

Bank & Non-Bank Deposit Takers Compliance Checklist



About the Bank & Non-Bank Deposit Takers Compliance Register

The Bank & Non-Bank Deposit Takers compliance register explains the key governance, prudential and reporting obligations of both banks and NBDTs. You'll understand the licensing and registration processes that allow financial institutions to operate in the New Zealand market, along with the source and scope of prudential requirements and understand how to meet them. Master the reporting cycle; knowing what information to retain, what information to disclose, and how to do it all within the relevant deadlines.

About the Expert

Tania Goatley

Partner, Bell Gully



Tania has assisted with cyber security breaches across multiple jurisdictions and has advised on the first mandatory reportable privacy breach under the Privacy Act. Regularly advises clients on privacy and cyber security issues, including advising:

- » a client operating in the telecommunications sector as to how to deal with a breach that involved the public disclosure of phone numbers that were designated as 'unlisted'.
- » the receivers of a New Zealand retailer that went into liquidation on how to deal with, use and protect databases containing customer information across multiple jurisdictions.
- » a multinational media company about its privacy and cyber security practices, including assisting to manage data security incidents and corresponding with official agencies to mitigate any fallout.

She has a strong media law background, advising on defamation claims, appearing in Court on name suppression issues, and providing media law training to journalists. She advises on all aspects of intellectual property law, including copyright, passing off and trademark infringement disputes and litigation.

In addition to her particular areas of expertise, Tania provides general advice on commercial and contractual disputes and litigation with successful outcomes for her clients.

Chambers Asia Pacific 2023 ranks Tania as a leading lawyer for intellectual property and technology, media and telecommunications. The Legal 500 Asia Pacific 2023 recommends Tania for data protection, intellectual property and technology, media and telecommunications.

Tania is recognised as a media and entertainment lawyer of the year and trademark lawyer of the year in the Women in Business Law Awards APAC 2023 shortlists.

Tania is an active member of the International Association for the Protection of Intellectual Property (AIPPI) and the Intellectual Property Society of Australia and New Zealand (IPSANZ).

Expertise

Media and communications, Consumer law, Intellectual property, Litigation and dispute resolution, Privacy and data protection, Information, communications and technology, Cyber security

BANK & NON-BANK DEPOSIT TAKERS CHECKLIST

This checklist has been designed to help you identify your requirements.

Overview

	Needs work	Don't know	Meets requirement
Does the organisation obtain bank registration or a non-bank deposit taker licence, maintain prudential standards, keep prescribed records and report financial information to authorities?			

Bank Registration

Requirement	Needs work	Don't know	Meets requirement
Does the organisation obtain registration as a bank and conduct its banking operations in line with all the conditions of its registration?			
Does the organisation obtain registration from the Reserve Bank of New Zealand (RBNZ) before conducting any business as a bank?			
Does the organisation meet additional requirements to obtain registration as an overseas organisation or foreign bank?			
Does the organisation act in accordance with the conditions of registration imposed by the RBNZ?			
Does the organisation obtain written consent from the RBNZ before it acquires a significant influence over a registered bank?			
Does the organisation not conduct business as a bank after its registration has been cancelled?			

Non-Bank Deposit Takers (NBDT) Licensing

Requirement	Needs work	Don't know	Meets requirement
Does the organisation maintain a non-bank deposit takers licence and meet all licence conditions while it conducts the business of a non-bank deposit taker?			
Does the organisation obtain an NBDT licence before conducting business as an NBDT?			
Does the organisation accompany NBDT licence applications with suitability notices completed by each director and senior officer?			
Does the organisation act in accordance with the conditions of its NBDT licence?			
Does the organisation obtain written consent from the RBNZ before acquiring significant influence over an NBDT?			
Does the organisation cease to conduct the business of an NBDT immediately upon cancellation of its NBDT licence?			

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Company Names

Requirement	Needs work	Don't know	Meets requirement
Does the organisation reserve an appropriate company name and only use restricted words lawfully in names, titles and advertisements?			
Does the organisation reserve a name with the New Zealand Companies Register?			
Does the organisation never do business using a restricted word without authorisation?			
Does the organisation include a prescribed statement in any advertising that contains a restricted word?			

Governance of Registered Banks

Requirement	Needs work	Don't know	Meets requirement
Does the organisation maintain a board of directors and an audit committee and meet outsourcing policy requirements in line with the conditions of its registration?			
Does the organisation maintain a governing body that comprises at least the prescribed minimum number of approved and independent directors?			
Does the organisation gather information about each of its directors for inclusion in full year disclosure statements?			
Does the organisation maintain a committee responsible for overseeing internal audit standards?			
Does the organisation obtain approval from the Reserve Bank before entering into outsourcing arrangements, maintain an outsourcing compendium, and maintain a separation plan?			

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Governance of Licensed NBDTs

Requirement	Needs work	Don't know	Meets requirement
Does the organisation maintain standards for the independence of directors, create a trust deed to govern debt securities, and support the activities of the supervisor?			
Does the organisation maintain a governing body with at least two independent directors?			
Do the directors of the organisation submit a suitability notice to the RBNZ each time they become aware of an undisclosed suitability concern affecting any director or senior officer?			
Does the organisation lodge a trust deed with the Registrar of Financial Service Providers and obtain a supervisor before offering any debt securities?			
Does the organisation assist its supervisor to carry out certain functions?			
Does the organisation provide monthly financial reports, quarterly statements and other prescribed reports to the supervisor?			

Credit Ratings

Requirement	Needs work	Don't know	Meets requirement
Does the organisation maintain a credit rating from an approved credit ratings agency unless an exemption applies?			
Does the registered bank maintain a current credit rating with an approved ratings agency?			
Does the NBDT maintain a current credit rating from an approved rating agency unless an exemption applies?			

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Liquidity and Capital Adequacy of Registered Banks

Requirement	Needs work	Don't know	Meets requirement
Does the organisation meet the capital adequacy and liquidity requirements specified in the conditions of registration?			
Does the organisation maintain capital ratios that meet or exceed the minimum ratios prescribed in the conditions of registration?			
Does the organisation measure material risks according to an internal capital adequacy assessment process?			
Does the organisation never lend money to connected persons beyond prescribed limits?			
Does the organisation establish an internal framework for managing liquidity risk and meet all applicable quantitative requirements?			

Liquidity and Capital Adequacy of NBDTs

Requirement	Needs work	Don't know	Meets requirement
Does the organisation follow prudential requirements included in its trust deed and establish an approved risk management program?			
Does the organisation meet or exceed the minimum capital amount and capital adequacy ratio specified in the trust deed at all times?			
Does the organisation meet or exceed liquidity requirements specified in the trust deed at all times?			
Does the organisation never allow its aggregate exposure to related parties to exceed the level specified in the trust deed?			
Does the NBDT establish and implement an approved risk management program?			

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Disclosures and Audits

Requirement	Needs work	Don't know	Meets requirement
Does the registered bank publish full-year and half-year disclosure statements and provide information to the Reserve Bank of New Zealand on request, and does the Financial Markets Conduct reporting entity lodge annual financial statements and climate statements as required?			
Does the registered bank prepare and audit full-year and half-year disclosure statements containing all the available prescribed information?			
Does the registered bank obtain the information necessary to complete disclosure statements from associated persons?			
Does the registered bank publish disclosure statements online and provide copies on request?			
Does the Financial Markets Conduct reporting entity prepare, audit and lodge annual financial statements and climate statements (if required)?			
Does the registered bank supply information, data, forecasts and reports to the RBNZ on request?			
Does the operator of a payment system supply information and data to the RBNZ on request?			

Fair Dealing with Customers

Requirement	Needs work	Don't know	Meets requirement
Does the organisation never engage in deceptive conduct or make false, misleading or unsubstantiated representations and comply with the Code of Banking Practice (where applicable) in the course of business?			
Does the organisation never engage in deceptive conduct or make misleading representations in the course of business?			
Does the organisation never make an unsubstantiated representation in the course of business?			
Does an NZBA member bank comply with the Code of Banking Practice?			

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Conduct of Financial Institutions

Requirement	Needs work	Don't know	Meets requirement
Does an organisation that acts as a financial institution and that provides a relevant service to consumers in New Zealand comply with the Conduct of Financial Institutions regime and obtain a financial institution licence?			
Does the organisation determine whether the Conduct of Financial Institutions regime applies to its business and, if so, comply with the fair conduct principle?			
Does an organisation that acts as a financial institution and that provides a relevant service to consumers in New Zealand establish, implement and maintain an effective fair conduct programme?			
Does an organisation that acts as a financial institution that provides a relevant service to consumers in New Zealand obtain a financial institution licence and comply with the conditions stated on that licence?			
Does the financial institution ensure that it does not provide or offer a prohibited incentive?			
Does the financial institution comply with its statutory reporting requirements?			
Does the financial institution ensure that any authorised body or intermediary it engages complies with the necessary requirements under the financial institution licence?			

Statutory Management of Registered Banks

Requirement	Needs work	Don't know	Meets requirement
Does the organisation pre-position for open bank resolution, facilitate RBNZ investigations, implement RBNZ directions and turn over documents and records to statutory managers?			
Does the organisation pre-position for open bank resolution and maintain an implementation plan in line with the conditions of registration?			
Does the organisation facilitate RBNZ investigative processes and supply information on request?			
Does the organisation consult, adjust its operations and replace directors in line with directions received from the RBNZ?			
Does the organisation turn over all books, records, documents and property and relinquish control of all business to the statutory manager?			

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Climate-Reporting Entities

Requirement	Needs work	Don't know	Meets requirement
Does the climate-reporting entity ensure that its climate statements comply with the requirements of the climate-related disclosure framework?			
Does the climate-reporting entity ensure that its climate statements comply with the climate-related disclosure requirements?			
Does the climate-reporting entity ensure that it keeps the required climate-reporting records in the prescribed manner?			

NBDT Monitoring and Enforcement

Requirement	Needs work	Don't know	Meets requirement
Does the organisation supply information to the Reserve Bank of New Zealand on request, comply with RBNZ directions and accommodate changes to its governing body?			
Does the organisation facilitate RBNZ investigative processes and supply information, data and forecasts on request?			
Does the organisation consult, adjust operations and replace auditors in line with directions received from the RBNZ?			
Does the organisation adjust its board of directors to accommodate director appointments and removals made by the RBNZ?			

Record Keeping

Requirement	Needs work	Don't know	Meets requirement
Does the organisation retain a set of prescribed records?			
Does the registered bank retain transaction documentation for at least 7 years?			
Does the non-bank deposit taker retain information in line with the record-keeping requirements of its risk management program?			
Does the financial markets conduct reporting entity retain accounting records for at least 7 years?			
Does the organisation make the required cyber resilience reports to the Reserve Bank of New Zealand by the relevant due dates?			

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FSP Registration and Dispute Resolution

Requirement	Needs work	Don't know	Meets requirement
Does the organisation register as a financial service provider, enrol in an approved dispute resolution scheme and file annual confirmations about details of the organisation?			
Does the organisation register as a financial service provider and enrol in an approved dispute resolution scheme before providing a financial service?			
Does the organisation complete an annual confirmation process and pay associated fees and levies?			
Does the organisation cease to operate as a registered bank or non-bank deposit taker immediately after its financial service provider registration has been cancelled?			

Cheques and Registered Banks

Requirement	Needs work	Don't know	Meets requirement
Do banks comply with the Bills of Exchange Act 1908 and the Cheques Act 1960 in relation to cheques?			
Does a bank comply with all legal duties related to cheques?			
Does a bank comply with applicable laws in relation to cheques?			

Retail Payments and the Initial Pricing Standard (IPS)

Requirement	Needs work	Don't know	Meets requirement
Does the organisation comply with the Initial Pricing Standard if it is a participant in a designated network in the retail payment system?			

Your No-Obligations Demonstration

If you would like a demonstration of this or other financial services registers, click or scan the QR code. →



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