

Financial Markets Conduct (Climate-related Disclosures - Coöperatieve Rabobank U.A) Exemption Notice 2024

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.

Contents

1	Title	1
2	Commencement	1
3	Revocation	1
4	Application	1
5	Interpretation	1
6	Exemption	2
7	Conditions	2

Notice

1 Title

This notice is the Financial Markets Conduct (Climate-related Disclosures - Coöperatieve Rabobank U.A) Exemption Notice 2024.

2 Commencement

This notice comes into force on 2 December 2024.

3 Revocation

This notice is revoked on the close of 30 November 2029.

4 Application

An exemption granted by this notice applies to the following accounting periods of CRUA, being a registered bank that is 'large' by virtue of section 461Q(3) of the Act:

- (a) the accounting period commencing on 1 January 2025 (which is the commencement of the period in relation to which CRUA would be required to deliver group climate statements to the Registrar for lodgement under section 461ZI of the Act); and
- (b) subsequent accounting periods.

5 Interpretation

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

Act means the Financial Markets Conduct Act 2013

CRUA means Coöperatieve Rabobank U.A.

DLL Companies means De Lage Landen Limited, AGCO Finance Limited and any other subsidiary of De Lage Landen BV International or AGCO Australia Limited operating in New Zealand

FMA means Financial Markets Authority

primary users means existing and potential investors, lenders and other creditors

registered bank has the same meaning as in section 2(1) of the Banking (Prudential Supervision) Act 1989

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

6 Exemption

CRUA is exempted from its obligations under section 461ZB(3)(a) of the Act to the extent that the section requires CRUA to include in its climate statement, climate reporting for the DLL Companies.

7 Conditions

- (1) The exemption in clause 6 is subject to the conditions that,—
- (a) the climate statements prepared for CRUA are accompanied by a written notification to the Registrar that CRUA is relying on this notice in respect of the accounting period to which CRUA's climate statements relate;
 - (b) CRUA notifies the FMA, as soon as practicable, of any changes to the nature of the operations or assets of the DLL Companies, that would mean De Lage Landen Limited or AGCO Finance Limited has a material level of external primary users; and
 - (c) CRUA notifies the FMA, as soon as practicable, of any changes to the ownership structure of the DLL Companies.

Dated at Wellington this 29th day of November 2024



Liam Mason
Executive Director – Evaluation, Oversight &
General Counsel
Financial Markets Authority

Statement of Reasons

This notice comes into force on 2 December 2024 and is revoked on 30 November 2029.

Coöperatieve Rabobank U.A. (**CRUA**) is an overseas bank registered by the Reserve Bank of New Zealand and is a 'large' registered bank under section 461Q(3) of the Financial Markets Conduct Act 2013 (**Act**) which is required to prepare group climate statements for itself and its subsidiaries (including Rabobank New Zealand Limited (**RNZL**)) under section 461ZB(3)(a) of the Act.

This notice exempts CRUA from reporting in relation to De Lage Landen Limited and AGCO Finance Limited, and any other subsidiary of De Lage Landen B.V International or AGCO Australia Limited

operating in New Zealand (the **DLL Companies**), that are required otherwise to form part of the climate statements to be prepared for CRUA's New Zealand business under section 461ZB(3)(a) of the Act.

This exemption is subject to several conditions. These include the requirement for CRUA to notify the Registrar that it is relying on this exemption, to notify the FMA of any changes to the nature of the operations or assets of the DLL Companies that would mean they have a material level of external primary users, and to notify the FMA, as soon as practicable, of any changes to the ownership structure of the DLL Companies.

The FMA, after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemption because—

- the DLL Companies' businesses are not directly held by CRUA, but through intermediate companies. We accept that it is likely to be administratively burdensome for CRUA to obtain and verify the necessary information in order to include it in the group climate statements;
- the DLL Companies' only material primary users are CRUA itself and related entities which provide funding to the DLL Companies. These related entities can seek information required to make capital allocation decisions directly from the DLL Companies, and accordingly preparing climate statements in relation to the DLL Companies causes unnecessary compliance cost to be incurred;
- the minor primary users are creditors by virtue of being service providers and are unlikely to use climate statements to assess their engagement with the DLL Companies. Reporting for the benefit of these primary users where there is little benefit given the nature of the relationship with CRUA, is likely outweighed by the cost of compliance; and
- Alternative climate reporting on the DLL Companies under a European Union directive is required from the year commencing 1 January 2024. Relevant information will therefore still be available in a broadly similar fashion.

As such the FMA is satisfied that the granting of the exemption is desirable in order to promote the purposes of the Act, specifically—

- by promoting innovation and flexibility in the financial markets by recognising that corporate groups use different structures and group members are not necessarily linked to the extent that preparing consolidated reporting is desirable; and
- by avoiding unnecessary compliance costs where the value of the information is disproportionately outweighed by the time and resources required to extract information from the DLL Companies, given the lack of material external primary users.

The FMA is further satisfied the exemption is not broader than is reasonably necessary to address the matters that give rise to the exemption as:

- the need for disclosing information about the DLL Companies in accordance with the climate-related disclosure framework does not arise because the DLL Companies do not have any material external primary users for which climate statements are intended to be prepared; and
- the DLL Companies would largely be excluded from CRUA's group climate statements anyway, on the basis that the information is immaterial, particularly given the DLL Companies have immaterial operations in New Zealand.