



Deposit Takers Act Consultation
Reserve Bank of New Zealand
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By email: dta@rbnz.govt.nz

13/01/2026

Dear Sir/Madam

CBA NZ's response to RBNZ's draft Incorporation Outside New Zealand Standard

Thank you for the opportunity to provide feedback on the draft Incorporation Outside New Zealand Standard. We appreciate the consultative approach and welcome the clarity provided in the exposure draft.

Summary of key points

- We support the Reserve Bank's objectives and the overall direction of the draft standard.
- However, we recommend that additional guidance is developed around assessing 'events causing rapid growth' and the retention period for clients not meeting 'large' criteria post-event.
- We also seek clarification on the use of client projections and definitions of 'rapid growth'.

Q23: Do you agree that the drafting of the large corporate or institutional client definition reflects the previously announced policy intent?

- Yes, we agree that the drafting of the large corporate or institutional client definition broadly reflects the previously announced policy intent. The definition appropriately captures entities with substantial financial sophistication and scale, which aligns with the risk-based approach underpinning the Deposit Takers Act. We support the inclusion of associated persons of the client in the large corporate or institutional (LCIC) definition.
- We also support the inclusion of clause 7(1)(e) which enables a client or associated party which is likely to experience an 'event causing rapid growth to its business (for example a merger)', which would reasonably be expected to result in the client meeting either the total assets or total consolidated turnover threshold (previously known as the 'large' criteria) in the two financial years following the event, to be classified as LCIC.
- However, we would appreciate further guidance to enable branches to determine:
 - How far in advance of the merger we can make this assessment; and
 - how certain branches need to be that the event is likely to occur resulting in the client meeting the 'large' criteria.

- To ensure consistent application, we would also appreciate further guidance in the unfortunate instance where a client completes the 'event', and they do not meet the 'large' criteria at the end of the first financial year:
 - Would the branch be able to retain them as LCIC clients for the next 12 months to see if they meet the 'large' criteria by the end of the second financial year?
 - If at the end of the second financial year the client still hasn't met the 'large' criteria, would we then have another 12 months to see if they meet the 'large' criteria at the end of their third year, and a further 6 months to offboard them if they still haven't met 'large' criteria at the end of their third financial year?
- We would also appreciate clarification on:
 - Whether there are any definitions or tests to determine whether an event will result in 'rapid growth' to a client's business; and
 - what information we can rely upon to make this assessment, and whether we can rely upon projections that the client gives us.

Q24: Do you agree that the drafting of the wholesale client definition reflects the previously announced policy intent?

- Yes, we agree that the wholesale client definition is generally consistent with the previously announced policy intent. The inclusion of professional investors, government entities, and large corporates aligns with market practice and international standards.

Q25: Do you have any other comments on the attached exposure draft of the IoNZ Standard?

- We appreciate the clarity provided in the exposure draft and support the Reserve Bank's objective of ensuring robust governance and risk management for deposit takers incorporated outside New Zealand.

Q26: Do you have any comments on the attached draft of the Guidance to support the IoNZ Standard?

- The draft Guidance is helpful in interpreting the IoNZ Standard and provides useful context for compliance.
- However, we would appreciate more detail in the Guidance to enable branches to confidently assess clients who are 'likely to experience an event causing rapid growth', including:
 - Adding clarity around how far in advance of an 'event' branches can make an assessment.
 - Detailing how long branches can retain clients who have experienced 'events' which unfortunately did not result in the rapid growth that was expected, and who cannot yet meet the total asset or total consolidated turnover thresholds that would enable us to classify them as a large corporate or institutional client (LCIC).
 - Guidance on any definitions or tests that we could rely on to determine whether an event will result in 'rapid growth' to a client's business.
 - Clarity on whether branches can rely upon projections that the client gives us, and any other information we can rely upon to make this assessment.

We would be happy to discuss any aspect of this response further and to assist in refining the Guidance to ensure practical and effective implementation.

Yours sincerely

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Bart Thomson
CEO of CBA NZ