

06 December 2022

Adam Irish
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Dear Adam

Thank you for your email of 8 November 2022 to the Reserve Bank of New Zealand – Te Pūtea Matua under the Official Information Act 1982 (OIA), as follows:

I request under the Official Information Act what are the total fees paid by each bank for access to the RBNZ lender of last resort and overnight market scheme each year. And how is this calculated, is it based on a percentage total assets (loans held by the bank)? Additionally what fees are paid yearly by each bank for the deposit guarantee scheme provided. Are these fees paid to the Government as a dividend by the RBNZ? If fees aren't being paid by the banks, why not? As the RBNZ is essentially providing insurance.

Response

The answers to your questions are set out below.

What are the total fees paid by each bank for access to the RBNZ lender of last resort and overnight market scheme each year. And how is this calculated, is it based on a percentage total assets (loans held by the bank)?

We do not charge banks a fee for the ability to access our lender of last resort and other facilities. They are subject to the terms and conditions prescribed under the Operating Rules and Guidelines, publicly available on the RBNZ website at: <https://www.rbnz.govt.nz/financial-markets/domestic-markets/operating-rules-and-guidelines-for-domestic-markets>, and the specific conditions of the respective facility they are accessing.

Information on all facility terms and conditions can be found summarised in the document at the following link: <https://www.rbnz.govt.nz/financial-markets/using-our-balance-sheet-to-support-monetary-and-financial-stability>.

Additionally what fees are paid yearly by each bank for the deposit guarantee scheme provided. Are these fees paid to the Government as a dividend by the RBNZ? If fees aren't being paid by the banks, why not? As the RBNZ is essentially providing insurance

Under the Deposit Takers Bill, the RBNZ will have the ability to levy deposit taking entities who are captured under the Deposit Compensation Scheme. As the Bill has not yet been passed, we are yet to begin levying deposit taking entities – and as yet no decision has been made regarding the amount or frequency of the levies.

The draft legislation anticipates that the RBNZ will invest the levies received, net of any operating costs, so as to build up the fund over time to cover any potential compensation claims that may arise. The Deposit Compensation Scheme will not take effect until 12 – 18 months after the Deposit Takers Bill has been passed into law and, as such, we are currently still working through these details.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the OIA. The relevant details can be found on the Ombudsman's website at www.ombudsman.parliament.nz.

Please note that we intend to publish a copy of this response on the RBNZ website: www.rbnz.govt.nz/research-and-publications/official-information-requests. Responses to requests are published in order to improve public transparency and provide an additional resource for anyone seeking information.

Yours sincerely



Janeca Miranda
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Reserve Bank of New Zealand – Te Pūtea Matua