

Reserve Bank Bills (RB Bills) Term Sheet

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Issuer Name

Reserve Bank of New Zealand

Purpose

Reserve Bank Bills have been created to manage the level of settlement cash (SCL) in the New Zealand financial system. RB Bills are offered through either a dedicated tender process or as part of the Reserve Bank's Open Market Operations (OMOs).

1. Auction Announcements

ISSUE COMPOSITION

The Reserve Bank of New Zealand (RBNZ) will announce the composition of each auction via Refinitiv (RBNZ08) and Bloomberg (GPGX 1549 6 1).

The announcement will include the following details:

- the RB Bills being issued;
- the amount of RB Bills being issued;
- the maximum rate (%) of RB Bills being issued;
- the closing time of the auction; and
- the settlement date for the auction.

RBNZ will make a pre-auction announcement 2.5 hours ahead of the scheduled open of the auction window. This announcement will note all of the details outlined above.

AUCTION ANNOUNCEMENT TIME

RB Bill auctions will be run on Monday and Wednesday. If the Monday or Wednesday is not a business day, the auction will be offered the **business day prior**.

Pre-auction announcement	12:00 pm
Offer window open	2:30 pm
Offer window close	2:45 pm
Auction results announced	3:00 pm (or as soon as possible thereafter)
Settlement date	Auction date plus one business day

These details will be made available on Refinitiv (RBNZ08) and Bloomberg (GPGX 1549 6 1).

ALTERATION OF ANNOUNCEMENT

RBNZ reserves the right to extend, postpone, cancel, or add an auction at any time. If an auction is postponed or cancelled, any offers lodged will be disregarded.

From time to time RBNZ may choose to include RB Bills in its daily Open Market Operations.

2. Participation rules

TELEPHONE OFFERS

Following the announcement of the RB Bill tender on the electronic media (see section 1 – Auction Announcement Time those registered participants wishing to place bids must place them by phoning (64 4) 472 0074 / 472 0075, or by dedicated line where applicable.

The participant will be required to provide:

- the dealer's name;
- the institution it is placing an offer (or offers) on behalf of; and
- the offer for each security with all details prescribed in section 1.

Bids must be placed by currently authorised dealers. All offers must be read back and confirmed for validation before the Bloomberg or Refinitiv clock changes to the close time. Failure to affirm offers will result in the offer being rendered void and disregarded.

Once bids have been placed, read back by a member of the RBNZ Portfolio Management and agreed by both parties, those bids cannot be altered or retracted. In the case of dispute, the bid that was read back and agreed will stand as final.

OFFER ETIQUETTE

Offer price Quoted in yield to 2 decimal places

Minimum offer size \$1,000,000 nominal

Offer multiples \$1,000,000 nominal

Participants may place multiple offers at an auction.

Each bid must state the yield (% per annum on the appropriate basis) sought by the participant. The yield is to be expressed to the second decimal place (e.g. 7.55%). Decimal places beyond two will be disregarded.

SETTLEMENTS

Confirmations will be sent to successful participants. Settlement is by way of delivery versus payment through NZClear.

CONSIDERATION

Consideration will be calculated using the price and yield formulate stated in Appendices and Application Forms on the [RBNZ website](#).

3. Security details

TENOR

The maximum tenor of any RB Bill will be 18 months from date of issue. RBNZ reserves the right to determine the tenor of any new issue.

SECURITY IDENTIFIER

New RB Bills will be lodged within NZClear within 1 hour of tender closing and a security identifier will be created for the new RB Bill issue at that time. Security identifiers will include an NZClear series ID and an ISIN.

REPO ELIGIBILITY

RB Bills with a minimum remaining maturity of 3 days are included as eligible securities for RBNZ Domestic Market Operations.

4. Acceptance/Rejection of bids

RBNZ reserves the right to reject any offer, or part thereof, for any reason.

5. Results and allocations

The results will be announced in accordance with section 1 – Auction Announcement Time.

Where there is more than one participant at the cut-off yield, participants will be allotted principal amounts as far as practicable, on a pro-rata basis in relation to the amount available at that yield, except that no successful participant shall be allotted a principal amount that is less than \$1 million. All allocations will be in whole multiples of \$1 million thereafter. Where there are multiple dates on offer RBNZ reserves the right to exercise discretion as to which maturity dates are allotted principle amounts.

Details for successful bids in the auction should be confirmed with the RBNZ within 45 minutes of the results being released.

6. Registration of participants

Participation in the auction (via either electronic or telephone platforms) is limited to participants authorised by RBNZ.

Application for registration may be made. An application must be submitted to the RBNZ at least 10 business days prior to the intended participation date. Whether an application is approved or declined is dependent on the information provided by the applicant. The RBNZ makes no guarantees that an application will be approved prior to the intended participation date.

Application details can be found on the [RBNZ website](#).

7. Publication of RB Bills data

The Bank will publish data relating to RB Bills auctions on its [D3 statistical table](#) on a daily basis.

Details of all outstanding RB Bills are published weekly on Refinitiv (RBNZ14) and Bloomberg (GPGX 1549 12 1).

8. Amendment of terms

The RBNZ may make additions, modifications, or amendments to these terms at any time by updating the relevant page on its website.