



Deposit Takers Standards – Tranche 1 Consultation

ANZ Bank New Zealand Limited's response to the Reserve Bank of
New Zealand

Confidential version

30 January 2026

Introduction

ANZ Bank New Zealand Limited (**ANZ**) welcomes the opportunity to comment and provide feedback on the Reserve Bank of New Zealand's (**Reserve Bank**) consultation on the Deposit Takers Act (**DTA**) Standards, Tranche 1 Consultation (**Consultation**), which covers the draft Deposit Takers (Liquidity) Standard 2027 (**Liquidity Standard**), the draft Deposit Takers (Deposit Compensation Scheme) Standard 2027 (**DCS Standard**), the draft Deposit Takers (Lending) Standard 2027 (**Lending Standard**) and the draft Deposit Takers (Incorporation Outside New Zealand Standard) Standard 2027 (**Branch Standard**) (together the **Tranche 1 Standards**).

ANZ is supportive of the NZBA's comprehensive submissions on the Tranche 1 Standards (including any accompanying guidance (**Guidance**)). Our comments are intended to supplement those and/or to emphasise areas where we think further industry engagement might be warranted.

Following this Consultation, we look forward to engaging further with the RBNZ on the Standards' technical elements.

CONTACT DETAILS

Please contact _____, ANZ Bank New Zealand Limited, at _____ if you would like to discuss the contents of this submission.

CONFIDENTIALITY

ANZ requests that the information identified in this response as requiring confidentiality is kept confidential on the grounds of protection of personal information and/or commercial sensitivity. If Reserve Bank receives a request to release ANZ's response under the Official Information Act, we ask that Reserve Bank consult with us, and our preference is that the information identified is withheld.



Executive summary

General comments

Timing for publication of final standards: The Reserve Bank has scheduled publication of the final deposit taker Standards (excluding the Crisis Preparedness Standard) for July 2027. The compliance date for those Standards is December 2028. This timing allows deposit takers a mere 18 months for implementation, which will include complex technology solutions supporting compliance.

We are very concerned that the gap between seeing the technical requirements in the final Standards and having to achieve full compliance will be too short. We understand that the Reserve Bank believes that deposit takers should be able to commence implementation relying on the technical requirements set out in the exposure drafts of the Standards. However, such an approach has previously proven to be highly impractical especially when significant technology changes to support implementation are required.

Our experience with the DCS Transitional Standard has shown us that seemingly minor technical changes to a standard can create significant technology challenges, which can require significant technology re-work, delay implementation and, potentially, result in non-compliance. We strongly submit and request that the Reserve Bank publish final versions of those Standards that are strongly technology dependant (most specifically those relating to Liquidity, DCS, OBR and Outsourcing) not later than January 2027. Further discussions with the Reserve Bank would likely be required if the final versions of those Standards include differences that create material technology impacts.

Definitions: We understand that the Reserve Bank has drafted the Standards with the intention of describing legal and industry concepts “conventionally” and using words and phrases in a consistent way. ANZ supports the RBNZ’s consistency objectives but submits that the Standards remain self-contained (i.e. consistency within/across the Standards is preferred over alignment with other legislation). While ANZ acknowledges the complexities around combining and transitioning the current RBNZ conditions of registration, standards and guidance into new secondary legislation and guidance, it is important to ensure that changes to terms and definitions are carefully considered. Adopting definitions from other legislation is not always suitable given the differing legislative objectives and, potentially, definitions that are deemed suitable now, if embedded in other legislation, might change making them no longer suitable. One example is where the Lending Standard uses definitions from the Credit Contracts and Consumer Finance Act 2003 (CCCFA). The CCCFA has a fundamentally different legislative purpose to the DTA, with the former orientated towards individual borrower affordability as opposed to macroprudential tools supporting New Zealand’s financial stability (as per the DTA). In that case, we see that the adoption of CCCFA terms for the sake of consistency in fact creates further problems. We submit that the definitions embedded in other legislation are only used in the Standards where strictly necessary.

Application of Guidance: The Reserve Bank’s Guidance accompanying the deposit taker Standards clarifies its interpretation and application of those Standards. The Guidance for the Tranche 1 Standards is, in places, quite prescriptive. The Reserve Bank has said that the Guidance does not have formal status but represents the Reserve Bank’s view. The degree to which the Reserve Bank expects to enforce prescriptive detail in the Guidance is yet unclear. Additionally, while the Reserve Bank is consulting on the initial Guidance, it is also unclear whether deposit takers can expect that changes to the Guidance will also be consulted on (as opposed to being simply notified). We request that the Reserve Bank clarify its expectations regarding ‘black letter’ compliance with the Guidance and whether it will consult on material future changes to the Guidance.



Key comments on the Liquidity Standard

Non-compliance materiality threshold: The Liquidity Standard and its accompanying Guidance (**Liquidity Guidance**) do not adequately articulate where the threshold between compliance and non-compliance will be. We request clarity regarding what is considered non-material non-compliance with the Liquidity Standard. We recommend that Liquidity Policy Review principles four and six are considered when determining this.

Complexity of integrating single depositor view and grouping customer deposits: The requirement to group customer deposits with the deposits of “*associated persons*”, after excluding each individual’s deposits covered by the Deposit Compensation Scheme, when determining a customer’s relevant size band is unnecessarily complex. We recommend that the requirement to group deposits from “associated persons” is removed from the Liquidity Standard.

Assumption threshold: The requirement for an assumption to be “*necessary*” is too restrictive and has the potential to remove the ability for a deposit taker to utilise an assumption when the use of the assumption would make the calculation less complex to administer and would not result in the understatement of liquidity risk.

Key comments on the DCS Standard

DCS, OBR and BS11: The Reserve Bank has scheduled publication of the exposure drafts of the OBR and Outsourcing Standards for consultation in June 2026. We understand that the Reserve Bank intends to integrate OBR and DCS to some degree. Our ability to identify issues with the DCS proposals for the purposes of responding to the DCS section of this Consultation is limited by the fact that many issues are likely to present only once we start building our DCS final solution. At this stage, we expect that certain aspects of our DCS final solution will leverage technology currently used for OBR. Similarly, we would want to design our DCS and OBR solutions having regard to potential Reserve Bank changes to BS11 (bank separation). We submit that if we commence solution design and implementation of DCS prior to the release of the final OBR and Outsourcing Standards, significant rework might be required.

Key comments on the Lending Standard

Policy intent: Our comments on the Lending Standard focus primarily on whether the drafting accurately reflects the policy intent signalled by the RBNZ. In several areas, we consider that changes to terminology or definitions do not fully achieve that intent. Our comments assume that no changes to underlying macroprudential policy settings are intended, other than those explicitly arising from the RBNZ’s July 2025 policy decisions and minor technical adjustments. Accordingly, our feedback highlights areas where new definitions or drafting could create unintended changes or introduce complexity or confusion.

Clarity of terminology: Since the beginnings of the RBNZ’s macroprudential framework, ANZ and the wider industry have worked closely with the RBNZ on the development of the loan-to-value ratio (**LVR**) and debt-to-income ratio (**DTI**) restrictions (collectively **BS19/20**). Through this collaborative process, the current BS19/20 framework has achieved both clarity and practicality for regulated entities and the RBNZ alike. Consistent with this, ANZ strongly prefers that the Lending Standard and its accompanying Guidance (**Lending Guidance**) retain the existing BS19/20 terminology wherever possible. We do not support wholesale adoption of definitions from external legislation—particularly the CCCFA—where this may distort the underlying macroprudential concepts or introduce unintended changes to treatment or reporting.

Implications for reporting: We note that the BS19/20 definitions flow through to a wide range of reporting requirements including speed-limit reporting, statistical returns, disclosure statements, and Loan Level Data development. For example, the term “*Residential Mortgage Loan*” (**RML**) is widely used and well understood across RBNZ policies and industry reporting. The Lending Standard replaces this with “*Residential Housing Loan*” (**RHL**), with a materially different definition. As the Consultation (paragraph 85) states that reporting will not



materially change, it is unclear whether this definitional change is intended. If data points are to change, this will require system updates and additional transitional considerations.

Increased ambiguity: We also observe that the Lending Standard relies heavily on general rules of statutory interpretation (e.g., singular implying plural). This creates ambiguity in practical lending scenarios, for example, where several loans are secured against one property or vice versa, and/or multiple borrowers are involved. We submit that the existing BS19/20 wording provides greater clarity.



ANZ responses to the Consultation questions

Submissions on the Liquidity Standard

Q1. Does the exposure draft accurately set out the Reserve Bank's liquidity requirements (both qualitative and quantitative), including decisions taken as part of the LPR? If not, what areas of the exposure draft may require revision?

ANZ generally considers that the Liquidity Standard and Liquidity Guidance accurately set out the requirements, including the decisions taken as part of the Liquidity Policy Review (LPR). We commend the RBNZ for addressing many of the gaps and points of clarification we have previously highlighted in the current liquidity policy, BS13. However, in certain areas we see benefit in considering the Liquidity Standard requirements further or providing additional clarity or guidance within the Liquidity Guidance. These areas are discussed below.

There needs to be clear articulation to industry of a reasonable threshold between compliance and non-compliance with the Liquidity Standard

The Liquidity Standard and Liquidity Guidance are not clear on the threshold between compliance and non-material non-compliance. The Liquidity Guidance specifies the threshold between material and non-material non-compliance but not the threshold between compliance and non-compliance¹.

Previous guidance provided by RBNZ includes:

- Liquidity Thematic Review Industry Insights (published 8 September 2021)
"The Policy does not have a materiality threshold for non-compliance. Some banks assumed that maintaining large liquidity buffers above regulatory limits meant minor compliance issues that were immaterial to the calculation didn't matter. However, the Policy does not have a materiality threshold for non-compliance. So, any failure to meet the requirements of the Policy was viewed as non-compliance."
- Letter from Rupert Barber, (Manager, Industry Insights and Thematics) to Antonia Watson (Chief Executive Officer) titled "Thematic Review of Compliance with the Reserve Bank's Liquidity Policy (BS13) - feedback for ANZ Bank New Zealand Limited (ANZ)" (dated 30 June 2021)
"...we wish to clarify that any miscalculation of the BS13 liquidity ratios represent non-compliance with the condition of registration and should be reported to the Reserve Bank in accordance with the new breach reporting requirements"

In ANZ's opinion, previous guidance is not aligned with LPR principle six, "that liquidity requirements be practical to administer and seek to avoid any unnecessary complexity and compliance costs," or principle four, "that both qualitative and quantitative requirements should encourage banks to take a holistic approach to their management of liquidity risk".

Any future threshold should consider that:

- banks run significant liquidity buffers meaning minor calculation issues are not a threat to overall bank liquidity;
- calculation issues may increase or decrease the quantitative liquidity metrics; and
- materiality thresholds are standard accounting practice.

ANZ acknowledges that further information may be available in the draft Reporting Standard once published.

¹ Guidance Note, Paragraph 60



The proposed requirements in Liquidity Standard clause 16 (c) and (d) and 22 (c) and (e) are highly complex and inconsistent with the Liquidity Guidance

The requirement to determine a customer's total deposits and link these with their associated person deposits after excluding that customer's deposits covered by the Deposit Compensation Scheme will be complex to operationalise in both the Mismatch Ratio (MMR) and the Core Funding Ratio (CFR) calculations.

ANZ recommends removing the words "*and associated person*" from clauses 16 and 22 and using a single depositor view to determine the proportion percentage to apply. This would better align with LPR principle six, "*that liquidity requirements should be practical to administer and avoid unnecessary complexity.*"

We note that the Liquidity Guidance states that "*deposit takers are encouraged to aggregate balances across a given depositor's accounts in the same way they do for producing their single depositor view when complying with the DCS standard*".² This contradicts the Liquidity Standard but aligns with ANZ's recommendation.

Requiring an assumption to be 'necessary' is an unduly high threshold

ANZ supports the RBNZ's decision to allow assumptions in the calculation of the MMR and CFR but believes meeting the "*necessary*" threshold, in order to be permitted to use one, is very restrictive and unjustified. ANZ believes that if a deposit taker can demonstrate that an assumption results in a more conservative outcome, not just that it is necessary, the assumption should be permitted. ANZ does not have concerns with the formal requirement to have an assumption register.

Clause 5 of the Liquidity Standard states, "*a deposit taker may rely on an assumption when making a calculation under Part 3 or 4 if the deposit taker believes, on reasonable grounds, that the assumption is necessary to make the calculation in a timely and prudent manner.*" The Liquidity Guidance then states, "*deposit takers may apply judgment in determining what is 'prudent'. In doing so, deposit takers are expected to consider the extent to which the assumption could result in inaccuracy of the calculation, particularly an understatement of its liquidity risk.*" The use of the word 'necessary' suggests that assumptions can no longer be used solely for the purpose of simplifying (with a conservative outcome) what is a complex calculation.

For example, there are many stages of processing a customer loan - spanning from initial application to final draw down. It is difficult from a system data point of view to pinpoint the exact stage a loan is certain to be drawn. As such, ANZ currently applies a simplifying assumption

. This is conservative as ANZ assumes the maximum potential outflow from the draw down of these loans. We request that the Reserve Bank considers whether this is necessary.

Clarify that the exclusions in clause 17 (2) of the Liquidity Standard only apply to the undrawn committed lines (UCLs) described in clause 17 (1)(d)

ANZ has interpreted clause 17(2) to mean that it only applies to any funds the deposit taker has the right to be provided under a UCL as described in clause 17 (1)(d). Guidance confirming that is the correct interpretation (or not) would be appreciated.

Confirmation that the definition "revolving credit contract", while having the same meaning as in section 5 of the CCCFA, is not intended to apply to only those customers captured under the CCCFA

ANZ has interpreted that only the CCCFA definitions themselves (and definitions used from other legislation) apply for the purposes of the Liquidity Standard, and that any wider context regarding the use of that definition within the specific Act referenced is not relevant to the Liquidity Standard. Guidance confirming that is the correct interpretation (or not) would be appreciated.

² Guidance Note, Paragraph 81.



Clarify that, as the Liquidity Guidance suggests, that the restriction in clause 16 (2)(b) only applies to the intermediary, and not the beneficiary

Paragraph 82 of the Liquidity Guidance states that look-through treatment would not be appropriate if the intermediary also could withdraw funds within the 30-day MMR period. ANZ requests clarification that the intermediary is allowed to execute the withdrawal of funds within the 30-day MMR window on the beneficiaries' instruction, and that the restriction is on the intermediary being able to withdraw funds without instruction from the underlying beneficiary.

Provide additional guidance on the approach to funding transactions that are yet to settle

Paragraph 88.3 of the Liquidity Guidance states that cash inflows do not include "*amounts that could be received from future funding where that is not from a UCL*". ANZ interprets this guidance to mean that funding raised by issuing debt securities with a future settlement date are not to be included as cash inflows in the calculation of the MMR. If a deposit taker has executed a debt security with a future settlement date (for example, an offshore term debt transaction, which typically settles one week after execution), ANZ is of the opinion that this executed funding should be permitted to be included as a cash inflow for the calculation of the MMR from the execution date. We note that the exclusion in paragraph 88.3 of the Liquidity Guidance applies only to the MMR and is silent on the CFR.

Define "commitments"

The Liquidity Standard requires "*commitments*" to be included in the calculation of the MMR. However, that term is not defined. ANZ requests it is defined, or that guidance is provided on how to interpret it.

Provide guidance on the treatment of deposits during a 'cooling off' period

Standard market practice is for certain customers to be provided a seven-day period after they have placed a term deposit to change their mind (**Cooling Off Period**).³ We recommend, to ensure a consistent approach across industry, that guidance is provided on how to model term deposits during any Cooling Off Period.

Provide guidance on how to model the haircut on securities that are maturing within the next 30 days

The Liquidity Standard and Liquidity Guidance do not advise how to model the haircut on securities that are maturing within the next 30-days. ANZ recommends that, consistent with BS13A, paragraph 7, haircuts on securities that mature within the 30-day window should be treated as cash inflows, noting that the security issuer has a contractual obligation to repay the value of the security on maturity.

CFR guidance on tier one capital distributions

Paragraph 84 of the Liquidity Guidance is clear that contractual outflows exclude any upcoming distributions on Tier 1 capital instruments (i.e. ordinary shares and additional tier one capital instruments) for the purpose of calculating the MMR. This Liquidity Guidance is helpful in the context of the MMR but it is silent on CFR. In the context of the CFR, ANZ notes the Liquidity Guidance in clause 16 that "*a depositor taker may assume that certain aspects of a calculation undertaken within a calendar month do not need to be fully recalculated*". ANZ requests clarification on when Tier 1 capital distributions should be reflected in the CFR calculation.

Liquidity Guidance on the conversion of cashflows not denominated in New Zealand dollars

We recommend guidance is provided on the conversion of cashflows not denominated in New Zealand dollars (**NZD**). ANZ currently:

³ Refer to <https://www.anz.co.nz/personal/accounts/term-deposits/> '7 day 'cooling off' period' for further details. Note that the terms and conditions of our Institutional and Corporate deposits do not allow this 7 day 'cooling off' period.



We recommend our current approach.

Q2. Would the exposure draft and draft Guidance, as currently drafted, create any unintended outcomes? If so, please specify any issues and potential solutions.

As described above, ANZ considers the interrelationship between the requirement in Liquidity Standard clauses 16 (c) and (d) for MMR and clauses 22 (c) and (e) for CFR to be highly complex to operationalise. It is unclear to us that this is the intention. ANZ recommends the removal of the wording “*and associated persons*” from those clauses.

Q3. Do you have comments on the formulation of caps in the Liquidity Standard, such as caps in relation to cash inflows, undrawn committed lines, and various components of liquid assets?

Other than our comments provided in response to question 1 relating to clause 17, ANZ does not have any material concerns with the caps in relation to cash inflows and undrawn committed lines.

We note that clause 14(4) of the Liquidity Standard provides the RBNZ with wide discretion to set the volume of a deposit takers liquid assets that are CLF-eligible in a range of 5% to 50% of total liquid assets. ANZ reiterates that when quantifying the system wide shortage of qualifying liquid assets to determine the volume of deposit takers assets that will be CLF eligible, the RBNZ should only consider New Zealand Government Securities that are not inflation indexed and have a current term to maturity of 10 years or less⁴.

Q4. Do you have any views on what deposits from government agencies (if any) should be subject to a 100% run-off rate or the size band approach under the MMR?

ANZ supports applying the size band approach under the MMR to deposits from government agencies, not subjecting those deposits to a 100% run-off rate. Applying the run-off rates under clauses 16(d) and 22(e) of the Liquidity Standard better aligns with international practice, and in our opinion, better reflects the actual liquidity risk associated with those deposits.

ANZ estimates it has _____ of government agency deposits. The split of this amount across the various run-off buckets outlined in clauses 16 (d) and 22 (e) is below demonstrating the range of balances these customers place with us.

Total deposits size	Percentage of ANZ's Govt. agency deposits
Less than \$5 million	
\$5 million to < \$10 million	
\$10 million to < \$20 million	
\$20 million to < \$50 million	
\$50 million to < \$100 million	
Greater than \$100 million	

⁴ Refer ANZ Submission to RBNZ 2025 Liquidity Management Review, Q15 for further detail.



ANZ notes that APRA prescribes “*Public Sector Entity*” deposits a separate run-off rate that aligns with the run-off rate applied to corporate customer deposits, ranging from 20% to 40%.

The list of government agencies covers a wide range of entities with varying deposit sizes. Given the different functions those agencies serve ANZ does not expect those agencies to act in a consistent manner.

[Q5. Do you have any other comments on the attached exposure draft of the Liquidity Standard?](#)

Refer to our response to question 1.

[Q6. Do you have any other comments on the attached draft of the Guidance to support the Liquidity Standard?](#)

Refer to our response to question 1.

Submissions on the DCS Standard

[Q7: Do you agree that a DCS depositor page should accept alternate account details from any authorised individual even if that person could not manage that account without approval from another person \(n to sign\)? If not, please provide suggestions on how this could be cost effectively managed by deposit takers?](#)

ANZ agrees that a DCS depositor page should be able to accept alternate account details from any authorised individual. This would enable the most simple technical solution for deposit takers.

We have interpreted paragraph 17 of the accompanying guidance to the DCS Standard (**DCS Guidance**) as meaning that a deposit taker is not required to enable an authorised individual to update their alternate account details if they enter incorrect information or wish to update their information. This is because they may contact the Reserve Bank directly to make these updates instead. That would mean that a deposit taker would not be expected to enable an authorised individual to submit alternate account details for the same depositor more than once (either through a multi-channel scenario or through the same channel more than once).

However, it is unclear to us whether deposit takers are expected to:

- Enable authorised individuals to be able submit alternate account details where alternative account details have already been submitted by another authorised individual for that depositor.
- Display in-channel when alternate account details have already been provided.

To minimise the risk of confusion around the time of payout and to aid cost effectiveness, ANZ submits that deposit takers be given the flexibility to not accept the re-submission of alternate account details but instead display in channel that alternate account details have already been provided in the form of an ‘already submitted’ message (i.e. without needing to provide the name of any earlier authorised individuals who have submitted and the alternate account details that they provided).

[Q8: Do you agree with the proposal that the alternate model would only be available to deposit takers who do not offer transactional accounts, and the proposed approach to identify which deposit takers offer transactional accounts?](#)

ANZ does not agree with the proposal that alternate models should only be made available to deposit takers that do not offer transactional accounts or provide account software. We strongly submit that the Reserve Bank should consider permitting alternate models to be used as a temporary solution where, for example, account software is being actively downgraded or decommissioned.

If deposit takers are required to implement a DCS depositor page for account software that is in the process of being decommissioned this will materially increase the compliance burden and cost at a time when deposit takers are already undertaking significant technical programmes to implement other DTA related changes.



Q9: DCS depositor page data will be provided to the Reserve Bank as it is received (for example, every 24 hours). Will you have any system constraints if subsequent transfers contain only depositor data that is new since any previous data transfers (delta data)?

At this early stage, ANZ believes that system constraints might be less likely if subsequent transfers contain only depositor data that is new since any previous data transfers (i.e. delta data).

That said, we submit that the definition of “new” data is not entirely clear, and we request that the RBNZ provides detailed guidance along with illustrative use cases or examples. For example, do the following scenarios qualify as new data: changes in fields (mandatory or otherwise), closure of account and/or deposits and deposit auto-renewals. See also our comments in response to question 7 regarding the ability of authorised individuals to re-submit alternate account details. We note that until we receive the final DCS Standard and guidance and work through implementation we cannot be certain.

Regarding the proposed 24-hour data submission window, ANZ is concerned that this limited time period will provide deposit takers with insufficient time to execute a thorough review and carry out appropriate data integrity checks prior to being required to make their data submission.

Q10: Account authority SDV variables have been included as an account level variable to reflect submissions on the consultation document. We expect that some or many authorities may be provided at the depositor level and welcome submissions on the appropriate treatment.

Could the Reserve Bank please confirm whether it intends to provide a list of authority types for us to categorise data into, or will deposit takers be able to populate account authority variables as we see fit and the Reserve Bank will interpret accordingly. Could the Reserve Bank please also clarify whether deposit takers will be required to only populate this variable with authorities that have the same powers as an authorised individual. At face value, this SDV variable appears to support the recording of one authority per account only, which might be problematic if there are multiple authorised individuals for a depositor and the account authority variable is at the depositor level.

Q11: Do you foresee any difficulty in identifying temporary accounts as identified in row 36 of the table in the Guidance? Are there any further actions the DCS Standard could include that would assist, for example a delay in collating this information compared with the other SDV variables, and if so how long would be appropriate?

The reasoning for requiring temporary accounts to be flagged is very unclear to us. We note that only some deposit takers will have accounts that should be flagged as temporary. ANZ requests that the Reserve Bank engage further with industry on the rationale for requiring temporary accounts to be flagged to determine whether this variable is necessary. If it is to be retained, we submit that it should be dealt with separately between the Reserve Bank and relevant individual deposit takers.

Q12: As referred to in the data submission guidelines, are there any technical or nontechnical constraints that would prevent your institution from implementing asymmetric encryption?

At this time, ANZ has not identified any constraints that would prevent ANZ from implementing asymmetric encryption. However, we note that there are other Reserve Bank encryption requirements, for example, those relating to loan level data. Inconsistencies between these requirements and other Reserve Bank requirements might impede the implementation of asymmetric encryption.

Q13: Do you have any other comments on the attached exposure draft of the DCS Standard?

Definition of account software

Clause 3 of the DCS Standard states that “*account software means online software provided by a deposit taker for persons to view or manage accounts in which deposits are placed (for example, an Internet site or a mobile application)*”. ANZ submits that the words “*view or*” be removed. If customers are unable to manage their accounts in a software system that system should be outside the scope of the requirement to link a DCS



depositor page to that system. We submit that including a requirement to link view only systems to a DCS depositor page may result in unnecessary additional compliance costs for depositor takers.

Scope of advertising restrictions

Clause 6 of the DCS Standard sets out certain restrictions when advertising financial products eligible for protection under the DCS (**advertising restrictions**). However, the scope of those advertising restrictions is unclear. We submit that a definition of advertisement be included in the DCS Standard to clarify that these restrictions would not apply to:

- documents produced for non-promotional purposes (such as disclosure statements, annual reports or similar regulated documents);
- treasury funding programme documents for debt securities that are not protected deposits; and
- the product list that deposit takers are required to produce.

We also submit that, to align with the scope of advertising restrictions in section 67(4) of the DTA, advertising on a deposit taker's website should be expressly excluded from the scope of restrictions in section 6 of the DCS Standard. Furthermore, we submit that clause 6(3) of the DCS Standard, which provides that an advertisement for a revolving credit contract must not refer to the product as a protected deposit under the DCS, be removed. This is because Regulation 5(2)(a)(x) of the Deposit Taker Regulations 2025 stipulates that a revolving credit contract is a protected deposit and so restricting DCS advertising for revolving credit contracts seems inconsistent and might confuse our customers.

Use of DCS logos

Clause 7(1) of the DCS Standard requires a deposit taker to display at least one DCS logo on each product page. ANZ requests that the Reserve Bank clarify that there is no obligation for each protected deposit to have a product page, as some protected deposits might not have their own product page (for example, non-strategic products or products that are off-sale and/or being retired/phased out). We also request that the requirements to display the DCS logo in clauses 7 and 8 are both optional (i.e. clause 7 is made consistent with clause 8). Similar to our submission above, ANZ also requests that the restrictions on using a DCS logo on product pages for revolving credit contracts in clauses 7(3) and 8(3) also be removed.

DCS Information page (clause 10 of the DCS Standard)

ANZ submits that clause 10(1) be removed from the DCS Standard. This is because:

- We believe that the impact of providing a DCS information sheet to every authorised individual every time a depositor places a protected deposit would be detrimental (as opposed to beneficial) for our customers. From our experience, we believe that the large number of communications generated would likely fatigue and/or irritate our customers and it is unclear to us what the benefit of multiple notifications might be.
- Clause 10(2) also requires a deposit taker to include a link to the DCS information sheet and to provide the DCS information page to a depositor on request while clause 16(b) of the DCS Standard requires a deposit taker to include a notification that information about the DCS is available on the Reserve Bank's website. We expect that some deposit takers might choose to provide a DCS information sheet in other circumstances where the deposit taker considers appropriate. We believe that these requirements would, in aggregate, provide sufficient and proportionate disclosure.
- We believe it would be unnecessarily costly and challenging for deposit takers to provide the DCS information sheet to every authorised individual for a depositor every time a protected deposit is placed, particularly if it must be provided on different channels and/or in different formats (i.e. for non-digitally banked customers). These costs would be amplified in circumstances where deposit takers are required



to retain specific records or evidence of the DCS information sheet being provided to each customer on every placement.

ANZ also submits that (subject to clause 10(2)), if the DCS information sheet is updated by the Reserve Bank, there is no requirement to provide the updated DCS information sheet to any of the deposit taker's customers who have already received a copy of the previous version of the DCS information sheet. Furthermore, we submit that in respect of clause 10(2), the DCS information sheet need only be provided in respect of a depositor.

Deactivating account software / view access (clause 18 of the DCS Standard)

We submit that the scope of application of this clause has been drafted too broadly. As currently proposed, clause 18 would require ANZ to deactivate its systems that operate accounts that are not in scope for the DCS. There is account software that has a global functionality. This requirement should be reworded to ensure that accounts that are not on the depositor taker's balance sheet are not in scope to be deactivated.

ANZ further submits that there might have been (or will be) valid operational reasons for de-activating view access for a customer (for example, where that customer engages in fraudulent behaviour). Therefore, we submit that a deposit taker should be able to continue to deactivate view access despite the DCS being invoked.

"At all times" (clause 30 of the DCS Standard)

The RBNZ has proposed that deposit takers be required to produce a single depositor view within 24 hours "*at all times*". There are significant practical limitations around this proposed timing. For example, a 24-hour turnaround time, irrespective of weekends, holidays etc., would limit a deposit taker's ability to perform thorough data validation prior to submission. Without thorough data validation, we are concerned that deposit takers might be required to submit incomplete or inaccurate information.

Additionally, we believe that accurate SDV files can only be produced using close of business day data. Even with significant assumptions and a number of manual interventions there would still be limited confidence in the accuracy of 'intraday' SDV files.

Accordingly, ANZ submits that the requirement to produce an SDV "*at all times*" should be by reference to the position as at the close of business on any day. We request that the Reserve Bank engage further with deposit takers to identify a SDV submission window that reduces the likelihood that deposit takers breach clause 30 so soon after the DCS is triggered.

Sharing of keys (clause 30(2)(c) of the DCS Standard)

ANZ submits that the Reserve Bank would need to create a mechanism for the secure sharing of keys. An agreed method for the secure sharing encryption keys between the Reserve Bank and any deposit taker would need to be documented in an agreement between the Reserve Bank and that deposit taker.

[Q14: Do you have any other comments on the attached draft of the Guidance to support the DCS Standard?](#)

Amending alternate account details (paragraph 17 of the DCS Guidance)

The requirements for a deposit taker are unclear in the event that an authorised individual provides alternate account details directly to the Reserve Bank (instead of via the DCS depositor page). For example, could the Reserve Bank please clarify whether it would require the deposit taker to authenticate the depositor and authorised individual or join the data into the SDV provided. Similarly, we query whether the Reserve Bank would require the deposit taker to compare the details provided to the Reserve Bank and master this back into the deposit taker's environment.



BS11 (bank separation)

Our digital channel, Transactive Global, is subject to BS11 separation requirements. Could the Reserve Bank please provide guidance regarding how the Reserve Bank intends the DCS to operate in tandem with BS11 (bank separation) and OBR. It is critical that we see the final OBR and Outsourcing standards as soon as possible.

Accrued interest amount (page 19 of the DCS Guidance, field 38)

ANZ submits that “*accrued interest*” should not be a mandatory field for the purposes of the SDV file. Adding accrued interest as a mandatory field could add significant time and complexity to preparing SDV files, which, in turn, could undermine a deposit taker’s ability to provide its SDV file within the currently mandated 24-hour period. We note that section 218 of the DTA allows for estimates if accurate values are not available, which would suggest that the calculation of accrued interest is not necessary. Furthermore, we understand that the Reserve Bank intends that accrued interest would be netted against funds the customer might be eligible to receive in a payout. The Reserve Bank should also consider whether fees (e.g. monthly account fee, transaction fees, overdraft management fee) should be netted against these funds the customer may be eligible to receive, and either explicitly include or exclude fees from payouts.

SDV file

We have the following additional comments to make in relation to the SDV file requirements:

- Field 27 (temporary high balance) – We believe this will be potentially very difficult to flag, having regard to the example provided under 455(1)(g) of the Act (house deposit). Given that the scenarios are not prescribed, inbound funds might be received as a variety of different payment types and with varying reference details. We would require further information regarding how the Reserve Bank intends this to operate before we could be in a position to properly comment on this proposal. If the Reserve Bank intends to create temporary high balance regulations prior to the final DCS Standard coming into force it might materially complicate the design and build of our SDV solution.
- Field 34 (relevant arrangement) – Similar to above, this would be potentially difficult to flag, given the many different types of arrangements (some of which would be more identifiable than others). Could the Reserve Bank please clarify whether it intends to use the information provided in the relevant arrangement record to contact the depositor for required information?
- Field 39 (authority on account) – Please refer to our response to question 10. There could be valid operational reasons as to why view access needs to be de-activated for a customer (i.e. fraudulent behaviour).
- We submit that the following fields should not be mandatory fields, as this information may not be held in respect of every customer.
 - field 11 - IRD number;
 - field 21 - Post code;
 - field 22 - Country;
 - field 23 - Email address;
 - field 24 - Phone number 1;
 - field 38 - Accrued interest amount;
 - field 49 - Authority: Post code;
 - field 50 - Authority: Country;
 - field 51 - Authority: email address;



- field 52 - Authority: Phone number; and
- field 53 - Payout hold status.

Other DCS comments

SDV Aggregate Reporting (paragraph 70 of the DCS Supporting Information)

We strongly encourage the Reserve Bank to provide an exposure draft or early guidance on the reporting requirements for SDV, particularly regarding the SDV quarterly reporting proposal. The absence of such guidance creates significant uncertainty for deposit takers currently progressing with SDV builds. Should the final Reporting Standard diverge from current assumptions or introduce additional requirements, this might necessitate substantial rework, resulting in project delays and unnecessary expenditure. Furthermore, the lack of an exposure draft/or early guidance makes it challenging to finalise technical specifications, data models, and reporting frameworks. Once the Reporting Standard exposure draft is released, the compressed implementation timeline will leave deposit takers with limited opportunity to review, consult, and implement the necessary changes before compliance deadlines, increasing the risk of rushed or incomplete solutions.

Submissions on the Lending Standard

Terms and definitions used in the Lending Standard and Lending Guidance

The terminology used in the current LVR/DTI macroprudential framework (**BS19/20**) has been carefully designed for the New Zealand banking environment and with close reference to the RBNZ's Banking Prudential Requirements (**BPR**), and where possible, should be carried over to the Lending Standard. Adopting CCCFA definitions without due consideration risks creating fundamental changes to prudential outcomes. These changes may also complicate reporting and misalign the Lending Standard with broader macroprudential and capital frameworks.

Our commentary assumes that, while the CCCFA generally applies to consumer lending only, any definitions adopted from the CCCFA are also intended to apply to any non-personal lending in scope for the Lending Standard. It would be useful for this to be clarified.

We have provided further details on the terms we consider unsuitable for use in the Lending Standard and Lending Guidance, together with our recommendations below:

- **Credit Limit**

We do not support replacing the BS19/20 term "*loan value*" with the CCCFA-derived term "*credit limit*". "*Loan value*" appropriately captures both drawn and committed undrawn amounts and reflects that the outstanding loan value changes over time. By contrast, "*credit limit*" implies a static maximum permitted balance and is more suited to revolving credit products.

Recommendation: Retain "loan value" for table and interest-only lending; use "credit limit" only for revolving facilities.

- **Debtor**

Replacing the existing terms "*borrower*" and "*borrowing party*" with the CCCFA term "*debtor*" risks confusion, as the current terminology more clearly distinguishes between those who owe obligations to the bank and other parties who may feature in LVR/DTI calculations (such as debtors of the borrower).

Recommendation: Retain "borrower" and "borrowing party".

- **Dwellinghouse**

The use of "*dwellinghouse*" instead of "*residential property*" is less suitable in the context of the wider framework of DTA standards. The current BPR definition provides a clearer and more appropriate construct.



Recommendation: Retain "residential property" and the existing BPR131 definition.

- **Market Value**

The existing BS19/20 term "*property value*" is more specific to the LVR/DTI policy context and is supported by detailed valuation requirements in BPR133 (particularly Section D3). It is unclear whether the draft Lending Standard intends to allow for statistical/modelled valuations and/or deposit takers' internal valuation policies and procedures. The proposed definition point (c) appears vague: "*the value as estimated by a person in the business of providing a valuation service*".

Recommendation: Retain the term "property value" and retain alignment with BPR133.

- **Owner-Occupied Property**

The proposed definition is materially different from that in BPR131, particularly regarding "*relatives of the debtor*" versus the broader "*related party*" concept. The new definition may create complexity for joint lending, parental support arrangements, and trust structures.

Recommendation: Retain the current BS19/20 definition, reflecting BPR131 C3.4.

- **Residential Housing Loan**

The new definition differs significantly from the BPR131 RML definition, including by requiring a dwellinghouse on the land and focusing on first mortgages. This excludes land-only purchases and may not operate correctly where a deposit taker does not hold first ranking security.

Recommendation: Retain the BS19/20 term and definition; ensure community housing developments remain excluded; clarify how loans secured by multiple properties (residential and non-residential) should be treated.

- **Unpaid Balance**

This CCCFA term is unsuitable in a prudential context and may be misinterpreted as referring to overdue balances. Industry convention is that, if a loan has a balance, it is, by definition, unpaid.

Recommendation: Retain the term "loan balance".

- **Lending Periods**

Replacing "*measurement period*" with "*lending period*" reduces clarity and introduces potential confusion with loan duration.

Recommendation: Retain "measurement period".

Other comments on terms and definitions

The interchangeable and sometimes undefined use of "*loan*", "*credit*", and "*advance*" creates uncertainty.

Clauses 25(1)(b) and 26(1)(b) state that one or more of the listed criteria must apply. This appears inconsistent with the concept of ordinary finance, which would always apply.

[Q15: Do you have comments on the structure of the attached exposure draft of the Lending Standard?](#)

Overall, the Lending Standard is well-structured.

We note that both the Lending Standard and the Lending Guidance open with a glossary and we are interested to know if the RBNZ is considering establishing a consolidated DTA Standards glossary as part of finalising the framework in due course.



Q16: Does the attached exposure draft of the Lending Standard and the draft Guidance set out LVR and DTI exemptions clearly enough (noting that these are now framed as 'nature of lending' categories)?

While the construct differs to the current framework, i.e. categorisation under "*nature of lending*" rather than exemptions per se, ANZ believes the intent of the Lending Standard Part 2 is largely reflective of the exemptions contained in BS19/20. However, we have noted several differences in descriptions that warrant clarity; these are detailed under question 17 below.

To support the intent of the Lending Standard and Lending Guidance, we recommend retaining the guidance material from the current BS19/20 (sections 13 and 15 respectively), in particular, the concept of "substance over form". We also recommend using the BS20 Section 12 content to provide clear guidance on determining income.

Q17: Do you have comments on the changes to LVR and DTI exemptions (noting that these are now framed as 'nature of lending' categories)?

Bridging Finance

The Lending Standard suggests security is limited to the existing property and does not take the new mortgage/property into account. We also note that the Lending Standard requires a bridging loan to be repaid within 12 months (rather than the purchase is intended to be completed in 12 months), whereas the BS19/20 exemption lasts until one year after the bank first committed to providing the loan. As it stands, the current Lending Standard does not permit an open bridge. We suggest this section warrants further thought; the current BS19/20 definition is clearer (including how the 12 months is calculated) and should be carried over to the Lending Standard.

New Build Finance and New Build Purchase

While we believe the proposed separation of the current construction exemption into two categories is probably workable, we note this will create another reporting category which may require system changes. We also note the definitions are narrower and introduce potential operational issues:

- Land-only purchases appear excluded
- The requirement to demolish existing dwellings is unnecessarily restrictive as it:
 - Assumes there is an existing home to be removed / demolished.
 - Precludes situations where the lending is provided for an additional house on the same title.
 - Has the potential to become unnecessarily complex in situations such as, unit titles, cross leases, existing or proposed minor dwellings on a property, subdivisions where the subdivision will happen after the build.
- The code compliance certificate is not a reliable or appropriate reference point because:
 - It introduces additional operational considerations for deposit takers.
 - The Lending Standard should not become too prescriptive in operational detail for the purpose of macroprudential policy.
 - The code of compliance issuance timing can be variable
 - This potentially means minor dwellings not requiring a code compliance certificate may fall outside scope.

Remediation finance

ANZ suggests this is renamed "Property remediation finance" to make it clear that the remediation pertains to the property, not the borrower. The term "Remediation finance" could be interpreted as lending to a borrower that is experiencing difficulties with loan repayments. Preventative repairs should also be included. Furthermore, we suggest reinstating the broader BS19/20 definition.



Security substitution

The Lending Guidance (paragraph 44) is prescriptive on how to document the intention to occupy, suggesting that deposit takers obtain signed statements from the debtor to this effect. We suggest this overlaps unnecessarily with deposit takers' credit processes and is too prescriptive for the purpose of a macroprudential framework.

Ordinary finance

It is unclear whether business lending is included or excluded. Currently, business lending against residential property is not included in the debt portion of DTI but is included in LVR for the purpose of determining the security position.

Undetermined DTI

Under the Lending Standard, all loans for which a deposit taker is unable to reasonably distinguish between a borrowing party's business and personal debt (i.e. loans with undetermined DTIs) must now be included in the speed limit.

This change eliminates a deposit taker's discretion to account for all of the borrowing party's income and debt in the DTI calculation; a flexibility that has previously accommodated more complex structures such as trusts, companies, and/or multiple borrowers. It is unclear whether this outcome was an intended amendment from BS20. The impact of this change may place borrowers with complex financial structures at a disadvantage, and we would appreciate clarification on this matter.

[Q18: Do you have comments on including a range of high-LVR and high-DTI thresholds and speed limits, without increments?](#)

ANZ supports an approach of threshold and speed limit ranges without increments. For the DTI measure, we recommend that DTI thresholds continue to be measured in whole numbers only, as per current practice.

[Q19: Do you have comments on the approach to anti-avoidance?](#)

This content appears overly prescriptive, and we recommend the current BS19/20 wording is appropriate and sufficient.

[Q20: Do you have comments on the proposed transitional arrangements?](#)

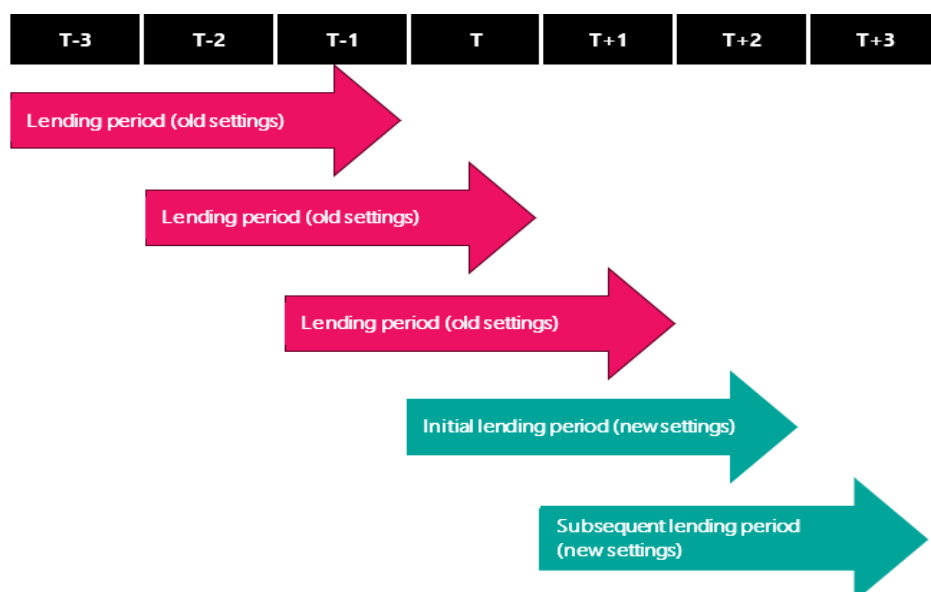
ANZ disagrees with changing from the term "*measurement period*" (as per current policy) to "*lending period*". The term "*lending period*" is frequently understood to mean the duration of the loan.

ANZ does not believe the diagrams provided in the Lending Guidance (paragraph 103) accurately reflect the process around transitioning to changed settings. At 'T' there is a hiatus in reporting to reflect the changeover from old to new settings (i.e. there is no overlap).

The same approach should apply to Lending Guidance, figure 4, as well as the rolling period reset when the Lending Standard takes effect in December 2028.

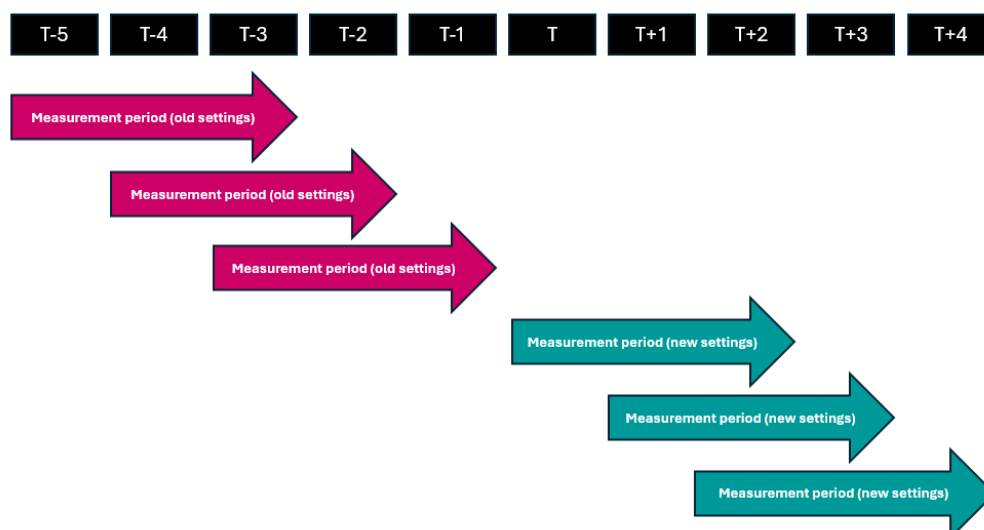


"Lending Guidance Figure 3: Lending periods for Group 1 deposit takers (three months)"



ANZ suggests this should instead be represented as below:

Recommended diagram showing lending periods for Group 1 deposit takers (three months)



Q21: Do you have any other comments on the attached exposure draft of the Lending Standard?

ANZ has identified the following items for further consideration:

- Clause 5: Criteria should apply to whether a "loan", not a "person", qualifies as a residential housing loan.
- Clause 18: Definitions underlying the LVR calculation require clarity (specifically "credit limit" and "market value").
- Clause 21: Treatment of business lending in DTI should align with BS20.
- Clause 23: The description of the period lengths conflicts with the intended rolling average approach; the Lending Standard wording indicates fixed 3 and 6 month periods.
- Clause 27: Clarify treatment of cross-security finance and unknown LVRs.



- Clause 36: Appears to contain a typographical error (refers to clause 14(c) of the Lending Standard; we assume this should refer to 14(b)).

Q22: Do you have any comments on the attached draft of the Guidance to support the Lending Standard?

ANZ has identified the following items for further consideration in the Lending Guidance:

- Paragraph 16: Clarity on whether “*without investment collateral*” also applies to first-home buyers.
- Paragraphs 54–55: The proposed requirement to obtain loan statements is more prescriptive than BS20. We suggest this overlaps unnecessarily with deposit takers’ credit processes and is too prescriptive for the purpose of a macroprudential framework.
- Paragraphs 56–57: Income verification expectations may introduce disproportionate process burdens. Again, we suggest this overlaps unnecessarily with deposit takers’ credit processes and is too prescriptive for the purpose of a macroprudential framework.
- Paragraph 75: Debt being repaid as part of the lending application should also be listed as an exclusion.
- Paragraphs 77–79: Wording is less clear than BS20 for business/investment lending.
- Paragraph 83: Missing guidance on foreign income, variable income, guarantors, and net/gross treatment.
- Paragraph 87: Recommend reinstating BS20 business income definitions and table.
- Paragraph 88: Lending Guidance omits BS20 treatment of projected business income.

Submissions on the Branch Standard

ANZ supports the NZBA’s submissions on the Branch Standard.



