

Wholesale Term Deposit: Terms.



This terms sheet sets out the product terms and conditions applicable to your Wholesale Term 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 fixed rate of interest over a fixed term to your principal investment.

Opening the Deposit.

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

You may request the Principal 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 and maximum Principal amount you can invest. The current minimum amount is NZ\$100,000. There is no current maximum amount you can invest. 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 unless you have received our prior approval to open the Deposit in an approved currency. We will advise you of the minimum and maximum Principal threshold applicable to the requested currency at the time of approval.

Duration.

When you open the Deposit you will agree the duration of the Deposit (the “Term”) with us. The current minimum Term is seven days. The current maximum Term is five years. These Term limits can change at our sole discretion. Once selected, the Term will not change unless we both agree or an early repayment applies.

Fees.

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

Interest.

A rate of interest will be applied to the Principal over the Term (the “Interest Rate”).

Interest rate.

When you open the Deposit we will advise you of the applicable Interest Rate. The Interest Rate may be positive, zero or negative having regard to prevailing market interest rates and the Deposit’s currency. The Interest Rate will not change over the Term unless we both agree or an early repayment applies.

Interest calculation.

Interest on the Deposit (the “interest amount”) is calculated daily by applying the Interest Rate to the outstanding Principal. This calculation is made on the basis of a 365 day year unless the Deposit is denominated in a foreign currency and we determine interest is to be calculated on the basis of a 360 day year in line with market practice. 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 Principal.

Interest payment.

The interest amount accrues over the Term (unless we both agree periodic interest payment dates) and, together with any applicable taxes, fees or government charges, is paid or deducted from the outstanding Principal at the end of the Term (or on the periodic interest payment dates agreed).

Maturity.

General repayment.

Westpac NZ will repay you the Principal at the end of the Term together with any accrued and unpaid interest amount and less any negative interest amount, applicable fees, taxes or other government charges (the “maturity amount”).

The maturity amount will be paid to your nominated New Zealand bank account. If you hold the Deposit jointly, this payment will be made jointly unless otherwise authorised by all the joint holders.

Alternatively, you can instruct us to reinvest the maturity amount as a new Deposit. This new Deposit will be subject to the terms and conditions applying to it at the time of reinvestment.

If you do not provide us with maturity instructions, we may (at our sole discretion) either repay the maturity amount to a bank account in your name or reinvest the maturity amount as a new Deposit for such further term as we may determine in our sole discretion. This new Deposit will be subject to the interest rate applicable for that term (determined at our discretion), and the terms and conditions applying to it at the time of reinvestment.

Early repayment.

You can only withdraw the Deposit (in part or in whole) before the end of its Term if we agree. We may repay the maturity amount and close the Deposit if a withdrawal would result in the remaining Principal being less than the agreed minimum balance.

We may repay the maturity amount and close the Deposit at our discretion at any time. We will give you not less than 32 calendar days’ notice of this repayment.

The Interest Rate may be reduced at our discretion where repayment of the maturity amount is made before the end of the Term. This may result in a reduced maturity amount being paid to you. Our determination of a reduced Interest Rate will be made by having regard to prevailing market interest rates. We will advise you of any Interest Rate reduction at the time the maturity amount is repaid.

An early repayment will be made on the general repayment terms set out in the ‘General repayment’ section above.

An early repayment of the maturity amount may result in an overpayment of withholding tax on your interest already received (or deemed to be received). You can generally seek a refund of overpaid withholding tax (if any) by lodging a tax return or appropriate form with the Inland Revenue.

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.

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 Term.

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 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 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.