

# Financial Market Infrastructures Act 2021

## Section 39(3) Notice of Approval of Rule Change

### Exchange Settlement Account System (ESAS)

The Reserve Bank of New Zealand (the **Reserve Bank**), under section 39(3) of the Financial Market Infrastructures Act 2021 (**Act**) approves the rule change pursuant to the application by ESAS under section 39(1) of the Act dated 28 March 2024 (**Application**).

The rule change is set out in paragraph 10 of the Settlement Submission Mechanism Notice, forming part of ESAS' rules pursuant to paragraph (7)(b) of the Financial Market Infrastructures Act Designation Notice (ESAS) 2023.

The rule change adds further description in the Settlement Submission Mechanism Notice setting out each circumstance in which the revocation instruction can be actioned or not during the Gridlock Buster operation as published with this Notice.

The rule change takes effect from 09:00 on 9 May 2024 (**Effective Date**).

In deciding the Effective Date which differs from the date requested in the Application, the Reserve Bank concluded that the reasonable time required to consider the Application needed to be longer given the nature of the rule change, and the circumstances of the FMI's requirements to notify its participants prior to the Effective Date.



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29 April 2024

Scott McKinnon  
Director of Prudential Supervision

## **Amendment to Paragraph 10 of the Settlement Submission Mechanism Notice:**

### **GRIDLOCK BUSTER: MULTI-LATERAL OFFSETTING**

10. The System will Settle Authorised Payment Instructions in accordance with the Gridlock Buster methodology described below when Gridlock Buster is initiated by the Bank. **While the Gridlock Buster is in operation, instructions from a Settlement Accountholder to revoke an unsettled Authorised Payment Instruction cannot be actioned. However if, following completion of the Gridlock Buster operation, the relevant Authorised Payment Instruction remains unsettled, an instruction to revoke that Authorised Payment Instruction can be actioned. Authorised Payment Instructions which are Settled cannot be revoked.**