

Non-bank Deposit Takers (Fisher & Paykel Finance Limited) Exemption Notice 2016

Under section 70 of the Non-bank Deposit Takers Act 2013, the Reserve Bank of New Zealand gives the following notice (to which is appended a statement of reasons of the Bank).

Notice

1 Title

This notice is the Non-bank Deposit Takers (Fisher & Paykel Finance Limited) Exemption Notice 2016.

2 Commencement

This notice comes into force on 18 March 2016.

3 Revocation

This notice is revoked on the close of 18 March 2018.

4 Interpretation

(1) In this notice, unless the context otherwise requires,—

Act means the Non-bank Deposit Takers Act 2013

autonomous director means a director who —

(a) is not an employee of any company within—

(i) the FPF Group;

(ii) FlexiGroup and its subsidiary companies; and

(b) is not a director of FlexiGroup Limited or its subsidiary companies, other than any company within the FPF Group; and

(c) does not, directly or indirectly, have a qualifying interest in more than 10% of the voting securities of any company within paragraph (a).

FlexiGroup means FlexiGroup Limited, a company incorporated in Australia.

FPF Finance means Fisher & Paykel Finance Limited

FPF Group means the Fisher & Paykel finance group, comprising FPF Holdings and its subsidiaries.

FPF Holdings means Fisher & Paykel Finance Holdings Limited

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from governance requirements

FPF Finance is exempted from section 25(1)(a) of the Act.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the following conditions:

- (a) FPF Finance remains a subsidiary of, and wholly owned by, FPF Holdings:
- (b) the governing body of FPF Finance includes at least 2 autonomous directors.

7 Revocation of Deposit Takers (Fisher & Paykel Finance Limited) Exemption Notice 2010

The Deposit Takers (Fisher & Paykel Finance Limited) Exemption Notice 2010 is revoked on the close of 17 March 2016.

Dated at Wellington this 14 day of March 2016



Grant Spencer,
Deputy Governor.

Statement of reasons

This notice, which comes into force on 18 March 2016 and is revoked on the close of 18 March 2018, exempts Fisher & Paykel Finance Limited (**FPF Finance**) from the requirement of section 25(1)(a) of the Non-bank Deposit Takers Act 2013 (the **Act**) (*clause 5*). The exemption is subject to the conditions specified in *clause 6*.

This notice replaces the Deposit Takers (Fisher & Paykel Finance Limited) Exemption Notice 2010 (the **2010 Notice**) which is revoked on the close of 17 March 2016 (*clause 7*). The provisions of the 2010 Notice are largely carried forward with amendments to reflect a change of ownership in FPF Finance. In addition, this notice reflects legislative changes since the 2010 Notice; primarily the repeal of Part 5D of the Reserve Bank of New Zealand Act 1989 and enactment of the Act.

The Reserve Bank of New Zealand (the **Bank**), after taking into account the principles set out in section 8 of the Act and satisfying itself as to the matters set out in section 70(2) of the Act, considers it appropriate to grant these exemptions because —

- The 2010 Notice was granted to preserve a pre-existing governance structure based on the Fisher & Paykel finance group being managed on an interdependent basis, with autonomous directors providing sufficient oversight. With the elapse of more than five years from the granting of the 2010 Notice and the change of ownership of the Fisher & Paykel finance group the Bank no longer considers it necessary to indefinitely preserve the pre-existing governance structure. However, the Bank considers it would be onerous and burdensome for FPF Finance to fully comply with the governance requirement of section 25(1)(a) of the Act without renewing the exemption for a transitional period:
 - The provision of a suitable transition period is consistent with the maintenance of a sound and efficient financial system:
 - The limited length of the exemption means that the extent of the exemption is not broader than is reasonably necessary to address the matters that gave rise to the exemption.
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