

**1 Decision Date**

29 March 2016

**2 Duration of the Exemptions**

This Exemption comes into force on 29 March 2016, and expires at the close of 31 December 2020, unless varied under regulation 37(3) of the Regulations, or revoked earlier.

**3 Interpretation**

(1) In this notice, unless the context otherwise requires—

**Act** means the Overseas Investment Act 2005

**FNZ** means FNZ Custodians Limited

**exemptions** means the exemptions in paragraphs 4, subject to the conditions in paragraph 5

**Regulations** means the Overseas Investment Regulations 2005

**custodial securities** means securities in a person (A) held by FNZ where FNZ does not have:

- (a) a beneficial entitlement to, or a beneficial interest in, the securities;
- (b) the power to control the composition of the board of A, other than on the instructions of the beneficial owner of the securities; or
- (c) the right to exercise or control the exercise of voting powers at a meeting of A, other than on the instructions of the beneficial owner of the securities

**OIO** means Overseas Investment Office

(2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this Exemption has the same meaning as in the Act or the Regulations (as the case may be).

(3) Examples used in this notice have the following status:

- (a) an example is only illustrative of an exemption and does not limit the exemption; and
- (b) if an example and the exemption provision to which it relates are inconsistent, the exemption provision prevails.

**4 Exemptions**

(1) FNZ is exempt from the:

- (a) definition of *overseas person* for the purposes of determining whether any other person is or would be an overseas person; and
- (b) requirement for consent to acquire custodial securities.

---

**Example 1**

Company A is owned 20% by overseas persons, and 80% by New Zealanders. A New Zealander (N) wishes to buy 10% of the shares in Company A. N's shares in A will be held by FNZ. The shares are custodial securities.

Result:

Company A will not become an overseas person as FNZ is exempt from the definition of overseas person for the purpose of determining whether Company A is an overseas person.

FNZ will not require consent as FNZ is exempt from the requirement for consent to acquire custodial securities.

N will not require consent as N is not an overseas person.

---

**Example 2**

Company A is owned 20% by overseas persons, and 80% by New Zealanders. An overseas person (O) wishes to buy 10% of the shares in Company A. O's shares in A will be held by FNZ. The shares are custodial securities.

Result:

Company A will become an overseas person due to O's beneficial interest in the custodial securities.

FNZ will not require consent as FNZ is exempt from the requirement for consent to acquire custodial securities.

O will require consent

---

**5 Conditions of the Exemptions**

- (1) If requested in writing by the OIO, FNZ must provide within 10 working days (or such other timeframe as specified) a list of the securities it holds, and the account holders in respect of those securities.
- (2) If requested in writing by the OIO, FNZ must make all reasonable efforts to procure FNZ Limited to obtain from the wholesale client all reasonably available details of the beneficial owners of securities held by FNZ and provide the resulting information to the OIO.

**6 Amendment or revocation of the Exemptions**

The Exemptions and conditions of the Exemptions may be amended or revoked by the OIO at any time.

## **7 Sanctions**

The Act provides for civil and criminal sanctions for breaching the Act, failing to comply with conditions of exemption and failing to provide information required by the OIO. The OIO has an obligation to investigate and act upon alleged and suspected breaches of the Act.