

# Financial Market Infrastructures Act Designation Notice (NZCDC) 2024

## Title

1. This is the Financial Market Infrastructures Act Designation Notice (NZCDC) 2024.

## Effective Date

2. This notice comes into effect on 1 March 2024.

## Authority

3. This notice is issued under Schedule 1 clause 4 of the Financial Market Infrastructures Act 2021 (the “**Act**”) by the Reserve Bank of New Zealand and the Financial Markets Authority, and has legal effect.

## Interpretation

4. In this notice:
  - (a) references to “**FMI**” are references to the NZCDC settlement system; and
  - (b) “**NZCDC settlement system**” means the settlement system owned by, and operated and managed by or on behalf of, the NZX Limited Group and includes:
    - i) a system for the transfer of legal title to financial products, including by electronic means; and
    - ii) the operation of the central counterparty clearing house by NZ Clearing; and
    - iii) the operation of the central product depository by NZ Depository; and
    - iv) the performance of the custodian trustee role by NZD Nominee; and
    - v) the performance of a governance role by NZCDC; and
    - vi) the performance of an oversight role, and the provision of technology infrastructure and services, by NZX Limited; and
    - vii) the provision of regulatory oversight services by NZ RegCo;
  - (c) “**NZCDC**” means New Zealand Clearing and Depository Corporation Limited;
  - (d) “**NZ Clearing**” means New Zealand Clearing Limited;
  - (e) “**NZ Depository**” means New Zealand Depository Limited;
  - (f) “**NZD Nominee**” means New Zealand Depository Nominee Limited;
  - (g) “**NZX Limited Group**” means NZX Limited, NZ RegCo, NZ Clearing, NZ Depository, NZD Nominee and NZCDC;
  - (h) “**NZ RegCo**” means NZX Regulation Limited; and
  - (i) any term that is defined in the Act and used, but not defined, in this order has the meaning as in the Act.

## Designation

5. The NZCDC settlement system is declared to be a designated FMI.

## **Operator**

6. The operators of the FMI are:

- (a) NZCDC;
- (b) NZ Clearing;
- (c) NZ Depository;
- (d) NZD Nominee; and
- (e) NZX Limited.

## **Documents that set out the rules**

7. The documents that set out the FMI's rules are:

- a) the New Zealand Clearing Limited Clearing and Settlement Rules
- b) the New Zealand Depository Limited Depository Operating Rules
- c) procedure 1.1 of the New Zealand Depository Limited Depository Operating Procedures (relating to the amendment of the rules)
- d) the following provisions of the New Zealand Clearing Limited Clearing and Settlement Procedures
  - i) procedure 1.1 (relating to the amendment of the rules)
  - ii) procedure 3.11.5 (relating to the margin calculation of stock loans):
  - iii) procedure 6.2 (relating to approved products)

## **Specified operator**

8. NZ Clearing

(a) is the specified operator of the FMI; and

(b) is an operator to which section 103A of the Personal Property Securities Act 1999 applies.

## **Systemic importance**

9. The FMI is systemically important.

## **Operator/s are participants in the FMI**

10. Both NZ Clearing and NZ Depository are participants in the FMI.

## **FMI is a central counterparty**

11. The FMI is a central counterparty.

## **Application of subpart 5**

12. Subpart 5 of Part 3 of the Act applies to the FMI.

**Class or classes**


13. For the purposes any standards issued under section 31 of the Act, the FMI falls within the following class or classes:

- (a) central counterparty
- (b) central securities depository
- (c) securities settlement system

Dated this 16<sup>th</sup> day of February 2024



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Financial Markets Authority



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