



**Banking & Financial Services Law Association**

**The 26<sup>th</sup> Annual Banking and Financial Services  
Law and Practice Conference**

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**NZ Finance Companies  
"The Way Forward"**

**Clynton Hardy**  
Chairman

Trustee Corporations Association of New Zealand Inc,  
Wellington

# **STRENGTHENING THE CORPORATE TRUSTEE REGIME**

**Clynton Hardy,  
Chairman of the Trustee Corporations Association of NZ Inc.**

## Members of the TCA

Guardian Trust

YOUR  
WORD  
IS LAW publicTRUST



Perpetual Trust



Trustees Executors

## One Associate Corporate Trust Member



*Covenant Trustee Company*

- **We accept the need for change**
- **We can be more effective**
- **We have a plan !**

## The need for change

- **Inconsistent levels of capability**
- **Inconsistent approaches to trust deeds**
- **Inconsistent reporting**
- **Lack of transparency and accountability**
- **Hamstrung regulators**

## **A new Corporate Trustee Model:**

**1.Licensing**

**2.Supervision**

**3.Accountability**

## 1. Licensing

- **Registered by Securities Commission**
- **Trustees lose statutory right**
- **Approval criteria, eg**
  - independence
  - experience
  - fit and proper character

## 2. Supervision

- **Have power to monitor licence**
- **“Licensed” Trustee to regularly report**
- **Must report any trust deed breaches**



### **3. Accountability**

- **Sanctions and penalties eg**
  - **suspension from issues**
  - **revocation of licence**

## **Benefits**

- **Robust supervision:**
  - ensures Trustees are capable
  - gives Securities Commission power
- **Accords with IMF and World Bank**
- **Gives investors confidence**

## **The way forward**

- **No major legislative change required**
- **We are determined to lift our performance**
- **We have a practical and effective plan**

