

# Deposit Takers (Nelson Building Society) Exemption Amendment Notice 2015

Under section 70 of the Non-bank Deposit Takers Act 2013, 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

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### **1 Title**

This notice is the Deposit Takers (Nelson Building Society) Exemption Amendment Notice 2015.

### **2 Commencement**

This notice comes into force on 1 November 2015.

### **3 Principal Notice**

This notice amends the Deposit Takers (Nelson Building Society) Exemption Notice 2011 (the **principal notice**).

### **4 Clause 3 amended (Expiry)**

In clause 3, replace “30 November 2016” with “1 November 2025”.

Dated at Wellington this

30<sup>th</sup> day of October 2015.



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Grant Spencer,  
Deputy Governor.

## Statement of reasons

*This statement is not part of the notice, but is intended to indicate its general effect.*

This notice which comes into force on 1 November 2015, amends the principal notice by extending the term of the notice until the close of 1 November 2025.

The principal notice has the effect of treating Nelson Building Society (**NBS**) as a “qualifying mutual” under the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010. This permits preference shares to constitute up to 50% of NBS’s capital for the purpose of calculating its capital ratios rather than the 25% limit that applies to entities that are not qualifying mutuals.

The Reserve Bank of New Zealand (the **Bank**), after taking into account the principles set out in section 8 of the Non-bank Deposit Takers Act 2013 (the **Act**) and after satisfying itself as to the matters set out in section 70(2) of the Act, considers it appropriate to amend the principal notice because the reasons for the exemption in the principal notice remain valid and relevant, namely that:

- it would be unduly onerous and burdensome to restrict NBS to the 25% of capital preference share limit that is intended for non-mutual organisations that do not have restrictions on their capacity to raise ordinary voting share capital:
- the limited nature of the exemption will not be prejudicial to the maintenance of a sound and efficient financial system:
- it will not be broader than necessary to address the matters giving rise to the exemption.

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