

**31 August 2023**

## **Introduction of Recovery Tools**

### **Amendments to Clearing and Settlement Rules and Procedures and Depository Rules**

New Zealand Clearing and Depository Corporation Limited (NZCDC), a subsidiary of New Zealand Exchange (NZX), has been consulting with the market to introduce financial recovery tools into the rules that govern the operation of the NZCDC settlement system. Financial recovery tools provide different avenues to manage a default of a large participant in what is considered extreme scenarios.

Such financial recovery tools are a required by the Standards under the Financial Market Infrastructures Act 2021, which NZCDC will transition to in 2024. In order to give effect to the financial recovery tools, New Zealand Clearing Limited and New Zealand Depository Limited wish to provide notice of amendments to the Clearing and Settlement Rules and Procedures, and Depository Operating Rules.

New Zealand Clearing Limited therefore provides notice for the purposes of rule 8.5 of amendments to the Clearing and Settlement Rules and Procedures. New Zealand Depository Limited also provides notice for the purposes of rule 9.6 of amendments to the Depository Operating Rules. These changes have not been disallowed by the Financial Markets Authority and Reserve Bank of New Zealand under the Banking (Prudential Supervision) Act 1989. The amendments will take effect from 1 December 2023.

A marked-up copy of the amendments to the Rules and Procedures described above is available on the [Upcoming Rule Changes](#) page on [nzx.com](http://nzx.com).

**For further information please contact:**

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