

FILLIES AND MARES BREEDING CREDIT SCHEME

TERMS AND CONDITIONS (PART 2)

Effective Date: **1 August 2024**

2024 Fillies and Mares Breeding Credit Scheme ("2024 FMBCS") Overview of the Scheme

HRNZ announced a Fillies and Mares Breeding Credit Scheme ("2023 FMBCS") that came into effect on 1 August 2023. The terms and conditions are published on the HRNZ website <https://www.hrnz.co.nz/assets/Fillies-and-Mares-Credit-Scheme-Terms-and-conditions-legal.pdf>

In July 2024 the HRNZ amended the 2023 FMBCS with effect from 1 August 2024. Credits earned as at 31 July 2024 under 2023 FMBCS are retained and available on the terms and conditions published.

The 2024 FMBCS key features:

1. A \$750 +GST credit will accrue for a filly or mare winning a race in New Zealand.
2. Maximum credit accumulated is \$6,000 (equivalent to eight wins), inclusive of any credits earned under the 2023 FMBCS. The \$6,000 limited does not apply to 2023 FMBCS, but no 2024 FMBCS credits can be accrued in that case.
3. The FMBCS credits attach to the winning filly or mare, not the breeder. If the horse is sold or leased the 2024 FMBCS credits go with the horse.
4. 2024 FMBCS credits are available to reimburse breeders for direct breeding costs, being the service fee, semen and its shipment, working fees, vet breeding packages and vet costs.
5. The 2023 and 2024 FMBCS credits do not have to be used in a single season.
6. The 2023 and 2024 FMBCS credits expire at the end of the fifth breeding season after the last credit was earned, or when the mare dies or is deregistered or is exported permanently.
7. The filly or mare must be located and served in NZ to be eligible to redeem the credit.
8. The credit will be paid to the registered breeder upon receipt of a 2024 FMBCS Claim Form and the production of supporting documentation detailing proof of service payment, stud name, name of filly or mare, name of stallion and a statement by the claimant of a 42-day positive test or the birth of a viable foal (frozen semen). Where a frozen semen service fee is paid in advance the payment of the service fee will trigger a potential claim.
9. The estimated liability for 2024 FMBCS will be about \$900,000 per annum pa.
10. The FMBCS will be reviewed periodically. HRNZ has the discretion to change, amend or cancel the scheme at its discretion. The Rule of Racing apply.

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TERMS

General Terms

- The filly / mare must race in New Zealand to be eligible for a credit.
- The credit is only earned in Fillies and / or Mares races in New Zealand.
- The credit is attached to the mare who earned it and is not assignable or transferable.
- If the filly and / or mare is sold within New Zealand the credit transfers with the horse to the new owner.
- If the filly / mare is exported, then the credits expire with no payment or compensation.
- If the filly / mare is exported for racing and then put in foal prior to returning to New Zealand, then the credits will apply for costs associated with breeding the filly / mare in New Zealand, in any following years as per the other terms and conditions.
- If the filly / mare is leased the use of or not the use of the breeding credit must be covered in the lease agreement as to what rights the lessee has (if any).
- The credits expire after five years from the end of the animal's retirement from racing, which is judged as the last day of the last racing season the animal participated in publicly starting in New Zealand.
- Should the mare die or it be found that it cannot reproduce, any existing credits will expire without any compensation.
- You may use the credit as part payment to meet a price higher than the credit earned.
- You may 'split' a credit and use only a portion of it to meet a price lower than the credit limit.

Specific Terms

- First three placegetters in any fillies/mares totalisator race get a \$1000 win, \$300 second, \$200 third breeding credit in any fillies and / or mare's race in New Zealand.
- The monies are calculated by HRNZ, and will be held by HRNZ. A claim for a credit can occur only once the mare has finished racing.
- All credit claims are by way of reimbursement and HRNZ will pay the credit value to the applicant on production of relevant invoice(s).
- The credits do not have to be used within a single breeding season but must be used within five years of finishing racing.
- The mare must be located and served / inseminated in New Zealand to be eligible to redeem the credit.
- In the event of a dead heat the credits will be paid out in full for each of the dead heat horses for their finishing position E.g. two horses dead heat for first they will both earn a \$1000 breeding credit.
- Credit may be used for DIRECT breeding costs only such as Service fees, semen and vet packages – including the purchase of semen, semen related costs such as transport, and working fees. Generic vet work and grazing costs would not be able to be claimed.
- Application may be made to the CEO of HRNZ for special requests.

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- The credit can be claimed if the conditions of the scheme are met, and on production of the following:
 - A copy of proof of payment to the stud for the service of the mare for which the claim is being made.
 - A copy of proof of payment to a provider for direct costs associated with the service of the mare for which the claim is being made.
- Should a horse be disqualified in any particular race then the credit will transfer to the next horse promoted to the disqualified horse's placing.
- The scheme will be reviewed periodically. HRNZ has the discretion to change, amend or cancel the scheme at its discretion.
- The scheme relates to HRNZ Financial year with the sums calculated from 1 August through 31 July each year.
- 6. Owners must confirm or provide their bank account to HRNZ to get paid. Failure to do so within 12 months of the claim will mean removal from the FMBCS.
- 7. You are not able to aggregate credits across Mares to increase the amount payable under the FMBCS.
- 8. You accept that you may be randomly audited to ensure that the FMBCS terms and conditions have been adhered to. Failure to fully comply with such an audit will mean removal from the FMBCS.
- 9. You are required to provide HRNZ with confirmation of whether you are GST registered and if so your GST registration number. You must advise HRNZ if this information changes at any time.
- 10. If you are GST registered, HRNZ will issue a buyer created tax invoice (BCTI) / buyer created taxable supply information (BCTSI) to you within 28 days of any FMBCS being paid. This will show the GST payable by you in respect of the BIP.

Commercial Terms

1. The FMBCS is paid by HRNZ in return for agreeing to provide information and undertaking the actions to meet the eligibility criteria ("the supply") to HRNZ as noted in these terms.
2. The FMBCS is in New Zealand dollars plus GST if any.
3. HRNZ reserves the right to suspend the FMBCS if the total budgeted amount for the season is reached.
4. Owners are responsible for returning GST as applicable in respect of the FMBCS.
5. HRNZ will pay the FMBCS on the 20th of the month following application to the FMBCS provided that all requested information has been provided and all the eligibility criteria have been met as outlined in these terms.
11. If you are not GST registered, HRNZ will issue remittance advice to you within 28 days of any FMBCS being made.
12. HRNZ will issue a credit note / supply correction information if for any reason the FMBCS is repaid.
13. You agree that you will not issue tax invoices or taxable supply information to HRNZ.
14. You confirm that you will retain a copy of the documentation issued by HRNZ in respect of the FMBCS when it is provided by HRNZ.
15. Participation in this scheme does not preclude you from participation in any other scheme.