

Financial Markets Conduct (BNZ Term PIE) Exemption Notice 2026

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

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Notice

1. Title

This notice is the Financial Markets Conduct (BNZ Term PIE) Exemption Notice 2026.

2. Commencement

This notice comes into force on 13 May 2026.

3. Revocation

This notice is revoked on the close of 12 May 2027.

4. Interpretation

(1) In this notice, unless the context otherwise requires:

Act means the Financial Markets Conduct Act 2013

BNZ means Bank of New Zealand, a registered bank in New Zealand

Fund means the BNZ Term PIE established under the original BNZ Cash PIE and BNZ Term PIE Governing Document dated 23 October 2008, and as amended and restated from time to time

manager means the manager for the time being of the Fund

Regulations mean the Financial Markets Conduct Regulations 2014

(2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations (as applicable).

5. Application

This notice applies to the manager in respect of the offer of units in the Fund if all of the following apply –

- (a) units in the Fund meet the definition of a "PIE term fund unit" in clause 44(3) of Schedule 8 of the Regulations, except in that definition the words 'specified unit' are replaced with "unit in the Fund"; and
- (b) units in the Fund are distributed solely by BNZ; and
- (c) all assets of the Fund are deposited in New Zealand dollar interest-bearing deposits with BNZ; and
- (d) the manager and the supervisor of the Fund are not the same or associated persons.

6. Exemption

- (1) The manager is exempt from the following provisions in respect of the offer of units in the Fund:
 - (a) regulation 56 of Part 3 of the Regulations in respect of the duty to make fund update publicly available;
 - (b) regulation 62 of Part 3 of the Regulations in respect of the requirement to prepare an annual report;
 - (c) regulation 94 and 95 of Part 4 of the Regulations in respect the requirement to provide limit break reporting;
 - (d) regulation 100 of Part 4 of the Regulations in respect of the requirement to provide related party reporting;
 - (e) clauses 18, 23(3)(b), 26(2)(c), 38(1) and 39(2) of Part 1 of Schedule 4 of the Regulations in respect of requirements relating to fund update references in the PDS.

7. Conditions

The exemptions in clauses 6(1) (a) and (e) are subject to the conditions that the KIS in the PDS for the Fund must contain a statement in the following form (that replaces the information that would otherwise have been required under clause 18 of Part 1 of Schedule 4 of the Regulations):

"No updates for the fund

[Name of manager] is not required to prepare or publish updates for the fund under an exemption granted by the Financial Markets Authority."

Dated at Wellington this 17th day of March 2026



Liam Mason

Executive Director - Evaluation, Oversight & General Counsel

Financial Markets Authority

Statement of Reasons

This notice, which comes into force on 13 May 2026 and is revoked on 12 May 2027 applies to BNZ Term PIE and to the manager of BNZ Term PIE (the **Manager**).

The notice relates to offers of units in the BNZ Term PIE (**Fund**). The notice exempts the Manager from the following provisions of the Financial Markets Conduct Regulations 2014 (**Regulations**):

- regulation 56 of Part 3 of the Regulations which requires a fund update to be made publicly available;
- regulation 62 of Part 3 of the Regulations which requires an annual report to be prepared;
- regulation 94 and 95 of Part 4 of the Regulations which requires the manager to provide limit break reporting;
- regulation 100 of Part 4 of the Regulations which requires the manager to provide related party reporting;
- clauses 18, 23(3)(b), 26(2)(c), 38(1) and 39(2) of Part 1 of Schedule 4 of the Regulations which detail the requirements relating to references to fund updates in the PDS for the Fund.

The exemption from regulation 56 and clauses 18 23(3)(b), 26(2)(c), 38(1) and 39(2) of Part 1 of Schedule 4 of the Regulations are subject to a condition that requires the key information summary in the product disclosure statement to include a statement that informs investors that the manager is not required to prepare or publish updates for the Fund under an exemption granted by the Financial Markets Authority.

The exemption only applies if units in the Fund meet the definition of “PIE term fund” in the Regulations (but where the term “specified unit” in that definition is replaced with the words “unit in the Fund”), that the Fund is distributed solely by Bank of New Zealand (**BNZ**) and that all assets of the Fund are invested in New Zealand dollar interest-bearing deposits with BNZ.

The offer of units in the BNZ Term PIE is in essence similar to PIE term fund units offered by other registered banks and their subsidiaries in that the funds of the BNZ Term PIE are only invested in deposits with BNZ, a registered bank, and distributed exclusively by BNZ.

The Manager is unable to rely on the statutory exclusion in clause 21(c) of Schedule 1 of the Financial Markets Conduct Act 2013 Act (**statutory exclusion**) as it is no longer a subsidiary of BNZ due to a change in ownership. The exemptions and conditions ensure that, in relation to requirements for fund updates, annual reports, limit break and related party reporting, the offer of units in the BNZ Term PIE is treated similarly to Term PIEs offered under the statutory exclusion for other registered banks.

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemption because –

- PIE term fund units offered by registered banks and their subsidiaries are recognised under the Act as a low risk well understood financial product. Such PIE term fund units are excluded under the statutory exclusion from the disclosure provisions in Part 3 of the Act as full compliance with those initial and ongoing disclosure requirements is unlikely to provide helpful information for investors;
- the Manager’s offer of units in the Fund is in essence similar to PIE term fund units offered by registered banks and their subsidiaries in that the funds of the BNZ Term PIE are only invested in deposits with BNZ, a registered bank, and distributed exclusively by BNZ. The Manager is unable to rely on the statutory exclusion as it is no longer a subsidiary of BNZ due to a change in ownership;
- the exemptions in this notice are limited when compared to the statutory exclusion in that they

relate to certain aspects relating to disclosures and lodgement of information with the Registrar rather than disclosures under all of Part 3 of the Act. The manager will continue to ensure that there is a PDS in respect of the Fund that includes all relevant disclosures other than that exempted under this notice;

- the exemptions avoid investor confusion as to why disclosures such as fund updates and annual reports are required in respect of the Fund when similar such disclosures are not required in respect of PIE term funds offered under the statutory exclusion by registered banks and their subsidiaries.

The FMA is therefore satisfied that granting the exemption is necessary or desirable in order to promote one or more of the main or additional purposes of the Act, specifically to promote and facilitate the development of fair, efficient, and transparent financial markets and to avoid unnecessary compliance costs, namely compliance with certain disclosures that registered banks and their subsidiaries offering PIE term deposits are not required to.

The exemption is not broader than reasonably necessary to address the matters that give rise to the exemptions because the exemption only exempts the Manager in respect of the offer of units in the Fund.