

The Reserve Bank of New Zealand – Te Pūtea Matua (“RBNZ”)
<https://consultations.rbnz.govt.nz>

30 January 2026

Submission on the Deposit Takers Standards – Tranche 1 Consultation Paper

1. We are the New Zealand Branch of Coöperatieve Rabobank U.A., incorporated in The Netherlands (“**Rabobank**” or the “**Branch**”). We welcome the opportunity to provide feedback to RBNZ on its consultation paper “Deposit Takers Standards – Tranche 1” (the “**Consultation**”).¹ We consent to the publication of this submission.

About Rabobank and our mission

2. Rabobank is an international cooperative bank with Dutch origins. For over 125 years, collaboration has been at the heart of everything we do. Today, we employ more than 49,000 colleagues across 35 countries. Worldwide, we focus on the Food & Agri sector. We believe in the power of collaboration to strengthen communities and drive the shift toward more sustainable economies and societies. We support people and businesses in their growth and help identify solutions for challenges they cannot solve on their own. That’s why our mission is “Growing a better world together”.
3. We are a dual-operating branch. The New Zealand Branch of Rabobank has been a registered bank since 1996, with our subsidiary, Rabobank New Zealand Limited, registered in 1999 (the “**Subsidiary**”). The Subsidiary lends to New Zealand’s farmers and producers and takes deposits from the public, with 100% of the money deposited helping to fund New Zealand agribusiness. The Branch lends to Major Agricultural Clients and large corporates in the food business in New Zealand, deploying its larger balance sheet to support the higher end of the market. Rabobank is a leader in research, providing our clients with exclusive access to RaboResearch: insights from our global team of analysts and expert analysis on food & agribusiness and global financial markets. We also pride ourselves on leading with innovative solutions to the challenges of energy transition and sustainability, partnering with farmers in New Zealand and around the world to address climate risk and future-proof their activities.²

The scope of this submission

4. This submission relates specifically to Chapter 4 of the Consultation (Incorporation outside New Zealand Standard) (previously referred to as the “Branch Standard”).

¹ https://consultations.rbnz.govt.nz/dta-and-dcs/dta-standards-exposure-drafts-tranche-1/user_uploads/cover-document-consolidated-for-tranche-1.pdf

² See <https://www.rabobank.com/>

Outcome of the Deposit Takers Non-Core Standards consultation

5. Following the Deposit Takers Non-Core Standards consultation, RBNZ has notified its Summary of submissions and policy decisions³ in connection with the Branch Standard (pp 177-194) (the “**Summary**”). The policy decisions included dual-operating branches, generally, only being permitted to conduct business with large corporate and institutional clients (“**LCIC**”).
6. The Summary indicates that, “the policy rationale for the LCIC definition is to prevent the offshoring of financial products, services, and capabilities that are deemed strategic to New Zealand’s financial system and economy”.⁴
7. Indeed, the foregoing Summary policy decision is reflected in the exposure draft of the Incorporation outside New Zealand Standard (the “**Standard**”).

Building flexibility into the Standard

8. We refer to section 92 of the Deposit Takers Act 2023 (the “**DTA**”)⁵:

92 Standards may provide for matters to be specified by conditions

- (1) The purpose of this section is to provide the flexibility to allow the requirements or other matters in standards to be set in a manner that takes into account the circumstances of particular deposit takers.
- (2) A standard may provide for a requirement or other matter to be specified by a condition of a licence if the Bank, after having regard to the considerations under subsection (3), is satisfied as referred to in subsection (4).

Example

A standard specifies a range of quantitative capital requirements and provides for the requirements that apply to a particular deposit taker to be set within that range in the conditions of the deposit taker’s licence.

- (3) The Bank must have regard to—
 - (a) the purpose of this section; and
 - (b) whether the requirement or other matter would be more appropriately dealt with in standards only (rather than being specified by a condition of a licence).
- (4) The Bank must be satisfied that the standard—
 - (a) sets an appropriate range or limit within which the requirement or matter may be specified by the condition; or
 - (b) sets out an appropriate manner for the Bank to decide on the terms of the condition (for example, by specifying the matters that the Bank must have regard to, or be satisfied of, when deciding what condition is to apply).

9. We suggest that it would be desirable to refer to section 92 of the DTA in order to build flexibility into the Standard. We submit that there could be circumstances where it would be sensible and beneficial to New Zealand to permit certain types of activities to be conducted by a dual-operating branch rather than forcing those activities onshore to the locally-incorporated subsidiary and perhaps thereby impeding those activities in New Zealand. We think that utilising the framework of section 92, as contemplated by the legislation, could be an appropriate way to balance between the need for banking standards, on the one hand, that reflect policy decisions, and flexibility, on the other hand, to adopt a tailored approach to particular circumstances where preferable.

³ https://consultations.rbnz.govt.nz/prudential-policy/deposit-takers-non-core-standards/user_uploads/dta-non-core-standards-summary-of-submissions-and-policy-decisions.pdf

⁴ *ibid*, p 189

⁵ <https://legislation.govt.nz/act/public/2023/0035/latest/whole.html#contents>

10. We note section 428 of the DTA:

428 Bank may authorise particular persons to use restricted words in name or title

The Bank may, by written notice given to any of the following persons, authorise that person to use a name or title that includes a restricted word:

- (a) a licensed deposit taker:
- (b) a person licensed or registered as a bank in a country other than New Zealand:
- (c) an associated person of a licensed deposit taker:
- (d) a person that is, or intends to become, a financial service provider.

as well as section 65 of the Banking (Prudential Supervision) Act 1989⁶ which this replaces. RBNZ has used this power in the past to authorise overseas banks to carry on certain activities in New Zealand without being registered.⁷ We think it would be a poor outcome if RBNZ were to maintain the discretion to authorise overseas banks (which are not licensed deposit takers) to carry on certain activities in New Zealand, while being inflexibly bound to the restrictions of the Standard in connection with licensed overseas deposit takers which are dual-operating branches.

11. We suggest that clause 5 of the Standard could include an additional limb that permits the licensed deposit taker to comply otherwise with conditions of licence. The “appropriate manner for the Bank to decide on the terms of the condition” as required by section 92(4)(b) could refer to the policy rationale, so that RBNZ could specify a condition of licence permitting an activity where it is satisfied that the activity does not represent the offshoring of financial products, services, and capabilities that are deemed strategic to New Zealand’s financial system and economy (or any other parameters that RBNZ considers to be appropriate).

12. We submit that the foregoing approach would be consistent with RBNZ’s stated policy, would achieve the purpose of legislation, and would help support the New Zealand economy.

Contact details

13. If you would like to discuss any aspect of this submission, please contact:

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⁶ <https://legislation.govt.nz/act/public/1989/0157/latest/whole.html#DLM200085>

⁷ See <https://www.rbnz.govt.nz/regulation-and-supervision/oversight-of-banks/standards-and-requirements-for-banks/restrictions-on-use-of-the-word-bank>