

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 is available for service fees only.
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 to.
- The credit is earned on all winning races in New Zealand.
- The credit is attached to the filly / mare who earned it and is not assignable or transferable.
- If the filly and / or mare is sold or leased 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 are available for service fees 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 goes with the filly / mare to the lessee unless otherwise stated in the lease agreement, i.e. if it is a racing lease only.
- The credits expire after five breeding seasons from the end of the racing season in which the filly / mare last earned a FMBCS credit.
- Should the filly / mare die or it be found that it cannot reproduce, any existing credits will expire without any compensation.
- A credit may be used as part payment to meet a price higher than the credit earned.
- A credit may be 'split' over several breeding seasons.

Specific Terms

- \$750 for winning any race in New Zealand after 1 August 2024.
- 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. HRNZ will pay the credit value to the applicant breeder on completion of the 2024 FMBCS form (online preferred) with supporting documentation.
- 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.
- Under the 2024 FMBCS "service fee" includes the DIRECT breeding costs for the service fee, semen, working fees, vet breeding packages / costs. Transport and grazing costs cannot be claimed.
- The CEO of HRNZ is authorized to exercise discretion where special circumstances or hardship can be established.
- For avoidance of doubt the credit is available when the service fee is paid, AND confirmation of a 42-day position test. Where frozen semen is used the credit may be claimed on payment of the service fee after a live foal is produced, or when payment of the service fee is made if earlier than production of a live foal.

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- The credit can be claimed if the conditions of the scheme are met, and on production of a copy of proof of payment to the stud for the service fee for 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 2024 FMBCS.
 7. You are not able to aggregate credits across fillies / mares to increase the amount payable under the 2024 FMBCS.
 8. You accept that you may be randomly audited to ensure that the 2024 FMBCS terms and conditions have been adhered to. Failure to fully comply with such an audit will mean removal from the 2024 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.

Commercial Terms

1. The 2024 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 2024 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 2024 FMBCS provided that all requested information has been provided and all the eligibility criteria have been met as outlined in these terms.
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 2024 FMBCS being paid. This will show the GST payable by you in respect of the BIP.
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.