

Asia Market Intelligence

New Zealand

Presence

Established as a fully registered bank in New Zealand in 1987, HSBC offers corporate and commercial banking, trade services, treasury management, securities services, payments and cash management facilities, and personal financial services to the New Zealand market.

Integrated electronic banking services are offered via *HSBCnet* and HSBC Connect to corporate and commercial clients, with HSBC counter banking services available in Auckland and via a widespread alliance network throughout the country.

New Zealand's relatively unregulated financial environment produces fierce competition from local banks, with widespread integration of back office systems into the banking sector, and highly integrated delivery channels, including services via phone, mobile, Electronic funds transfer at point of sale (EFTPOS), and Internet-based banking platforms.

Population:
4.18 million

Total Area:
270,534 sq km

Currency:
New Zealand dollar (NZD)

Capital:
Wellington

Major Languages:
English and Maori

Time zone:
GMT + 12 hrs

Central bank:
The Reserve Bank of New Zealand

Gross Domestic Product:
111.7bn total (2007 est.);
3.0% real growth rate (2007 est.);
26,379 per capita (2007 est.)

Inflation rate (consumer prices):
2.4% (2007)



HSBC 
The world's local bank

Clearing Systems and Payment Instruments

New Zealand has a very developed and sophisticated cash management infrastructure. Its foundation is based on the foresight of local banks nearly 40 years ago, beginning with the creation of three centralised electronic clearing houses providing overnight settlement, securities trading, and interbank/high-value, same-day transactions. The benefits continue to accrue today, and over 90% of all payments are made electronically.

CLEARING SYSTEM	COMMENTS
Interchange and Settlement Ltd (ISL)	A low-value clearing system used for paper-based and overnight clearing files. Cheques, direct debits/credits and automatic payments are interchanged among the banks with value being given for the day the payment enters the system. Single payments (also known as priority payments) are also cleared through ISL. These are interchanged and settled in the same manner as files – with value also given for the day the payment enters the system.
Austraclear	The primary real-time gross settlement (RTGS) system for settlement of securities trading and clearing transactions. No minimum value requirement applies.
Same-day cleared payments (SCP)	SCP is also used for RTGS transactions. It is commonly used for settlement of interbank, property and share transactions and some commercial payments. No minimum value requirement applies.

Banking System and Bank Accounts

- The Reserve Bank of New Zealand (RBNZ) is the central bank of New Zealand. It is responsible for monetary policy, currency and the maintenance of the financial system. It also has a policy and operational role in respect of the in-country payment settlement systems.
- There are currently 16 banks registered in New Zealand. Due to the close economic ties between Australia and New Zealand, many of the local and international banks in Australia can also be found in New Zealand.
- The following types of bank account are currently available:

ACCOUNT TYPE	LOCAL CURRENT	LOCAL SAVINGS	FOREIGN CURRENT	FOREIGN SAVINGS
Resident	Yes	Yes	Yes	Yes
Non-resident	Yes	Yes	Yes	Yes
Credit interest ¹	Yes	Yes	Yes	Yes

Cash management products and services at a glance*

INVESTMENT PRODUCT	TRANSACTION MANAGEMENT		LIQUIDITY MANAGEMENT
	PAYMENTS	COLLECTIONS	
<ul style="list-style-type: none"> NZD/FCY current accounts Time deposits Foreign exchange and treasury products 	<ul style="list-style-type: none"> Cheques/demand drafts Electronic payments (high/low-value bulk) Payments Advising 	<ul style="list-style-type: none"> ForEx cheque collection ForEx cash letter Electronic batch collections In-branch services Receivables Management System 	<ul style="list-style-type: none"> Overdraft facilities Sweeping (Cash Concentration) Pooling

Australia Bangladesh Brunei Hong Kong SAR India Indonesia Japan Korea Macau SAR Malaysia
 Mauritius **New Zealand** People's Republic of China The Philippines Singapore South Africa Sri Lanka Taiwan Thailand Vietnam

Terms and conditions apply. A copy of a pamphlet outlining the relevant fees and charges can be obtained from HSBC.

* Cash management services are delivered via HSBC*net*, HSBC's electronic banking system.

Alliance Network

HSBC has an alliance with Westpac in New Zealand (c. 200 branches) enabling funds to be deposited into HSBC accounts with same day value.

Legal, Company and Regulatory

While New Zealand is a relatively deregulated environment in which to conduct business, corporates need to take into account the country's tax regulations, restrictions on cross-border transactions as well as flow of financial information in certain circumstances.

Liquidity, Currency and Tax

- New Zealand has no regulatory restrictions on pooling or cash concentration. However, while notional pooling and cash concentration are not restricted, in practice relatively few banks offer notional domestic currency pooling or cross-border cash concentration.
- There is limited commercial paper available, so most corporate surplus liquidity tends to be invested in money market and term deposits.
- While there are certain restrictions on cross-border transactions and the flow of financial information, there are no specific regulations governing foreign exchange transactions in New Zealand.
- Profits earned by a company are taxed at the company tax rate of:
 - 30% for income years 2009 and later; and
 - 33% for income years 2008 and earlier.
- There is no capital gains tax in New Zealand.
- Withholding taxes levied in New Zealand vary according to domicile and category of payment (e.g. interest, dividends, royalties, etc.).

Market Watch

No recent or anticipated change of significance.

Contacts

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Banking hours:

Mon – Fri

8:30am – 5:00pm (office hours)

9:00am – 4:30pm (business hours)

IBC

9:00am – 4:30pm, Mon – Fri

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Mauritius	New Zealand	People's Republic of China	The Philippines	Singapore	South Africa	Sri Lanka	Taiwan	Thailand	Vietnam