

RTGS Bulletin

September 2009

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TRANSACT is nearly here!

The countdown to the launch of the new “TRANSACT” function has started.

NOVEMBER 9th is Go LIVE

What does this mean

1. A one stop shop for all trading, correcting, deleting, authorising and enquiring for Debt, Equity and Cash transactions.
2. Removal of 45 functions.
3. No more pokey eye straining screens – you will be able to resize your screens.
4. Don't know how to process something? – click on Help icon..
5. Ability to filter transactions

What we require you to do

1. Familiarise yourselves by going into the test system.
2. Get a buddy organisation to do some trading with on test.
3. PLEASE report any issues you find.

What we will do

1. Roadshows in Wellington, Auckland, Melbourne and Sydney.
2. Assist with helpdesk queries
3. Monitor who is familiarising themselves with the function.
4. And YES there is a prize (like the competition we ran 2 years ago with the system upgrade).

Feedback so far...

A Security Static Data Tab - The administration of the security information is currently being reviewed. Once we have finished the TRANSACT project and implemented the associated changes we will start this project. We will continue to advise of any developments via the Austraclear Advisory Committee. Any suggestions are welcome.

The '**Match**' button – a mixed response to this one, this button gives the option to match an instruction already submitted by a counterparty rather than manually entering an instruction. With many of the larger participants now using the ASI (SWIFT Interface) and HTH (upload facility), these trades are interfaced, so the 'Match' button for the counterparty can improve the data entry time and assist in the timely settlement.

Navigation – Members now have the ability to navigate via the mouse. The 'TAB' function to move between fields still exists, however, the ENTER key doesn't.

Future Enhancements

1. Another tab for all your Lodging and Uplift requirements (in development)
2. Another tab for your CSD Actions, such as Corporate Action Activity, Maturities, Coupons etc... (in review)

Thanks to those who have already given us feedback, it is appreciated and welcomed!

Any queries, issues, please send our RTGSHelpdesk an email and we will assist.

Important information/announcement

From time to time we require refinement and modification to processes – this is to improve efficiency, decrease risk and assist all our members. Everyone is apprehensive about changes but we are convinced the ones we have identified are in the best interests of all users.

1. *PASSWORD RESETS*

Users have been coming to the Austraclear Help desk for assistance with user password resets. This is the role of each member's system administrator. The in-house administrator has full functionality to perform this task and the risk profile and administrative costs increase if third parties become involved in the process.

In order to encourage members to utilise their in-house administrator's powers, from 1 December we will charge \$30 per reset to have a user's password reset by our Help Desk. The alternative is to have your in-house administrator perform this function for no cost. We can email your administrator instructions on the password reset process if required- please contact the help desk for these instructions (no charge!).

At this stage we do not intend to charge administrators for password resets if the administrator locks him/herself out. Company logons (as distinct from user logons) will continue to be performed for no charge.

2. *CONTACTS*

Another role for member's system administrators is to ensure that the contact details in the functions MEMBER and BRANCH are kept current. We are going to use this as our contact database for mail outs etc, therefore the onus is on members to keep this information current.

By undertaking to keep this information current all members will benefit as they can also use the system as a contact database using the functions MEMBERQ and BRANCHQ.

3. *UPLIFTS*

Each day we process about 200 lodges and uplifts. In a small but important minority number of cases, the member undertaking the uplift directs the security to be lodged to the name of a third party (ie not to the member's own account at the registry, but the account of their customer).

From 1 December we require that all members provide the CSN number of the holder they want the securities registered to. This will help reduce the risk that securities are processed to an incorrect account.

Members are reminded that when the Registry Interface is implemented, members (as a prerequisite for a automated transfer) must load the CSN details directly into Austraclear.

4. CORPORATE ACTIONS UPDATE

2009 has been an exceptionally very busy year for corporate actions with a large number of rights issues, share purchase plans, bonus share buybacks and partial takeovers, as well as the large number of dividend reinvestment plans and supplementary dividends that are “business as usual”.

We endeavour to get information on corporate actions to members as soon as it is available, and often we chase issuers to clarify the terms of an action and will relay this as soon as we get an answer. We acknowledge we need to work with members to identify themes where key information is not provided at the outset. Our intention is to approach issuers and key legal advisers to ensure they have a checklist of matters to consider at the time that they develop the terms of an action. We will continue to work with members and the NZX on this.

Corporate actions are an area of high risk given they often involve manual processing and that, generally, they are not standardized. This means that we must set deadlines for members to issue their instructions to us which in general are several hours before we must submit our instructions to the registry. This is necessary in order to give us time to review the work and ensure our instructions to the registry accurately reflect those submitted to us.

Given the importance of that review process, it is vital that our deadlines for submission of instructions are adhered to. We reserve the right to refuse instructions received after a deadline has passed.

Renaming the System

We have secured approval for the name “NZClear” and will be rebranding the system with this name, which better reflects the market we are operating in.

We are working through the best timing for this change and will let you know when we have fixed a date for the change. There is a reasonable amount of work required – the old name has been around for more than 20 years! - and some old habits will have to be put to rest!

Changes to the Austraclear System Rules

You will recall that over the course of the last three months we consulted with members on the proposed changes and provided comments on the feedback received.

We have also taken the opportunity to talk to the Austraclear User Advisory Committee with respect to the Rule changes.

The Rules are an important document – they govern the contractual relationship between all members, their clearing bank and the Reserve Bank as System Operator.

The new Rules can be found on our website <http://www.rbnz.govt.nz/payment/austraclear/3746909.pdf>
These come into force on 09th November 2009.

Please ensure the amended Rules are brought to the attention of all relevant people in your organization.

The amended Rules include a number of important changes, the most notable of which is an extended indemnity (Rule 9.4.1 (e)) where an electronic transfer function is used to lodge securities into Austraclear. In coming months we will email you with details of the proposed registry interface. Also, we highlight reporting obligations for "Notifiable Events" in Rule 3.8 and new obligations with respect to operational performance in Rule 3.1.2B.

Takeovers Panel Consultation

On 28 August, the Takeovers Panel released a consultation document calling for submissions on options identified for remedying recurring problems in processing partial takeovers.

In particular, the paper outlines issues with respect to scaling of acceptances of partial takeovers which arises when shares are held in a nominee's name for different beneficial owners. Essentially, when a nominee (including NZCSD) holds shares for different beneficial owners, if scaling is applied at the registered holder level, anomalies result in the allocation of acceptances. In other words, a different outcome will be achieved compared to the entitlement that would be determined if the beneficial owner held securities in their own name.

The Panel proposes that this anomaly should be resolved by a legislative change which would allow a custodian's or nominee's holdings to be looked through. Our view is that it is important that entitlements be unambiguous and not contingent on other holders' elections, and we intend making a submission to that effect in support of the proposal.

This is an important issue for nominees, custodians and their clients and indeed for all Austraclear system members and we encourage you to review the paper and make a submission.

If you wish to discuss this matter, then please call Mike Wolyncewicz on 04 471-3826 or email him at mikew@rbnz.govt.nz

Austraclear User Advisory Committee

We would like to welcome and announce the newly appointed committee for the coming two years.

The Committee members are:

Contact	Representative	Email	Phone
Sarah Drennan (Chair)	Brokers	Sarah.Drennan@craigsip.com	09 919 7400 Extn 9489
Dave Mitchell (Deputy Chair)	Other	dave.mitchell@computershare.co.nz	09 488 8769
Patricia Bow	Nominees	patriciabow@hsbc.co.nz	09 918 8675
Chris Knight	Banks	chris.knight@anznational.co.nz	04 802 1971
Mark Lawrence	Nominees	Mark.lawrence@anz.com	04 802 2274
Peter Barnes	Banks	Peter_Barnes@bnz.co.nz	029 474 6733
Miles O'Connor	Australian Members	Miles.oconnor@citi.com	+613 8643 9947

The Committee meets quarterly, and the minutes of the last meeting are on our website <http://www.rbnz.govt.nz/payment/austraclear/3748532.pdf>

Please contact either Adrienne Barlow on 04 471-3629 or email her at Adrienne.barlow@rbnz.govt.nz or one of the Committee members if there is an issue you want to raise or have a suggestion as to how processes can be improved and the industry's standards raised.

Austraclear Annual Report for 2009

The Austraclear Annual Report for 2009 has been published. While it won't be found on most coffee tables, do take a few minutes to read how we saw our performance over the last year and what our plans are.

The Annual Report is on our website <http://www.rbnz.govt.nz/payment/austraclear/3748533.pdf>

Upcoming Developments

In addition to TRANSACT going live on 9 November, we have the following scheduled:

Austraclear – NZX Banc's interface

Development of an interface between Austraclear and NZX's new system is well underway. This will allow members to electronically lodge or uplift securities in one system and be lodged directly into the other. This is scheduled to be available in November.

Austraclear Registry Interface

Development of an interface between registries and Austraclear. This will allow members to electronically lodge and uplift securities with transactions initiated in Austraclear that sends files to the registries which affect the transfers on the relevant registers. We need Securities Commission approval for this and this process is underway. We don't have a delivery date for this initiative but we will keep you informed of progress.

Settlement Before Interchange (SBI)

Our development team are also gearing up for a major project in ESAS called Settlement before Interchange. This will involve the intraday settlement in ESAS and transmission of retail banking transaction files over the SWIFT network.

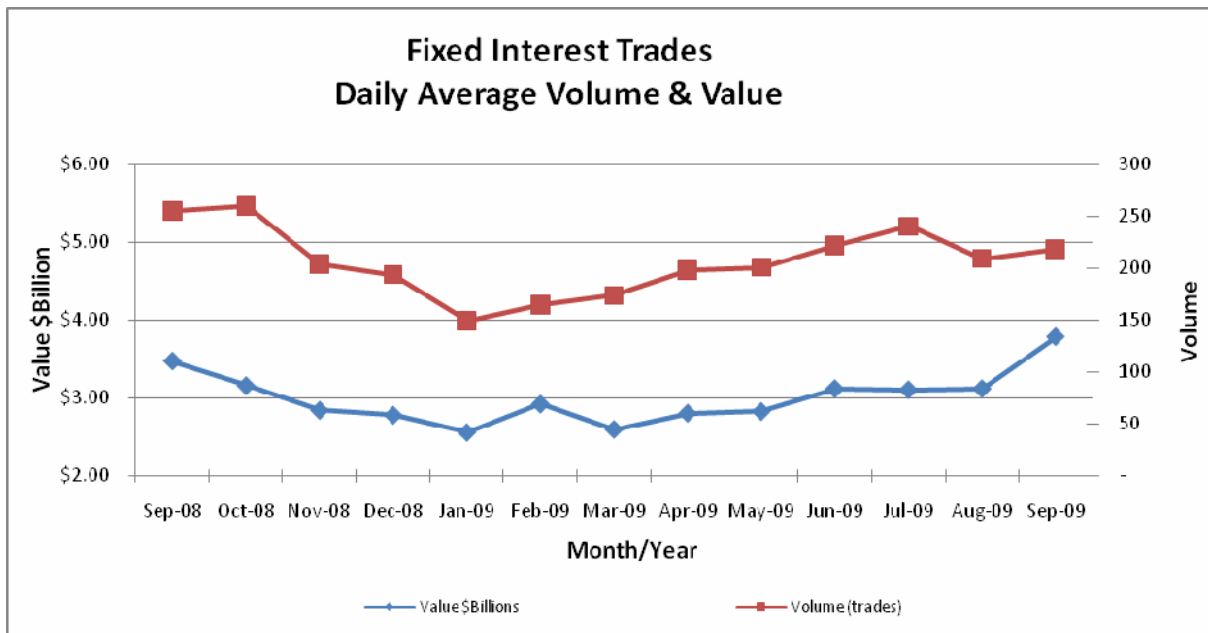
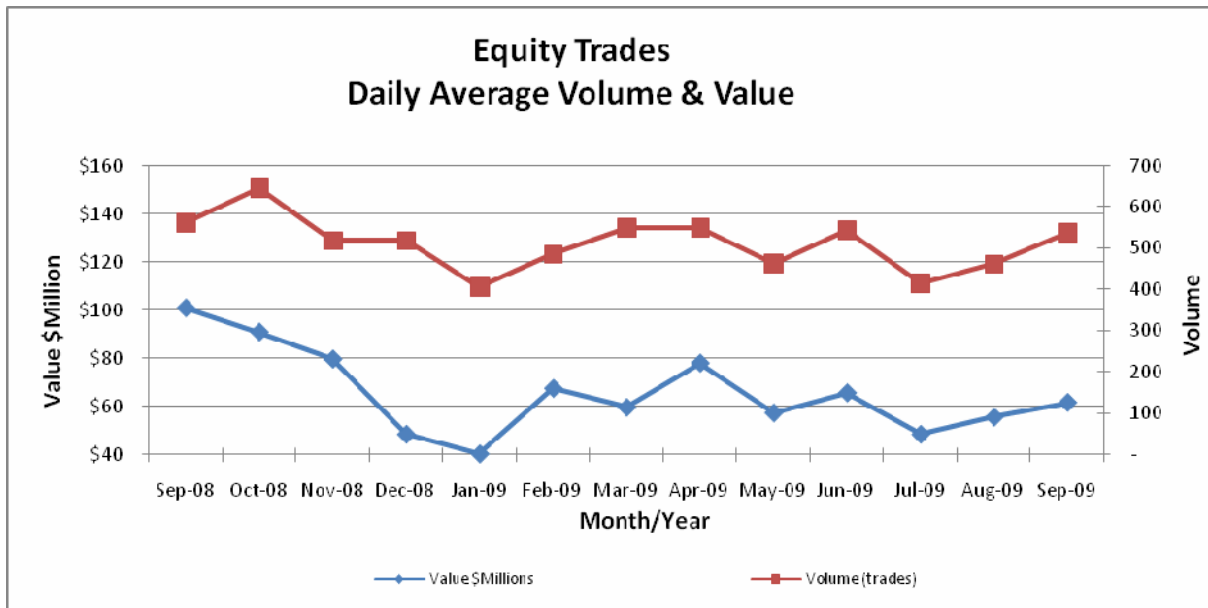
With these major projects cleared we will be able to work on some functional enhancements that have been parked up for a while eg. Matching tolerance, reporting.

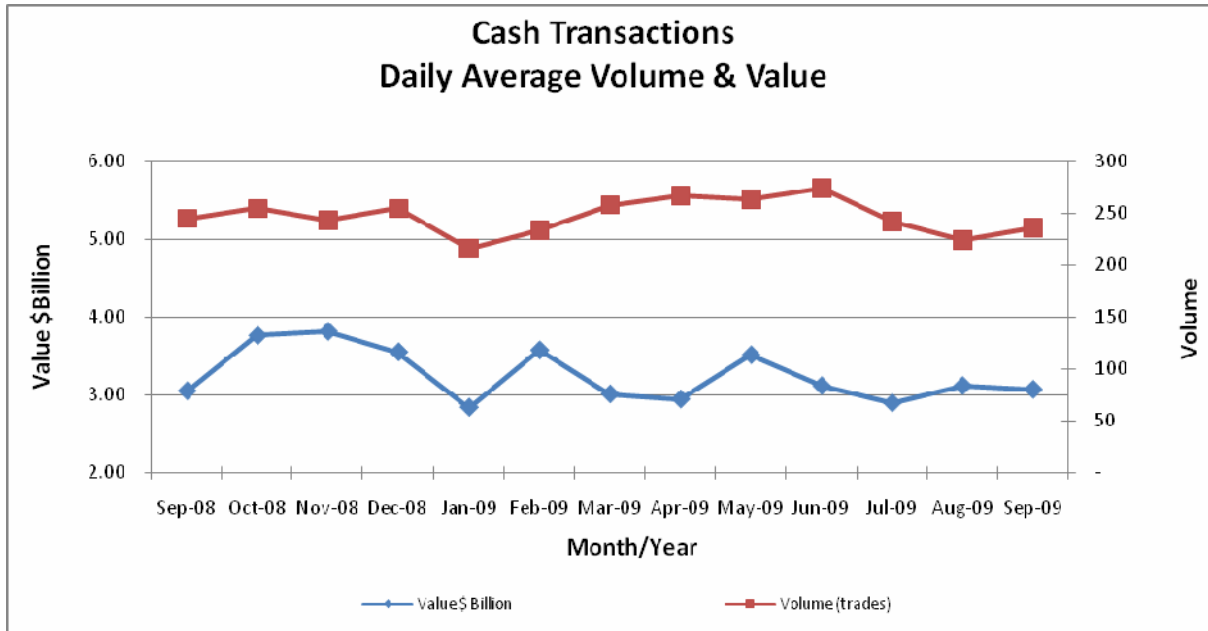
Designation of Austraclear

Once the new law is enacted we intend applying to the Securities Commission and the Reserve Bank's Prudential Supervision Department for the Austraclear system to be designated under amendments to the Reserve Bank Act. We will keep you posted.

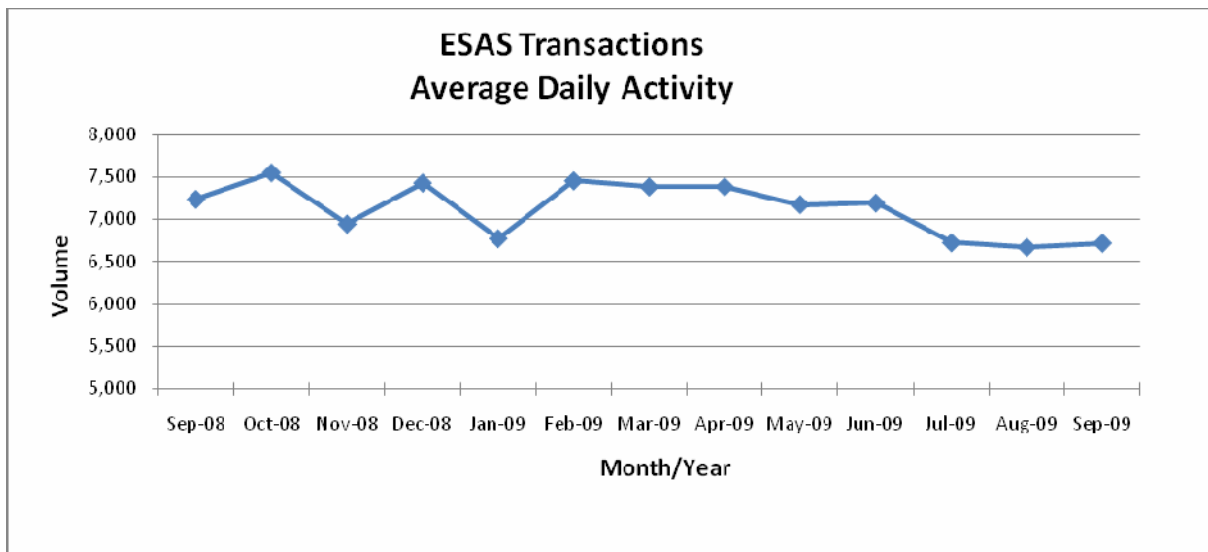
If you have any questions or comments about any of the information provided in this RTGS Bulletin, please do not hesitate to contact the RTGS Help Desk rtgshelpdesk@rbnz.govt.nz, or phone +64 4 471 3918.

Values & Volumes

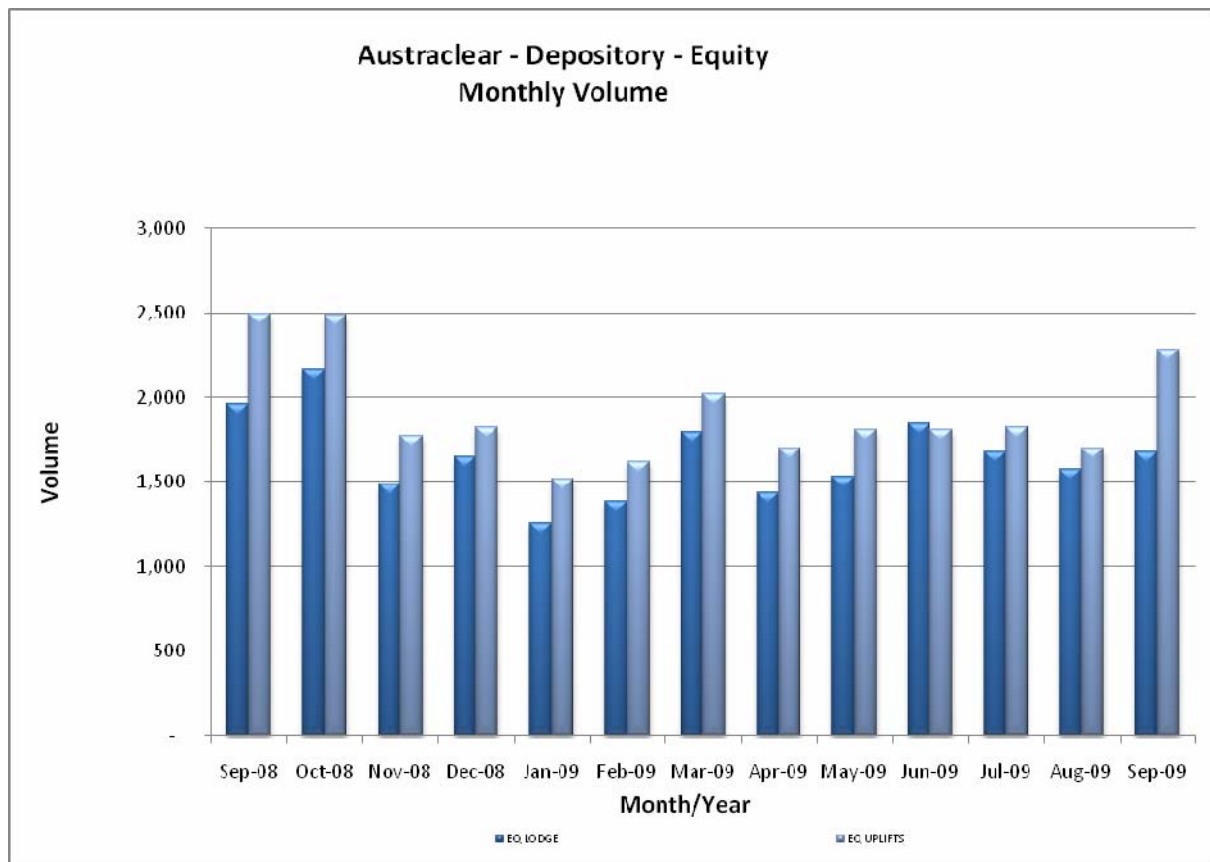
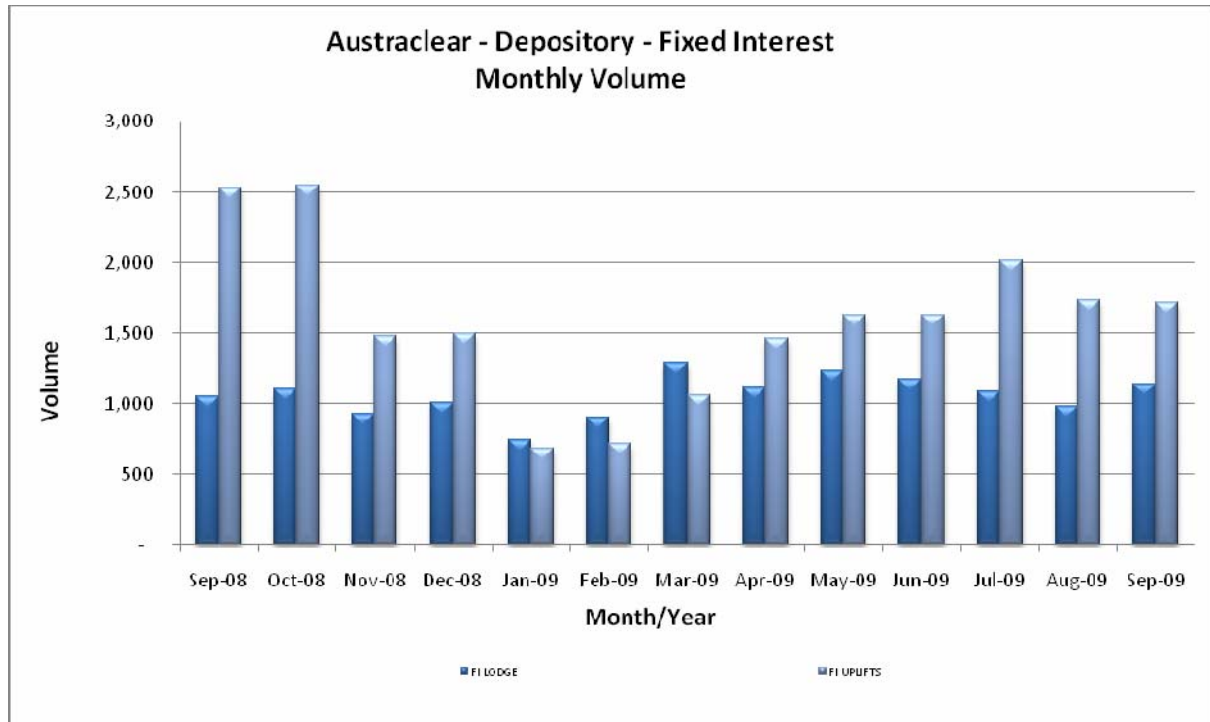




Statistics ESAS



Austraclear Lodges & Uplifts



Information available on our website:

Austraclear New Zealand Securities

The [Austraclear New Zealand Securities page](#) provides members with a database of all securities (Debt and Equity) within the Austraclear system. Members have the ability within the webpage to either search the securities database and view the results, or download a comma delimited CSV file that contains the information.

Background/Explanatory Material

[Overview of Austraclear](#) (also available in [PDF 33KB](#))

[Austraclear New Zealand System Rules](#) Effective 12 September 2007 (PDF 205KB)

[Austraclear New Zealand System Rules](#) Effective 09 November 2009 (PDF 140 KB)

[Austraclear New Zealand Operating Guidelines](#) Effective 22 January 2008 (PDF 104KB)

[Austraclear NZ STP Options](#) (PDF 180KB)

[System Enhancements \(SWIFT & Internet Access\)](#) 03 October 2006 (PDF 30KB)

[Austraclear : Host-To-Host Lite \(HTH*Lite\) guide](#) 26 November 2008 (PDF 391KB)

Forms

[Request for RBNZ staff to enter trades on member's behalf](#) (PDF 17KB)

[Austraclear: Host-To-Host Lite \(HTH*Lite\) application pack](#) August 2006 (PDF 117KB)

[Austraclear New Zealand System Application Pack - Associate Membership](#) (PDF 520KB)

[Austraclear New Zealand System Application Pack - Branch Membership](#) (PDF 214KB)

[Austraclear New Zealand System Application Pack - Nominated Trust Membership](#) (PDF 536KB)

[Austraclear New Zealand System Application Pack - Full Membership](#) (PDF 191KB)

[FINEWISS Registry Agreement](#) October 2003 (PDF 139KB)

[SecurID Token Registration Form](#) (PDF 33KB)

Operational Information

[Annual Report for the Austraclear New Zealand System – 2009](#) (PDF 89KB)

[Annual Report for the Austraclear New Zealand System – 2008](#) (PDF 100KB)

[Annual Report for the Austraclear New Zealand System - 2007](#) (PDF 93KB)

[Austraclear Fee Schedule](#) as at 13 February 2009 (PDF 128KB)

[Austraclear New Zealand members](#)

[Independent Auditor's Report to the System Operator of Austraclear New Zealand for the quarter ended 30 June 2009](#) (PDF 254KB)

[Financial Services Group Customer Service Contacts](#) 11 April 2007

[Changes to New Zealand Daylight Saving Time for 2007/2008](#) (PDF 464KB)

Industry Reports/RTGS Bulletin

[User Advisory Committee Minutes](#) September 2009 (PDF 22KB)

[User Advisory Committee Minutes](#) May 2009 (PDF 16KB)

[User Advisory Committee Minutes](#) March 2009 (PDF 14KB)

[User Advisory Committee Minutes](#) November 2008 (PDF 24KB)

[User Advisory Committee Minutes](#) September 2008 (PDF 18KB)

[User Advisory Committee Minutes](#) April 2008 (PDF 30KB)

[Quarterly Industry Update Report](#) September 2007 (PDF 69KB)

[User Advisory Committee Minutes](#) September 2007 (PDF 17KB)

[The RTGS Bulletin](#) provides our customers with a series of brief notes about current matters of interest.

Austraclear User Group Meeting

[Austraclear User Group Meeting Presentation](#) May 2009 (PDF 1MB)

[Minutes of the Austraclear User Group Meeting](#) May 2009 (PDF 14KB)

[Minutes of the Austraclear User Group Meeting](#) November 2008

[Minutes of the Austraclear User Group Meeting](#) May 2008

[Austraclear User Group Meeting Presentation](#) May 2008 (PDF 432KB)

[Summary of key points and issues from Austraclear User Group Meeting](#) November 2007