

SMI Markets: [New Zealand](#)

Date: 06 Sep 2010

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Designation of NZCDC Settlement System

The newly established NZCDC Settlement System, operated by New Zealand Clearing and Depository Corporation (NZCDC), has been declared a designated settlement system under Part 5C of the Reserve Bank of New Zealand Act. NZCDC is a wholly-owned subsidiary of NZX Limited.

The designation gives statutory backing to the finality of settlement and netting of transactions through the NZCDC Settlement System so transactions cannot be unwound in the event of failure by a participant. NZCDC Settlement System will be subject to ongoing oversight by the Securities Commission and the Reserve Bank.

More details are available here: [New designated settlement system](#)

Market Information Impact

New Zealand

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

New Zealand

Market Rating: AA-
Market Flash Impact: Positive

Impacted Risk Type: Counterparty Risk
Current Rating = AA-
Flash Impact = Positive

The designation of NZCDC Settlement System eliminates the 'unwinding risk' in the event of the insolvency of a system participant. Accordingly, the impact is 'Positive' on Counterparty risk.

Related Flash: [NZX to Launch New Centralised Clearing House System - Update, 16/08/2010 \(click to view\)](#)

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