



## Regulatory Affairs

S9(2)(a)

5 December 2023

Branch Policy Review  
BranchPolicyReview@rbnz.govt.nz

Dear Review Team,

### **Review of Policy for Branches of Overseas Banks: Joint Response of Bank of New Zealand and National Australia Bank**

- 1.1** National Australia Bank Limited (NAB) and its New Zealand subsidiary, Bank of New Zealand (BNZ), have jointly prepared this response to the Reserve Bank of New Zealand's (RBNZ's) Review of Policy for Branches of Overseas Banks.
- 1.2** Firstly, NAB and BNZ would like to thank RBNZ for the opportunity to provide feedback on this consultation, noting our broad agreement with the proposals as outlined. We have highlighted below some areas on which we would appreciate further clarification.
- 1.3** We support the proposal to restrict dual registered branches to activity with large corporate and institutional customers only, and the proposed threshold of these customers as either:
  - Customers that have an annual turnover of greater than NZ\$50 million; or
  - Customers that have net assets of greater than NZ\$50 million.
- 1.4** We agree with RBNZ that these restrictions would:
  - stop the potential off-shoring of critical services for small to medium wholesale customers (many of whom only have one banking relationship); and
  - reduce the impact if these functions and services were to become unavailable in the event of: disruption at the branch/ultimate parent or a change in regulatory or supervisory approach in the bank's home jurisdiction.
- 1.5** We recommend that the large corporate and institutional customer threshold apply to both registered and dual registered branches to ensure a consistent, clear and aligned approach. This would support RBNZ's assessment principle 4:  
*"result in consistent outcomes for branches in New Zealand, supporting a level playing field, while remaining flexible enough to apply supervisory adjustment"*
- 1.6** Further we recommend that RBNZ consider applying the same restrictions to Overseas Authorised Banks (OABs) that can also operate in New Zealand under individual authorisations

and permissions. Many of the issues and principles surrounding the usage of a branch structure also apply to these banks.

- 1.7** We support the transition timelines for existing branches and recommend finalising the rules and standards quickly to allow new entrants to register a branch with certainty.
- 1.8** We seek clarification on the calculation for the NZ\$15bn total asset size, especially regarding treatment of netting for derivatives:
  - We suggest that for Credit Support Annex (CSA) counterparties, collateral is netted against the net derivative value, to reflect the overall asset value for that counterparty; or alternatively
  - We suggest trades with a central counterparty clearing house (CCP) have an asset value of zero.
- 1.9** Should RBNZ have any questions in relation to this submission, please contact S9(2)(a)

Yours sincerely

S9(2)(a)

# Westpac New Zealand

Submission to the Reserve Bank of New  
Zealand on  
its Review of Policy for Branches of  
Overseas Banks – Third Consultation

5 December 2023



## 1. INTRODUCTION

- 1.1 This submission to the Reserve Bank of New Zealand (**RBNZ**) is made on behalf of Westpac New Zealand Limited (**WNZL**) and Westpac Banking Corporation (together **Westpac**) in respect of the RBNZ's Review of Policy for Branches of Overseas Banks – Third Consultation (**Consultation Document**). Thank you for the opportunity to provide feedback on the proposal.
- 1.2 Westpac's contact for this submission is <sup>S9(2)(a)</sup> [REDACTED]  
[REDACTED] Contact details will be provided separately.

## 2. KEY SUBMISSIONS

- 2.1 Westpac's submission focuses on the RBNZ's preferred option (Option 2).
- 2.2 While the definition in the preferred option covers most entities that would generally be considered 'large corporate and institutional customers', it is unclear whether the proposed definition of 'large corporate and institutional customers' would capture fund managers or special purpose vehicles (**SPVs**) set up for project and leveraged financings and securitisations. It would be helpful to receive clarification of how these types of entities, which could be considered analogous to 'large corporate or institutional customers', should be treated under the preferred option.
- 2.3 We have limited our comments to those in respect of the calibration of metrics in the refined large corporate and institutional customer definition. We would be happy to meet with the RBNZ to discuss our comments in more detail or to provide any further information that may be helpful.

## 3. RESPONSE TO CONSULTATION QUESTIONS

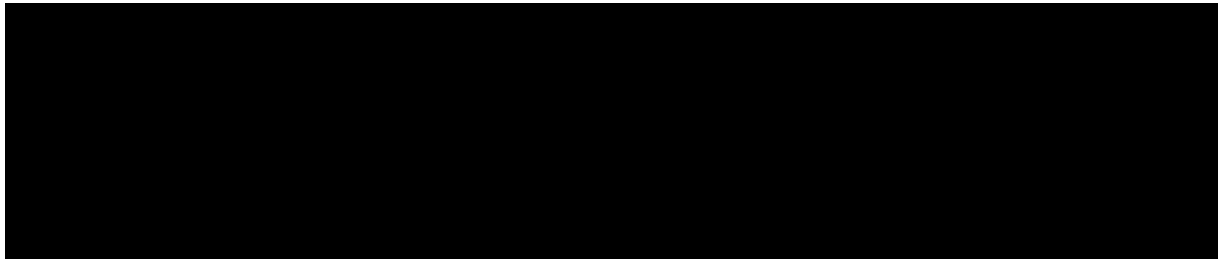
### **Question 2: Do you have any comments on the calibration of metrics in the refined large corporate and institutional customer definition?**

- 3.1 Westpac has identified two examples of customers which are analogous to large, corporate and institutional customers that may not fall within the definition, namely fund managers and SPVs. We seek guidance from the RBNZ on how these entities should be treated for the purposes of the definition.
- 3.2 We have provided further information below:
- Fund managers*
- 3.3 Fund managers typically transact with banks on behalf of multiple individual funds and are often multi-banked. They may manage a number of separate funds which, individually, would not meet the definition of a large corporate or institutional customer, but together would have assets exceeding the \$50 million threshold.
- 3.4 As these customers could be considered analogous to large corporate and institutional customers because of the value of assets they manage, it would be helpful to receive clarification from the RBNZ as to the treatment of these customers.

*SPVs – project finance, leveraged finance and securitisation*

- 3.5 As the Reserve Bank will be aware, SPVs are vehicles that are generally established for a particular ring-fenced investment made by a domestic or offshore counterparty. They are usually established by large, sophisticated entities which use structured debt products to fund the investment and derivatives for hedging purposes.
- 3.6 However, due to their structure, SPVs may not meet either the turnover or net asset thresholds for the purposes of the definition of large corporate or institutional customer when they are established, despite being analogous to these types of customers. It would be helpful to receive clarification as to how the RBNZ considers that SPVs should be treated for the purposes of the definition.
- 3.7 The following are examples of SPVs for illustrative purposes:

(a)



- (b) Westpac was part of a syndicate of banks that financed a large motorway PPP several years ago. The total cost of the project was more than \$800m and the build took six years. As equity was only contributed close to the completion of the project, the SPV would have only met the \$50m net asset threshold at the time of completion of the project. Turnover would have only exceeded the \$50m threshold during the first year following completion.
- (c) Similarly, securitisation warehouse facilities used by many NZ non-bank lenders may be established with a nil or nominal asset base (comprising mortgage receivables). Prime mortgage warehouses may only need to hold 8-10% equity (compared to total debt), which means they would only exceed the \$50m net asset threshold when they have drawn \$450m of debt.





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Review of policy for branches of overseas banks  
Dynamic Policy, Prudential Policy Department  
Reserve Bank of New Zealand  
PO Box 2498  
Wellington 6140

8 December 2023

By email: [branchpolicyreview@rbnz.govt.nz](mailto:branchpolicyreview@rbnz.govt.nz)

To whom it may concern

**Re: Review of policy for branches of overseas banks – third consultation paper**

1. Rabobank New Zealand (**Rabobank**) welcomes the opportunity to provide feedback to the Reserve Bank of New Zealand (**RBNZ**) on the above consultation paper. Rabobank consents to the publication of this submission.
2. Rabobank acknowledges the considerable amount of work that has gone into the entire policy review, and appreciates the bilateral engagement with the RBNZ throughout the process. Rabobank supports the review, and agrees with the objective of applying a consistent and transparent approach to the supervision of branches in New Zealand, while also mitigating the challenges and potential risks that branches present to the RBNZ, as the prudential regulator. Further, Rabobank shares the RBNZ's view that branches play a valuable role in the New Zealand economy and financial system by providing diversified sources of capital and funding, introducing increased competition to the market, and offering broad and specialised products and services to customers that may not otherwise be readily available in locally incorporated banks.
3. Rabobank is New Zealand's only specialist food and agribusiness bank. Rabobank operates in New Zealand under dual registration with a branch, Coöperatieve Rabobank U.A., New Zealand branch (**CRUANZ**), and a locally incorporated subsidiary, Rabobank New Zealand Limited (**RNZL**).
4. RNZL provides: (i) business banking services to farmers and growers; and (ii) online saving and deposit options to all New Zealanders.
5. CRUANZ provides specialised banking services to sophisticated wholesale customers across food and agribusiness supply chains and infrastructure. Further, a key strategic focus of CRUANZ is the financing of 'energy transition' infrastructure projects, which support the transition to a low emissions economy – this is in line with Rabobank Group's commitment under the Net-Zero Banking Alliance to reduce emissions across its investment and lending portfolios to net-zero emissions by 2050.
6. Although the proposed definition of a "large wholesale customer" will impact CRUANZ's ability to provide banking services to certain customers, we expect to be able to transition most of the impacted customers to RNZL over the course of the implementation period. However, as discussed with the RBNZ, there is one 'multi-banked' infrastructure customer with significant

assets (>NZ\$300 million), which, due to its operating structure, will not satisfy the definition of a “large wholesale customer”, and which we will not be able to transition to RNZL due to its complex and bespoke banking requirements. In our opinion, this is a clear example of an unintended (and unfortunate) consequence of the proposed definition, given the size and sophistication of the customer, and its specialised banking arrangements.

7. Further, there will likely be prospective ‘energy transition’ infrastructure customers that will not satisfy the definition of a “large wholesale customer” due to their structure – typically, these would be ‘multi-banked’ sophisticated borrowers with significant assets (in most cases, around, or in excess of, NZ\$100 million) that utilise specialised asset or project finance structures, where financing is extended for capital investments and is underpinned by predictable revenue streams. We are very concerned that the proposed definition may preclude CRUANZ (and other dual-registered branches) from providing banking services to such borrowers, which would, in turn, restrict CRUANZ’s ability to execute on its energy transition strategy. Again, we believe this would be an unintended (and unfortunate) consequence of the proposed definition, which would reduce competition in the wholesale market for such borrowers.
8. As a result, Rabobank is proposing that a “large wholesale customer” for a dual-registered branch be defined as:
  - (i) a customer with annual consolidated turnover of greater than NZ\$50 million; or
  - (ii) a customer with net assets greater than NZ\$50 million; or
  - (iii) a customer that is financed by specialised asset or project financing greater than NZ\$50 million.

Rabobank believes this expanded definition would be simple to implement, and would capture an appropriately broad range of sophisticated specialised asset/project finance customers that might otherwise be precluded from engaging with a dual-registered branch due to their annual turnover and net assets. Rabobank also believes that the expanded definition would provide better customer outcomes and greater competition, and is aligned with the objective and assessment principles underlying the policy review.

9. Rabobank supports the proposal to align the implementation timeline with the issuance of a Standard or conditions of licence under the Deposit Takers Act 2023.

Rabobank would be happy to discuss any of the above with the RBNZ.

Yours sincerely,

S9(2)(a)





Submission to the  
Reserve Bank of New Zealand

by

Citibank, N.A. New Zealand

on

*Review of Policy for Branches of  
Overseas Banks*

*Consultation Paper, Implementation Considerations*

5 December 2023

## Background

1. Citibank, N.A. is an offshore incorporated entity registered in New Zealand and is a registered bank with the Reserve Bank of New Zealand (“**RBNZ**”). Citibank, N.A. New Zealand branch (“**Citi NZ**”) is regulated under the Banking (Prudential Supervision) Act 1989 (“**BPSA**”).
2. Citi NZ has provided financial services in New Zealand (excluding insurance services) since 1974, and was designated as a fully registered bank in July 1987. Since then, Citi NZ has become a settlement bank and a direct participant in the New Zealand Clearing System. Citi NZ has extensive representation in the New Zealand banking industry, including as a member of the New Zealand Banking Association and a shareholder and board representative of Payments New Zealand Limited.
3. Citi NZ welcomes the opportunity to provide feedback to the RBNZ on the document titled “Review of Policy for Branches of Overseas Banks - Consultation Paper, Implementation Considerations” (“**Consultation Paper**”).
4. **This Citi NZ submission has been provided to the RBNZ on a commercial in confidence basis. As such, we request that the RBNZ consult with Citi NZ prior to an information release to any external third party, and allow us the opportunity to make submissions as to the appropriateness of any information to be released.**
5. If you would like to discuss any aspect of the submission further, please contact:

S9(2)(a)

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## Executive Summary

6. Citi NZ fully supports the review of branches of registered overseas banks operating in New Zealand (“**Branch Review**”), and the RBNZ’s policy decisions that:
  - a) All branches in New Zealand be restricted to engaging in wholesale business (that is, with corporates, institutions and other wholesale investors), and
  - b) The maximum size of a branch is limited to NZ\$15 billion in total assets.Citi NZ has no specific feedback to provide in relation to the policy decision made in relation for dual registered overseas banks.
7. Citi NZ also supports the RBNZ proposal to have the branch policy changes implemented through a Standard or conditions of licence issued under the Deposit Takers Act 2023 (“**DTA**”).

8. With respect to this implementation and the drafting of a Branch Standard or conditions of license, Citi NZ recommends consideration be given to instances where an overseas branch may have wholesale business (corporates, institutions and other wholesale investors) receiving only transactional banking products that are not regulated under the Financial Markets Conduct Act 2013 (“**FMCA**”), and therefore may not be able to rely on the standard FMCA wholesale investor definitions.
9. Please refer below for more specific detail.

### **Section 3: Large Corporate and Institutional Customer Threshold**

10. In relation to Questions 1 and 2 of the Consultation Paper, Citi NZ has no comment to make, or input to provide, in relation to the RBNZ’s policy decisions, and their implementation, for branches of dual registered of overseas banks.

### **Section 4: Implementation Timeline and Transitional Arrangements**

In relation to Question 3 of the Consultation Paper –

11. Citi NZ is committed to maintaining a strong banking presence in New Zealand and to continue to provide key financial services to local corporations and institutions, multi-nationals and governmental bodies.
12. Citi NZ does not currently offer financial services to individuals, or natural persons, and is not engaged in retail banking services.

#### **Overall Timeline**

13. Citi NZ agrees with the RBNZ’s decision to refrain from implementing the Branch Review policy changes under the branches’ existing conditions of registration as issued under the BSPA. The RBNZ’s recognition that material changes to the business models for some branches will be required, and will take time to implement, is to be commended.
14. Citi NZ fully supports the proposal to have the policy changes implemented through a Standard or conditions of licence issued under the DTA, with all branches to comply with the Branch Standard by the published commencement date.

#### **Licensing Process**

15. Citi NZ recognises that, given the Branch Standard is not expected to be a Core Standard under the DTA, the licensing process for branches registered under the BSPA may include an assessment of their ability to comply with the outcomes of the Branch Review.

16. To that end, Citi NZ's current operating model has worked to establish and maintain a wholesale business in New Zealand. Citi NZ has a clearly defined target market covering Large Corporates, Financial Institutions, Global Subsidiaries of multi-nationals, and the Public Sector (government). This strategy aligns well with the RBNZ's first branch policy decision.
17. However, during the development and the drafting of a Branch Standard or conditions of license, Citi NZ recommends consideration be given to instances where an overseas branch may have wholesale business (corporates, institutions and other wholesale investors) receiving only transactional banking solutions that are not regulated under the FMCA, and therefore may not be able to rely on standard FMCA wholesale investor classifications (including Safe Harbour Certificates).
18. It is noted that section 459 of the DTA defines wholesale investors as per section 49(2) of the Financial Service Providers (Registration and Dispute Resolution) Act 2008 ("**FSPA**"), which can include eligible investor attestations made under section 49A.
19. Given the Branch Standard or conditions of licences will be implemented under the DTA, Citi NZ recommends the RBNZ give consideration to the application of section of 459 of that Act in relation to customers who are unable to otherwise rely on FMCA wholesale definitions. This will ensure consistency of approach for under the DTA.
20. Citi NZ would be happy to meet and discuss the recommendation made under 17. above, at the RBNZ's convenience.



By email: [BranchPolicyReview@rbnz.govt.nz](mailto:BranchPolicyReview@rbnz.govt.nz)

**Submission on the Consultation Paper: Implementation Considerations, Consultation for Review of Branches of Overseas Banks**

Thank you for the opportunity to respond to the consultation paper, implementation considerations, consultation for review of branches of overseas banks, released on 7 November 2023 (the **Consultation Paper**).

ANZ Bank New Zealand Limited (**ANZB**) is a registered bank in New Zealand. It is a locally incorporated subsidiary of the Australian entity, Australia and New Zealand Banking Group Limited (**ANZBGL**), which operates a registered branch in New Zealand (**ANZBGL NZ Branch**).

Each of ANZBGL, ANZB and the ANZBGL NZ Branch (together, **ANZ**) remain supportive of the review. ANZ's responses to various questions set out in this Consultation Paper are set out in Appendix 1.

**Publication of submission**

ANZ consents to the publication of this submission, with certain aspects withheld to protect the privacy of natural persons on the grounds of commercial sensitivity, under the RBNZ's publication of submissions policy.

**Contact for submission**

We welcome the opportunity to discuss our submission with the Reserve Bank officials. Please contact S9(2)(a) at her email address: [REDACTED]

Yours sincerely,

[REDACTED]

And

[REDACTED]



## Appendix 1

### **Q1. Do you have any comments on the choice of metrics in the refined large corporate and institutional customer definition?**

ANZ has no comments.

### **Q2. Do you have any comments on the calibration of metrics in the refined large corporate and institutional customer definition?**

ANZ has no comments.

### **Q3. Are the proposed transitional arrangements and timeline appropriate for implementing the proposals outlined in the paper?**

To enable branches to change their existing models in preparation for the proposed Branch Standard or condition of licence under the Deposit Takers Act (including Depositors Compensation Scheme), there needs to be a transitional period for compliance (as opposed to a transition date) of at least three years. Without such a transition period, certain branches are unlikely to be able to maintain a business on an ongoing basis as there will be a requirement to rundown the existing business activities prior to any activities under the revised Branch Standard being permitted.

During the transitional period, material changes to branches' business models could be permitted via their conditions of registration. This would enable them to maintain their business on an ongoing basis and prepare for the transition date to the revised Branch Standard.

A transition period would still allow the Reserve Bank to align the final date of transition to the proposed Branch Standard with the transitional arrangements under the Deposit Takers Act, and would be consistent with the Assessment Principles listed in the Appendix to this Third Consultation, in particular, in facilitating Principle 4, achievement of a level playing field, and Principle 6, a practical approach for transitioning to the new regime.



By email: [BranchPolicyReview@rbnz.govt.nz](mailto:BranchPolicyReview@rbnz.govt.nz)

29 November 2023

Dear Review Team

## Review of Policy for Branches of Overseas Banks – Consultation Paper, Implementation Considerations, dated 7 November 2023

Commonwealth Bank of Australia (New Zealand Branch) ('CBA NZ') welcomes the opportunity to provide feedback to the Reserve Bank of New Zealand ("RBNZ") on the consultation paper, released on 7 November 2023, relating to the implementation considerations of the Review of Policy for Branches of Overseas Banks.

We have reviewed the consultation paper and support the proposals within the paper. We are responding to each of the three questions posed in the consultation paper:

1. Do you have any comments on the choice of metrics in the refined large corporate and institutional customer definition?
2. Do you have any comments on the calibration of metrics in the refined large corporate and institutional customer definition?
3. Are the proposed transitional arrangements and timeline appropriate for implementing the proposals outlined in the paper?

### 1. Do you have any comments on the choice of metrics in the refined large corporate and institutional customer definition?

CBA NZ supports the RBNZ's proposal to include a turnover or assets test to determine whether a client meets the 'large corporate and institutional customer' definition. In our response to the second consultation paper, we recommended that this definition be expanded to include total assets as this removes the volatility inherent in a test based solely on turnover, and provides a stable banking experience for customers whose revenue may fluctuate in uncertain times.

We note that the *Key Decisions in the Review of Policy for Branches of Overseas Banks* letter to CBA NZ dated 7 November 2023 proposed that "a large wholesale customer be defined as such if it has either: consolidated annual turnover of over \$50m; or net assets of over \$50m". However, in our response to the second consultation paper we had proposed a metric of total assets. We regard the use of Total Assets as a more appropriate measure than Net Assets as it removes any discrepancy in its interpretation.

We would also like to clarify how funds management entity customers would be treated. The assets they control would generally far exceed the \$50m total asset threshold, but the assets aren't recorded on their balance sheets as the funds belong to other parties. A total asset test for funds management entities measured on assets under management would enable more accurate and consistent measurement and monitoring. Please could you confirm whether funds management entities can be tested based on total assets under management?

## **2. Do you have any comments on the calibration of metrics in the refined large corporate and institutional customer definition?**

Regarding the timing and duration of the threshold assessment, CBA NZ supports the proposal that customers remain certified as 'large corporate or institutional' for two years, or until the maturity date of the last transaction made while the certificate was effective, whichever is longer. This gives stability to the client and the banking relationship.

We also agree with the proposal that the threshold assessment is based on the size of the business in New Zealand, rather than the size of the global business.

## **3. Are the proposed transitional arrangements and timeline appropriate for implementing the proposals outlined in the paper?**

CBA NZ supports the proposal for compliance with the policy changes under the Branch Standard or conditions of licence to be aligned with the commencement date for the Deposit Takers Act, which is expected to be in 2028.

We also support using the threshold for determining wholesale customers to assess whether an entity might be exempted from the Depositor Compensation Scheme.

### **Definition of 'Sufficiently Separate'**

Separately, regarding the RBNZ's new policy that dual registration of branches is permitted provided the "relevant subsidiary and branch are sufficiently separate, and any identified risks are mitigated by separate conditions", please could you define 'sufficiently separate' and provide examples, to enable ongoing compliance once new conditions of registration are implemented?

### **Conclusion**

In conclusion, we propose the amendment of the asset threshold to be based on total assets (rather than net assets), and that the total assets test for funds management entities is based on total assets under management. We also request clarification of what it means for a branch to be 'sufficiently separate'.

Besides these points, we concur with the proposals outlined in the Review of Policy for Branches of Overseas Banks – Consultation Paper, Implementation Considerations. CBA NZ's opinion is that the proposals will achieve the RBNZ's objective of creating a simple, coherent and transparent policy framework for branches of overseas banks.

If you require any further information in relation to this response, please do not hesitate to contact me via email S9(2)(a) . CBA NZ is also open to meeting with the RBNZ to discuss this letter or to answer any other points.

Yours faithfully

S9(2)(a)

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5<sup>th</sup> December 2023

Review of policy for branches of overseas banks  
Dynamic Policy  
Prudential Policy Department  
Reserve Bank of New Zealand  
PO Box 2498  
Wellington 6140

Dear Sir / Madam,

**Review of policy for branches of overseas banks – Consultation Paper, Implementation Considerations (7 November 2023)**

Thank you for the opportunity to respond on the Reserve Bank of New Zealand's "Review of Policy for Branches of Overseas Banks - *Consultation Paper, Implementation Considerations (7 November 2023)*"

We note your assessment that these proposals represent some loss of flexibility for dual-registered branches such as ourselves relative to the status quo, albeit acknowledging the greater flexibility when compared with the proposals outlined in your second consultation paper.

Our responses to your specific consultation questions are as follows:

Q1 Do you have any comments on the choice of metrics in the refined large corporate and institutional customer definition?

A1 We concur with the proposed 'turnover or net assets' metric

Q2 Do you have any comments on the calibration of metrics in the refined large corporate and institutional customer definition?

A2 We concur with the proposed threshold of NZ\$50 million for both the turnover and net assets

In respect of Q1 and Q2, we note your comments on the timing and duration of the threshold assessment and the proposed guidance thereon. Given the potential administrative complexities and operational consequences e.g. changing capital requirements associated with monitoring and responding to changing metrics against thresholds, we welcome the opportunity to comment on these proposals at the appropriate time

Q3 Are the proposed transitional arrangements and timeline appropriate for implementing the proposals outlined in the paper?

A3 Yes

Finally, we note your intention to seek greater integration and engagement with branches' home authorities – to the extent possible – to improve your understanding of the risks faced by relevant overseas banks and their potential impact on our financial system. Whilst acknowledging the potential challenges in this undertaking, we would welcome the opportunity to receive any updates as you progress the relationship.

Yours faithfully

S9(2)(a)

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5 December 2023

Reserve Bank of New Zealand  
Level 13, Tower Two, 205-209 Queen Street  
Auckland 1010

By email: BranchPolicyReview@rbnz.govt.nz

Dear Branch Policy Review Team,

**Key Decisions in the Review of Policy for Branches of Overseas Banks and Third Consultation Paper published Tuesday 7 November**

Thank you for S9(2)(a) letter of 7<sup>th</sup> November 2023 seeking feedback and submissions on the consultation questions set out in RBNZ third consultation paper.

Considering the key decisions in the Branch Review, Industrial and Commercial Bank of China Limited Auckland Branch (ICBC Auckland Branch), would like to provide the following feedback on the consultation questions:

- The large wholesale customer definition includes consolidated annual turnover of over \$50m; or total assets of over \$50m;

ICBC recommend, for project finance and development transactions the asset value or turnover is calculated on a "as if completed" basis. For project finance, the tests for asset value or turnover if measured 'at all times' could exclude large scale developments funded through Special Purpose Vehicles (SPV's) or Private Partnership Projects (PPP's ). In these type of cases, the project cost could supplement the sales or asset value tests to create further clarity.

ICBC is concerned that without the participation of registered branches to support property and infrastructure developments the availability of funding from NZ registered banks may reduce. The threshold limit if not fully defined (while meeting the intention to restrict operations to genuinely wholesale customers) could have significant impact to Branch operations and the depth of bank funding;

- Further clarification on definition or expectation for "sufficiently separate", in relation operations of both subsidiary and Branch.

If you have any questions, please contact us.

Yours sincerely,  
S9(2)(a)

