

Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 Amendment Order 2022

Governor-General

Order in Council

At Wellington this day of 2022

Present:

in Council

These regulations are made under section 81 of the Banking (Prudential Supervision) Act 1989 —

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the advice of the Minister of Finance given in accordance with a recommendation of the Reserve Bank of New Zealand.

Order

1 Title

This order is the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 Amendment Order 2022.

2 Commencement

This order comes into force on 30 September 2022.

3 Principal order amended

This order amends the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014.

4 Clause 4 amended (Interpretation)

After the definition of “**allowance for credit impairment loss**” insert: “**applicable auditing and assurance standard** has the same meaning as in section 5(1) of the Financial Reporting Act 2013”.

5 Clause 8 amended (Full and half year disclosure statements to be audited)

- (1) In clause 8(1) replace “audited” with “subject to a reasonable assurance engagement”.
- (2) In clause 8(2) replace “reviewed by an auditor if it is not audited” with “subject to a limited assurance engagement if it is not subject to a reasonable assurance engagement”.
- (3) Replace clause 8(3) with “The assurance engagements required under subclauses (1) and (2) must be carried out in accordance with applicable auditing and assurance standards.”.
- (4) Insert as new subclause (4):

“(4) The assurance report or reports on a full or half year disclosure statement—

 - (a) must be of the form specified in clause 26A or clause 26B as applicable; and
 - (b) must be prepared in accordance with applicable auditing and assurance standards.”.

6 Clause 21 revoked (Auditor’s report or review statement)

Revoke clause 21.

7 New clauses 26A and 26B inserted

Insert the following clauses in Subpart 2 of Part 2, after clause 26:

“26A Assurance reports for full year disclosure statement

A full year disclosure statement of a registered bank must be accompanied by assurance reports that—

- (a) are presented as three individual reports in accordance with the requirements of subclauses (1), (2), and (3), respectively, of clause 1 of Schedule 1; or
- (b) are presented as one or two reports combining the matters covered by the requirements of clause 1 of Schedule 1.

“26B Assurance reports for half year disclosure statement

(1) Unless subclause (2) applies, the half year disclosure statement must be accompanied by one or more limited assurance reports that—

- (a) are presented as three individual reports in accordance with the requirements of subclauses (1), (2), and (3), respectively, of clause 2 of Schedule 1; or
- (b) are presented as one or two reports combining the matters covered by the requirements of clause 2 of Schedule 1.

- (2) The registered bank may opt to have a reasonable assurance report prepared on the interim financial statements that are published in accordance with clause 26.
- (3) If subclause (2) applies, the half-year disclosure statement must be accompanied by one or more assurance reports that—
 - (a) are presented as three individual reports in accordance with the requirements of subclauses (1), (2), and (3), respectively, of clause 3 of Schedule 1; or
 - (b) are presented as one or two reports combining the matters covered by the requirements of clause 3 of Schedule 1.”

8 Schedule 1 amended

Replace Schedule 1 with the following:

“Schedule 1—Full year and half year

“Information in assurance reports

“1 Assurance reports required for full year disclosure statement

- (1) The auditor’s report, as required under the Financial Markets Conduct Act 2013, on the financial statements of the registered bank’s banking group required under clause 25 of the order.
- (2) A reasonable assurance report which states whether, in the auditor’s opinion, the information that is required to be disclosed under Schedules 4, 7, 11, and 13, in all material respects,—
 - (a) presents fairly the matters to which it relates; and
 - (b) is disclosed in accordance with those schedules; and
 - (c) if applicable, has been prepared in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Act.
- (3) A limited assurance report, in relation to the information specified in clause 4, which states whether anything has come to the auditor’s attention that causes the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9.

“2 Limited assurance report for half year disclosure statement

- (1) A limited assurance report on the interim financial statements of the registered bank’s banking group required under clause 26 of the order, which states whether anything has come to the auditor’s attention that causes the auditor to believe that the interim financial statements have not been prepared, in all material respects, in accordance with NZ IAS 34.
- (2) A limited assurance report which states whether anything has come to the auditor’s attention that causes the auditor to believe that the information that is required to be disclosed under Schedules 5, 7, 12, and 14,—

- (a) does not present fairly, in all material respects, the matters to which it relates; or
 - (b) is not disclosed, in all material respects, in accordance with those schedules; or
 - (c) if applicable, has not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Act.
- (3) A limited assurance report, in relation to the information specified in clause 4 of this schedule, which states whether anything has come to the auditor's attention that causes the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9.

“3 Optional assurance reports for half year disclosure statement

- (1) An auditor's report on the interim financial statements of the registered bank's banking group required under clause 26 of the order, which states whether, in the auditor's opinion, the interim financial statements are prepared, in all material respects, in accordance with NZ IAS 34.
- (2) A reasonable assurance report which states whether, in the auditor's opinion, the information that is required to be disclosed under Schedules 5, 7, 12, and 14, in all material respects,—
- (a) presents fairly the matters to which it relates; and
 - (b) is disclosed in accordance with those schedules; and
 - (c) if applicable, has been prepared in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Act.
- (3) A limited assurance report, in relation to the information specified in clause 4, which states whether anything has come to the auditor's attention that causes the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9.

“4 Applicable capital adequacy and other disclosure

The information referred to in clauses 1(3), 2(3), and 3(3) is the information relating to credit and market risk exposures and capital adequacy that is required to be disclosed under Schedule 9.”

9 Clause 13 of Schedule 2 amended

Replace clause 13 of Schedule 2 with “The name and address of any auditor whose assurance report or reports are referred to in the disclosure statement.”.

10 Clause 21 of Schedule 2 revoked

Revoke clause 21 of Schedule 2.

- 11 Clause 10 of Schedule 3 amended**
Replace clause 10 of Schedule 3 with “The name and address of any auditor whose assurance report or reports are referred to in the disclosure statement.”.
- 12 Clause 16 of Schedule 3 revoked**
Revoke clause 16 of Schedule 3.
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Clerk of Executive Council

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order comes into force on 30 September 2022. It amends the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 542. The purpose of this order is to simplify the content of the auditor’s opinions that are required to accompany disclosure statements.

This order is administered by the Reserve Bank of New Zealand