

# Money Market Call Deposit: Terms.



This terms sheet sets out the product terms and conditions applicable to your Money Market Call Deposit (“Deposit”) with Westpac New Zealand Limited NZBN 9429034324622 (“Westpac NZ”, “we” or “us”).

Investment decisions are very important. They often have long-term consequences. Read the terms applicable to the Deposit carefully. Seek advice before committing yourself.

## The Deposit.

The Deposit is an investment of money you place with Westpac NZ that applies a variable rate of interest to your daily Deposit balance.

## Opening the Deposit.

The initial amount you agree to invest with us (the “Opening Balance”) is payable at the time you open the Deposit. The Opening Balance must be paid to us on a Business Day.

You may request the Opening Balance be paid by way of direct debit from another account you hold with us. If we agree to make this transfer you will be deemed to have authorised us to make this transaction.

## Deposit amount.

There may be a minimum Opening Balance amount you can invest and a minimum ongoing balance (“Minimum Balance”) you must maintain. The current minimum Opening Balance amount is NZ\$1,000,000 and the Minimum Balance amount is NZ\$500,000. There is no current maximum amount you can invest. Each subsequent deposit amount must be at least NZ\$50,000.

These limits can change at our sole discretion. Please contact your relationship manager or your financial markets dealer prior to opening a Deposit for further details.

## Currency.

The Deposit will be denominated in New Zealand dollars.

## Fees.

There are currently no fees to open or maintain the Deposit.

## Interest.

A variable rate of interest will be applied to the Deposit’s daily balance (the “Interest Rate”).

## Interest rate.

The Interest Rate will be determined by us daily to be the sum of the current Official Cash Rate published by the Reserve Bank of New Zealand (the “OCR”) and the Deposit’s margin rate applicable on that date. The Interest Rate may change over time and be a positive, zero or negative rate having regard to the OCR and prevailing market interest rates.

When you open the Deposit we will advise you of the initial margin rate (positive or negative) that applies to the Deposit. We may change this margin rate over the duration of the Deposit by providing you with written notice of this change, including when this new margin rate will take effect.

## Interest calculation.

Interest on the Deposit (the “interest amount”) is calculated daily by applying the Interest Rate to the Deposit’s daily balance. This calculation is made on the basis of a 365 day year. Interest calculation can result in a positive or negative interest amount. A negative interest amount means you will have to pay us and, when applied, will reduce the balance of the Deposit.

## Interest payment.

The interest amount accrues daily and is applied on the last business day of the month (unless we both agree on different periodic interest payment dates). The interest amount, together with any applicable fees, taxes or other government charges, is paid or deducted from the balance of the Deposit on the interest payment date unless we both agreed on a different payment method.

An interest amount that is applied to the Deposit forms part of its balance and itself bears interest from (but excluding) the interest payment date.

## Repayment and withdrawals.

You may withdraw all or - subject to continuing to meet the Minimum Balance - some of the Deposit at any time on a Business Day during Westpac NZ’s normal operating hours.

We may repay and close the Deposit at our discretion at any time by giving you not less than 5 Business Days’ notice of this repayment. This includes where the balance of the Deposit is less than the Minimum Balance.

## Payments.

If the Deposit is to be repaid or withdrawn in full, we will pay you the current balance of the Deposit together with any accrued but unpaid interest amount and less any accrued but unpaid negative interest amount, fees, taxes or other government charges (the “closing balance”).

Any withdrawal or closing balance will be paid to your nominated New Zealand bank account. If you do not provide us with a nominated New Zealand bank account we will pay the closing balance to a bank account in your name. If you hold the Deposit jointly, this payment will be made jointly unless otherwise authorised by all the joint holders.

## Tax.

Returns on your Deposit will be affected by taxes. The following description of its tax treatment is of a general nature only. You should consult your own tax adviser as to how the tax legislation applies in your own particular circumstances.

## Deductions and gross-up.

We will, without liability to compensate you, deduct any applicable withholding taxes from the gross interest amount (or amount deemed by law to be interest, whether paid to you or accrued for your benefit) in accordance with the provisions of the Income Tax Act 2007 (the “Tax Act”) or other legislation applicable at the time. To meet our obligations under law, we will assume that you are a New Zealand tax resident unless you advise us otherwise.

If you are required by law to withhold or deduct tax on a payment of an interest amount to Westpac NZ, the amount payable shall be increased so that, after making that deduction and any deduction applicable to the additional amount payable, we receive the amount we would have received if no deduction or withholding had been required.

## Resident withholding tax (“RWT”).

We will deduct RWT from the gross interest amount (or payments deemed by law to be interest) paid or credited to you if you are, or as provided below are assumed to be, a New Zealand tax resident or you are a non-resident engaged in business in New Zealand through a fixed establishment (as defined in the Tax Act) in New Zealand and hold the Deposit for the purpose of that business (a “RWT Deposit Holder”).

We will not make this deduction if you advise us that you hold RWT exempt status (as defined in the Tax Act) and confirm that your IRD number is listed on the Inland Revenue RWT exemption register, or we are otherwise satisfied that such deductions are not required by law.

We request that you provide us with your IRD number when you open the Deposit so we may provide it to Inland Revenue. RWT will be deducted at the non-declaration rate if you do not supply your IRD number. You may elect to have RWT deducted at one of the statutory rates when you provide your IRD number, otherwise the default rate will apply. Current RWT rates can be found at [www.ird.govt.nz](http://www.ird.govt.nz).

### **Non-resident withholding tax (“NRWT”).**

If you are not an RWT Deposit Holder, we are required to deduct non-resident withholding tax (“NRWT”) at the applicable rate from the gross interest amount (or payments deemed by law to be interest) paid or credited to you.

Westpac NZ is an approved issuer and is entitled to make a payment of approved issuer levy (“AIL”) in respect of the relevant interest amount paid to you. For so long as this approved issuer status remains, if you are not an RWT Deposit Holder, you can elect to have an amount equal to the AIL payable by Westpac NZ deducted from the gross interest amount (or payments deemed by law to be interest) paid or credited to you instead of a NRWT deduction. This election is not available if you beneficially derive the interest jointly with a New Zealand tax resident (in which case NRWT will apply at the relevant RWT rate).

## **Status and availability.**

### **Status of Deposit.**

The amounts owed by us to you in respect of the Deposit are an unsecured and unsubordinated debt obligation. Our obligation to pay you ranks at least equally with all other unsecured and unsubordinated obligations of Westpac NZ except those mandatorily preferred by law. This means that you are not guaranteed to be repaid and, if we become insolvent, you might have to repay amounts paid to you in accordance with the Companies Act 1993.

### **Selling restrictions.**

The Deposit is only available to “wholesale investors” within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 to the Financial Markets Conduct Act 2013 (“FMCA”). This includes a person who is: (a) an “investment business”, (b) “large” or (c) a “government agency”, in each case as defined in Schedule 1 to the FMCA. The Deposit is not available to any “eligible investor” (as defined in clause 41 of Schedule 1 to the FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

## **Additional Information.**

### **Payment dates.**

Where these terms refers to a date (e.g. for payment of an amount) and that date would otherwise fall on a day that is not a Business Day, the relevant date will instead fall on the following Business Day. “Business Day” means a day (other than Saturday, Sunday or a public holiday) on which banks are open for general banking business in Auckland and Wellington.

## **Communications.**

Communications between us may be made electronically.

You may also authorise a person or persons to operate your Deposit (“Authorised Dealers”). If you do, we will accept instructions from your Authorised Dealers in respect of the Deposit by telephone.

We are under no obligation to enquire as to the validity, authenticity or accuracy of any electronic or telephone communication or instruction which we receive from you or your Authorised Dealers. We may act on any electronic or telephone instruction even if those instructions may be (a) given or transmitted in error, (b) fraudulent or (c) altered or distorted prior to or in the course of transmission or instruction. We may (but are not obliged to) defer the carrying out of any electronic or telephone instruction pending further enquiry or to confirm its authenticity with you.

By opening the Deposit, you consent (on behalf of yourself and your Authorised Dealers) to Westpac NZ recording and retaining telephone conversations between Westpac NZ, you and/or your Authorised Dealers. You must ensure that all Authorised Dealers are aware that their conversations with us may be recorded.

These terms do not limit any other agreement between us in respect of our communications and associated indemnities.

A statement of account is available on request. To the extent required by law, a withholding tax certificate will be sent to you each year during the duration of the Deposit.

### **Terms and conditions.**

The Deposit is subject to these terms and the General Terms set out in part one of Westpac NZ’s General Terms and Conditions (these can be obtained from [westpac.co.nz](http://westpac.co.nz) or at any Westpac NZ branch).

We reserve the right to vary the terms and conditions applicable to the Deposit at any time. We will provide you with notice of any such changes at least 14 days in advance.

### **Governing law.**

These terms and the Deposit are governed by New Zealand law.

## **Other Disclosure.**

The Deposit does not represent a deposit or liability of Westpac Banking Corporation ABN 33 007 457 141 (“WBC”) or any other company in the Westpac Banking Corporation group (other than Westpac NZ) (“Westpac Group”). Neither WBC nor any other company in the Westpac Group stands behind or otherwise guarantees Westpac NZ nor the capital value or investment performance of any financial product acquired through Westpac NZ.

You can get a copy of the current disclosure statement for Westpac NZ from any branch of Westpac NZ in New Zealand or from Westpac NZ’s website at [westpac.co.nz](http://westpac.co.nz) following the link “Disclosure Statements” which is located at the bottom left corner of the homepage.

These terms are intended for customers in New Zealand only. The information set out in these terms is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. By providing these terms, Westpac NZ does not intend to provide financial advice or any financial recommendations. You should read and consider these terms, in their entirety, carefully and seek independent expert advice before making a decision about whether or not this product is suitable for you.

This term sheet is effective 11 June 2021.