



# NZCLEAR

System Operator - Reserve Bank of New Zealand  
Custodian Trustee: New Zealand Central Securities Depository Ltd (NZCSD)

## Industry update December 2010

Welcome.....	2
Achievements for 2010 .....	2
Major Developments for 2011.....	2
Memorandum of Understanding.....	3
Designation of Austraclear/NZClear .....	3
Changes to IP Addresses for Internet Users .....	4
Changes to the Approved Issuer Levy (AIL) have been proposed .....	4
Handy Hints from the NZClear Help Desk Team .....	5
NZClear – Email & distribution lists.....	6
NZClear User Advisory Committee .....	6
NZClear Annual Report.....	6
FMOA / NZClear User Group.....	7
Test System use .....	7
Holiday Season Hours.....	7
Statistics .....	8

## Welcome

---

Well this will be the last newsletter for 2010. It has been an exciting year with a lot of major developments or changes being released throughout the year.

The introduction of the Registry and NZX interfaces has reduced our paper flows by approximately 80%! The turnaround time is generally less than 3 minutes (previously up to a 1 hour). We hope to bring on another Registry by Q2 2011. The new interfaces are working extremely well and there have been no material disruptions to report.

We also had the to opportunity to catch up with some of our members in both New Zealand and Australia and have received some really positive feedback and initiatives to take us forward in 2011. We will continue our visits and hope to catch up with you all soon. In the meantime if you have any issues or queries please do not hesitate to contact me.

Happy Holidays!

**Adrienne Barlow, Manager Payments & Settlement Services**

## Achievements for 2010

---

Major developments or changes released this year include:

- NZX Interface
- RI Interface
- Transact performance improvements
- Purchased a perpetual license for NZClear (Austraclear)
- NZClear System Availability was 99.98% for the 12 months ended 30/11/10.

## Major Developments for 2011

---

The following developments are prioritised for 2011. *There are other developments that will be announced and released throughout the year as part of our scheduled code releases.*

### Hardware Refresh (TR3)

Work on replacement of the ESAS-NZClear servers is continuing. There are basically two configuration options being explored, with a preferred solution likely to be identified early in 2011. Support of the current servers has been extended until August 2011.

## Settlement Before Interchange (SBI)

The RBNZ prototype is now fully operational on the NZClear Test system, with migration to a dedicated SBI server scheduled for 17 December 2011. This will simplify SBI deployment and ease test system administration and contention. SBI development work covers various functional components – some of which will have an impact on NZClear Members.

## Password Management

To make the system more self managed (especially around extended support hours required for SBI), options are currently being investigated to change and simplify the system logon process. This is likely to merge Company and User logons into a single logon possibly using RSA for password management and authentication. It is hoped to identify a solution early in 2011 with deployment around May-June 2011.

## SWIFT server upgrade and SWIFT version 7

The RBNZ SWIFT environment will be upgraded and the system migrated from version 6.3 to version 7. This work has commenced with implementation in the first quarter of 2011.

## Auckland Office

We will officially be opening the Auckland office in April 2011. We have staff relocating from the Payments & Settlement Services (PaSS) area here in Wellington, and we are currently recruiting for PaSS Officers.

## Memorandum of Understanding

---

In October we entered into a memorandum of understanding with NZX Limited. While our two systems will compete, NZX and the Reserve Bank will work collaboratively to ensure that operations and development work occur in a co-ordinated and efficient way that is in the market's best interests.

<http://www.rbnz.govt.nz/payment/nzclear/4201624.pdf>

## Designation of Austraclear/NZClear

---

The Bank continues to interact with the joining regulators on our application for designation of the NZClear system. We will consult with members on proposed rule changes following the joint regulators' review.

## Changes to IP Addresses for Internet Users

---

Members who have used fixed IP addresses for “prod.esas-austraclear.rbnz.govt.nz” and “test.esas-austraclear.rbnz.govt.nz” will be required to create exclusions in their proxies and there firewalls for the new IP addresses which are listed below.

The “Current Public” addresses will still be required until the end of **January**. The RBNZ will send out a notification to all members once these can be removed. **We recommend that you create these exclusions immediately. PLEASE DO NOT REMOVE PRIOR TO OUR NOTIFICATION.**

<a href="https://prod.esas-austraclear.rbnz.govt.nz">https://prod.esas-austraclear.rbnz.govt.nz</a>	Current Public	New IP
Wellington	125.236.54.242	202.27.39.15 (Dec)
Auckland	203.196.119.67	202.36.169.15 (Jan)
<a href="https://test.esas-austraclear.rbnz.govt.nz">https://test.esas-austraclear.rbnz.govt.nz</a>		
Wellington	125.236.54.243	202.27.39.16 (Dec)
Auckland	203.196.119.66	202.36.169.16 (Jan)

## Changes to the Approved Issuer Levy (AIL) have been proposed

---

The approved issuer levy allows non-residents to earn income on New Zealand debt securities without deduction of non-resident withholding tax where the 2% approved issuer levy has been paid on that income.

The Taxation (International Investment and Remedial Matters) Bill was introduced into Parliament in October. The bill proposes amendments to the option to pay the approved issuer levy in certain circumstances. The bill proposes that the approved issuer levy at zero percent rather than the usual 2% on interest paid on corporate bonds that meet certain criteria. In broad terms, the zero rate is intended to apply where the bonds are widely held and issued in New Zealand. Parliament has called for submissions on this proposal.

## Handy Hints from the NZClear Help Desk Team

---

### Database House Keeping

Don't forget to update your **MEMBER** and **BRANCH** details, remember you can also view other members contact details under MEMBERQ and BRANCHQ.

### Logon Resets

Email us at [NZClear@rbnz.govt.nz](mailto:NZClear@rbnz.govt.nz) for your Company Logon reset requests. A friendly reminder that your own Password Administrator is responsible for resetting your personal logon details.

### Registry Interface

If your lodge/uplift rejects, double click on it to see the reject reason:

<b>DQUA</b>	The amount does not adhere to the minimum and multiple requirements at the registry for the security, or the amount that is being uplifted is greater than the amount at the registry.
<b>DSEC</b>	The registry does not recognise the ISIN for the security.
<b>SHAR</b>	The CSN for the lodge or uplift is not recognized by the registry, or The legal name for the lodge or uplift is not recognized by the registry, or the FIN is incorrect.
<b>NARR</b>	If the rejection code NARR is used a rejection reason will be provided within the detail window of the transaction (in TRANSACT)

#### **Remember:**

- paperwork is no longer required.
- use the 'interface' option where available.
- that a 'rejected' lodge or uplift cannot be amended, you must reinstruct.
- check eligibility in FISERIEQ/EQUITYQ

## NZClear – Email & distribution lists

---

If there is anyone in your institution that would benefit from being on our NZClear distribution list, they can subscribe by following the link below:

<http://www.rbnz.govt.nz/payment/nzclear/subscribenzclear.html>

*(Subscribing to this list is limited to members and institutions as authorized by NZClear).*

If your query directly pertains to Corporate Action activity please direct your email to

[CA@rbnz.govt.nz](mailto:CA@rbnz.govt.nz)

## NZClear User Advisory Committee

---

The Committee members are:

Contact	Representative	Email	Phone
Sarah Drennan (Chair)	Brokers	<a href="mailto:Sarah.Drennan@craigsip.com">Sarah.Drennan@craigsip.com</a>	09 919 7400 Extn 9489
Dave Mitchell (Deputy Chair)	Other	<a href="mailto:dave.mitchell@computershare.co.nz">dave.mitchell@computershare.co.nz</a>	09 488 8769
Patricia Bow	Nominees	<a href="mailto:patriciabow@hsbc.co.nz">patriciabow@hsbc.co.nz</a>	09 918 8675
Andrew Beattie	Banks	<a href="mailto:Andrew.beattie@anz.com">Andrew.beattie@anz.com</a>	04 436 6610
Mark Lawrence	Nominees	<a href="mailto:Mark.lawrence@anz.com">Mark.lawrence@anz.com</a>	04 802 2274
Peter Barnes	Banks	<a href="mailto:Peter_Barnes@bnz.co.nz">Peter_Barnes@bnz.co.nz</a>	029 474 6733
Miles O'Connor	Australian Members	<a href="mailto:Miles.oconnor@citi.com">Miles.oconnor@citi.com</a>	+613 8643 9947

The Committee meets quarterly, and the minutes of the last meeting are on our website <http://www.rbnz.govt.nz/payment/nzclear/>.

Please contact either Adrienne Barlow on 04 471-3629 or email her at [Adrienne.barlow@rbnz.govt.nz](mailto:Adrienne.barlow@rbnz.govt.nz) or one of the Committee members if there is an issue you want to raise or have a suggestion as to how processes can be improved and the industry's standards raised.

## NZClear Annual Report

---

The 2009-2010 NZCSD Annual Report can be found at:

<http://www.rbnz.govt.nz/payment/nzclear/4206469.pdf>

## FMOA / NZClear User Group

---

The semi-annual User Group conference was held in Wellington on the 12<sup>th</sup> November 2010. The presentation and slides can be found at:

<http://www.rbnz.govt.nz/payment/nzclear/4254266.pdf>

<http://www.rbnz.govt.nz/payment/nzclear/4255625.pdf>

More information on FMOA can be found at:

<http://www.fmoa.org.nz/about.shtml>

## Test System use

---

**Do you require access to our test system?** If yes, please contact our helpdesk to arrange a time. This will assist us with the testing we are currently undertaking, as at times we take the system down and this will interfere with your testing.

## Holiday Season Hours

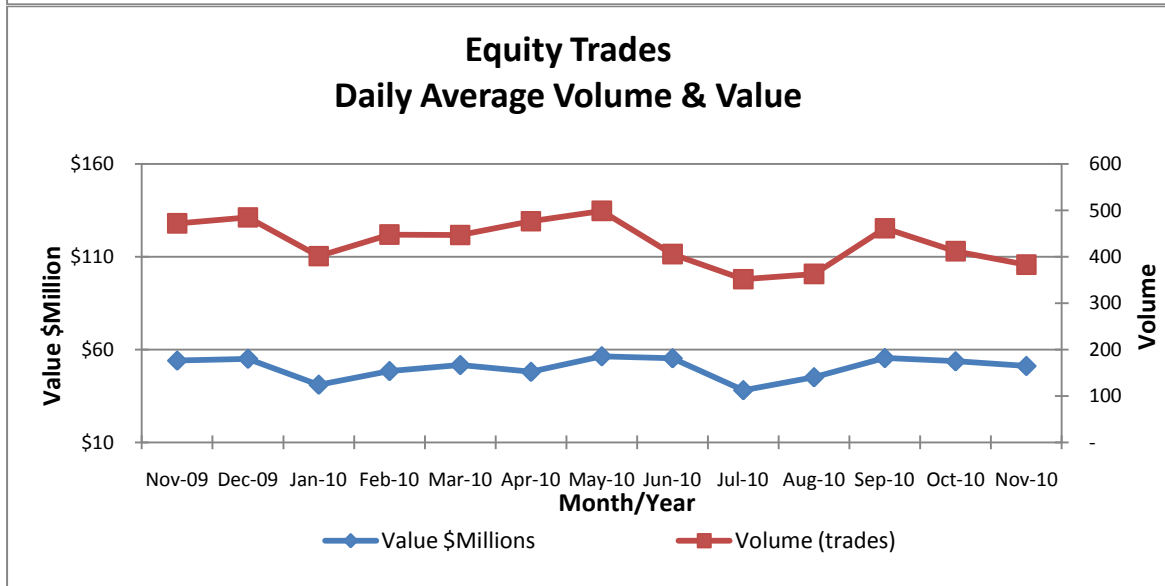
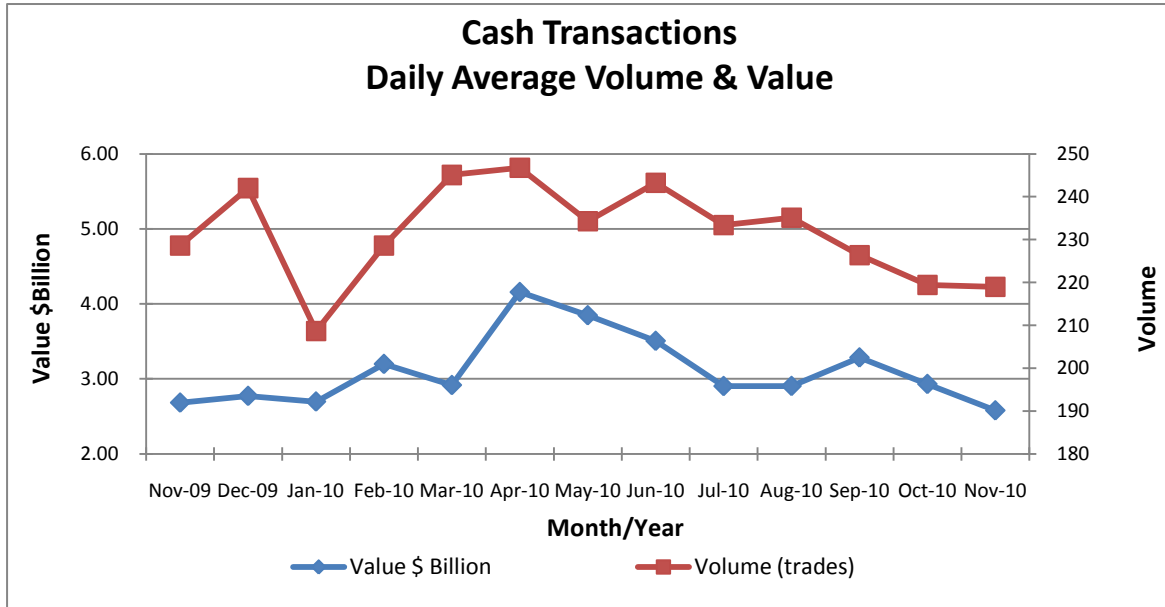
---

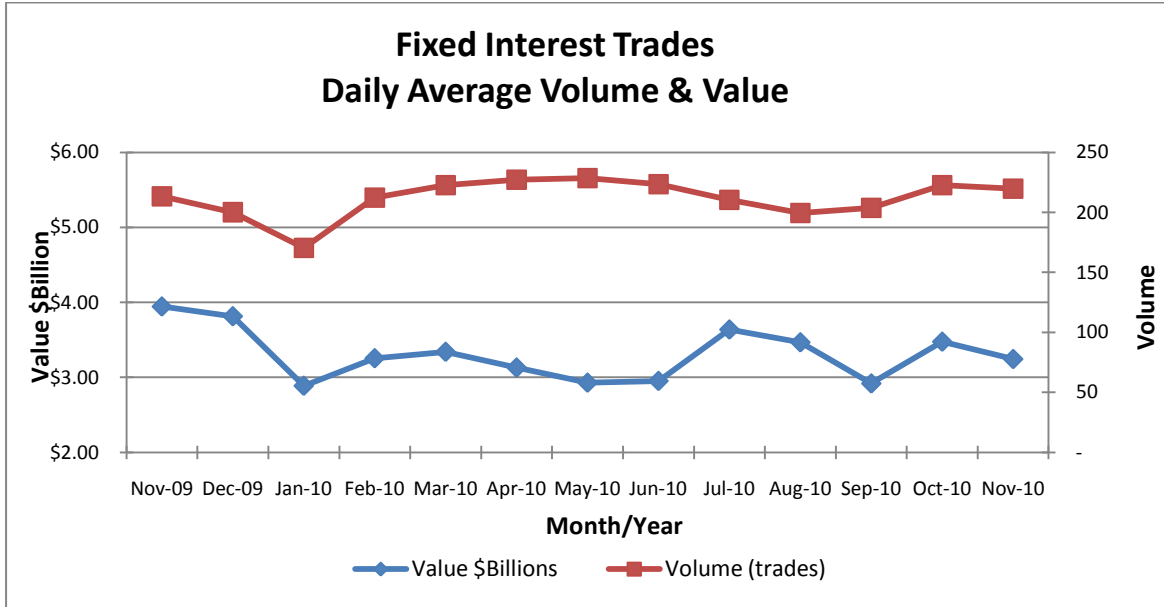
Date	NZClear Scheduled EOD/EOD as per normal	Registry & NZX Interface Uplifts & Lodges	Manual Registry Transfers Only
24 <sup>th</sup> & 31 <sup>st</sup> Dec 2010	9:00am – 4:45pm	9:00am – 4:30pm	12:00pm

***Any transfers received outside of these times will be processed on a best endeavors basis.***

***Please note 'NZClear End of Day' is scheduled at the normal NZT 4:45pm cut off.***

## Statistics





*On behalf of the whole team, we wish you all a very merry festive season!*

