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Submission on the Deposit Takers Bill

Dear Mr Hargreaves,

Thank you for the opportunity to submit on the Deposit Takers Bill.

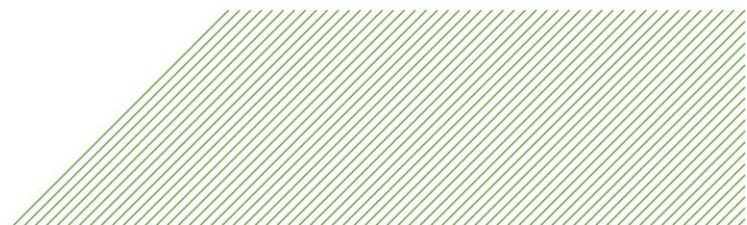
New Zealand Local Government Funding Agency Limited ("**LGFA**") was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. As part of LGFA's establishment, the Local Government Borrowing Act 2011 ("**Act**") was enacted.

Section 7 of the Act provides that LGFA is not a "non-bank deposit taker" for the purposes of the Non-Bank Deposit Takers Act 2013. This is the same approach as that taken for local authorities at section 5(2)(b) of the Non-Bank Deposit Takers Act 2013.

We assume that it is intended for the Deposit Takers Bill to preserve this approach, such that LGFA should be treated the same as local authorities. As currently drafted, section 455 and schedule 3 of the Bill will update section 7 of the Act to provide that LGFA is not a "**licensed** deposit taker" under the new Bill once enacted. However, in order for LGFA to be treated the same as local authorities under the Bill (see clause 2(2)(b)(i) of schedule 2), the replacement section 7 of the Act should have the highlighted change made:

The Funding Agency is not a **licensed** deposit taker for the purposes of the Deposit Takers Act 2022.

This change would maintain the status quo for LGFA that currently exists under the Non-Bank Deposit Takers Act 2013, which LGFA believes is the correct policy outcome.



Please feel free to call me if you would like to discuss.

Regards

Handwritten signature of Mark Butcher in black ink.

Mark Butcher
Chief Executive

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