

Non-bank Deposit Takers (Nelson Building Society) Exemption Revocation Notice 2020

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).

Notice

- 1 Title**
This notice is the Non-bank Deposit Takers (Nelson Building Society) Exemption Revocation Notice 2020.
- 2 Commencement**
This notice comes into force on 3 September 2020.
- 3 Revocation**
The Non-Bank Deposit Takers (Nelson Building Society) Exemption Notice 2018 is revoked.

Dated at Wellington this 2nd day of September 2020.



Geoff Bascand
Deputy Governor

Statement of reasons

This notice, which comes into force on 3 September 2020, revokes the Non-Bank Deposit Takers (Nelson Building Society) Exemption Notice 2018 (the **Exemption**).

The Bank, after taking into account the principles set out in section 8 of the Non-bank Deposit Takers Act 2013 (the **Act**), considers it appropriate to revoke the Exemption on the basis that:

- Part 3 of the Deposit Takers (Credit Ratings, Capital Ratios and Related Party Exposures) Regulations 2010 (the **Regulations**) sets out rules relating to the minimum capital ratio that non-bank deposit takers are required to maintain. In particular, regulation 10(5)(a) provides that non-cumulative preference shares without full voting rights may not constitute more than 25% of capital, for deposit taker that is not a qualifying mutual.
 - The Exemption provides that Nelson Building Society (**NBS**) is subject to a 50% capital limit, instead of the 25% limit set out in regulation 10(5)(a).
 - The Bank has reviewed recent changes to the terms and conditions of NBS' preference shares, and considers that it will no longer be unduly burdensome and onerous for NBS to comply with regulation 10(5)(a).
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