

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

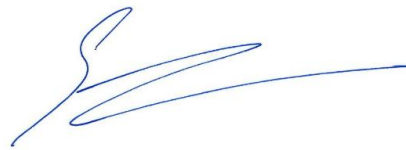
13. For the purposes any standards issued under section 31 of the Act, the FMI falls within the following class or classes:

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

Dated this 16th day of February 2024



Ivana Erceg Floerchinger
Head of Frontline Regulators & Market
Infrastructure
Financial Markets Authority



Scott McKinnon
Director of Prudential Supervision
Reserve Bank of New Zealand