the application.
- “(3) To avoid doubt, on and from the date specified in **subsection (1)**,—
- “(a) all amendments made by this Act apply in relation to existing covered bond programmes; and
- “(b) covered bonds must not be issued under an existing covered bond programme unless the programme is registered under **section 139G** of the principal Act (as inserted by **section 9** of this Act).

Explanatory note

This Supplementary Order Paper amends the Reserve Bank of New Zealand (Covered Bonds) Amendment Bill to clarify—

- that the definitions in *new sections 139A, 139B, and 139C* apply in relation to all of *new sections 139A to 139J*;
- that the requirement in *new section 139F(2)(da)* is satisfied if the covered bond programme specifies the procedures and internal controls by reference to the relevant documents:

- that the requirements in *new section 139F(2)(f)* cease to apply if the security interest over the cover pool assets has been enforced:
 - the application of the transitional provisions to existing covered bonds.
-