

21 December 2011

All NZClear Settlements Managers

Dear NZClear member,

**Notice of amended NZClear Rules - Effective 1 March 2012**

Please find attached a copy of amended Rules for the NZClear System. The amended Rules become effective from and including **1 March 2012**. We draw your attention to Rule 22.3.2 which states:

*"If a Member does not wish to become bound by a Rule Change, it is open to that Member to resign its membership in accordance with Rule 3.4. For the avoidance of doubt, if a Member receives notice of a Rule Change and continues as a Member of the System after the date on which the Rule Change has effect, that Member thereby accepts the Rule Change and is bound to comply with these Rules as amended or replaced by that Rule Change."*

You will recall that over the course of the last four months we consulted with members on proposed Rule changes and provided comments on the feedback received.

The Rules are an important document – they govern the contractual relationship between all members, their clearing bank and the Reserve Bank as System Operator.

**Please ensure the amended Rules are brought to the attention of all relevant people in your organization.**

The amended Rules include a number of important changes, the most notable of which are included in:

- Rule 11 concerning definition of Settlement
- Rules 17.5 and 17.6 concerning Errors and Loss Allocation following an Error
- Rule 19 concerning revised annual and quarterly audit requirements.

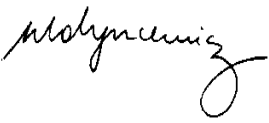
These Rule changes are an important part of the NZClear's application to become a designated settlement system under the Reserve Bank of New Zealand Act 1989. We continue to liaise with the joint regulators and we expect the application process will be finalised early in 2012.

We have also updated the **NZClear Operating Guidelines effective 1 January 2012**. The Operating Guidelines now include a statement taken from our recent newsletter confirming the Bank's long-standing policy for disclosing information on members' holdings and transactions. Additionally, a number of minor amendments have been made.

Attached for your information are copies of each of the Rules effective 1 March 2012 and amended Operating Guidelines effective 1 January 2012.

If you have any queries in respect of these documents, then please contact Adrienne Barlow on 04 471-3629 or by email on [Adrienne.barlow@rbnz.govt.nz](mailto:Adrienne.barlow@rbnz.govt.nz).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wolyncewicz', with a stylized flourish at the end.

Mike Wolyncewicz  
Chief Financial Officer  
Reserve Bank of New Zealand