

New Zealand Real Estate Trust

New Zealand Real Estate Trust (NZRET) is an independent third party trust account service.

NZRET is a product of SafeKiwi (New Zealand) Limited and has successfully operated for over 8 years with Public Trust having processed over 104,500 transactions in this time.

The sole role of Public Trust in respect of NZRET is to receive, hold and disburse the deposit funds on behalf of vendors and purchasers in trust, in a custodial capacity. As the custodian, Public Trust provides protection and peace of mind for vendors and purchasers knowing that deposit funds are held for them in an independent and neutral trust account. This neutrality is in contrast to both in-house real estate trust accounts and law firm trust accounts.

All deposit funds are paid directly to a Public Trust bank account. The purchaser receives instructions to pay the deposit funds directly into the designated Public Trust bank account. Deposit funds are never paid into a SafeKiwi operated bank account.

Public Trust is a Crown-owned entity and is the only signatory on the bank account. Public Trust is a leading corporate trustee company in New Zealand, with more than \$24 billion under supervision. Public Trust holds relevant professional indemnity insurance for its business operation and is also audited.

Public Trust is licensed under the Securities Trustees and Statutory Supervisors Act 2011.

SafeKiwi's main role is to provide the NZRET technology software in the form of a web-based registry which individually tracks and records deposit funds received, held and released by Public Trust for each property transaction. SafeKiwi also promotes NZRET and provides the customer support.

The integrity of NZRET's systems and processes has been aligned to the consumer protection objectives of the Real Estate Agents Act 2008. Therefore, real estate agencies who nominate the use of NZRET adhere to consistent and industry best practice standards.

The Real Estate Agents Authority (REAA), who is the governing body for the real estate industry in New Zealand, states that "Agents may nominate the New Zealand Real Estate Trust as a third party trust account provider".

SafeKiwi (through Public Trust as custodian for the deposit funds) holds deposits as a stakeholder. This is the same position which applies under the ADLS-REINZ Agreement for Sale and Purchase of real estate.

SafeKiwi, as a proprietary software provider, is subject to the general law and also reports monthly to the Real Estate Agents Authority. SafeKiwi also maintains professional indemnity insurance and has regular compliance reviews of the NZRET processes undertaken by Price Waterhouse Coopers.

SafeKiwi does not pay interest to either the vendor or the purchaser on deposit funds held by Public Trust. This is no different to when deposit funds are held in an in-house real estate trust account. SafeKiwi receives all interest earned on deposit funds. It does not charge fees to the parties to use NZRET and the interest is the only form of remuneration that SafeKiwi receives.

SafeKiwi is also a registered Financial Service Provider #FSP302346. As part of this registration it is a compulsory requirement for SafeKiwi to be a member of a dispute resolution scheme. Therefore, SafeKiwi is a member of The Financial Dispute Resolution scheme.