

1 Decision Date

30 September 2016

2 Duration of the Exemption

This Exemption comes into force on 30 September 2016, and expires at the close of 30 September 2017, 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.

Exemption means the exemption in paragraph 4.

Exemption Holder means Sterling Grace (NZ) Limited.

OIO means the Overseas Investment Office.

Regulations means the Overseas Investment Regulations 2005.

(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).

4 Exemption from the requirement for consent provisions of the Act

(1) An Exemption is granted exempting the Exemption Holder's acquisition of rights or interests in up to 5.19% of the shares of Trustees Executors Holdings Limited, which has indirect interests in sensitive land, from the requirement for consent.

(2) The acquisition of the rights or interests in the shares described in paragraph 4(1) must take place through one or more transactions within twelve months of the date of the Exemption.

5 Conditions of the Exemption

(1) The Exemption Holder must notify the OIO in writing as soon as practicable, and no later than twelve months from the date of the Exemption, whether the acquisition of the shares in paragraph 4(1) took place. If the acquisition did take place, the notice must include:

(a) the date or dates upon which settlement of the transaction or transactions occurred;

(b) final consideration paid (plus GST, if any);

(c) the structure by which the acquisition was made, and who acquired the property;

(d) where applicable, copies of transfer documents and settlement statements; and

- (e) any other information that would aid the OIO in its function to monitor the conditions of the Exemption.
- (2) If requested in writing by the OIO, the Exemption Holder must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:
- (a) the representations and plans made or submitted in support of the application for the Exemption; or
 - (b) the conditions of the Exemption.

6 Amendment or revocation of the Exemption

The Exemption and conditions of the Exemption may at any time be amended or revoked by the Overseas Investment Office.

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 Overseas Investment Office. The Overseas Investment Office has an obligation to investigate and act upon alleged and suspected breaches of the Act.

8 Explanatory note

The purpose of the Exemption is to exempt Sterling Grace (NZ) Limited from the requirement for consent to re-acquire shares in Trustees Executors Holdings Limited that have been acquired by previous employees under an employee share option scheme. Trustees Executors Holdings Limited is the 100% parent company of Trustees Executors Limited, which has interests in sensitive land in its capacity as a trustee. The interests that Trustees Executors Limited holds in sensitive land in its trustee capacity are exempt from the requirement for consent under the Act.

The share re-acquisition will result in Sterling Grace (NZ) Limited increasing its shareholding from 94.81% to up to 100% of the shares in Trustees Executors Holdings Limited. The share re-acquisition requires consent because Trustees Executors Holdings Limited has indirect interests in sensitive land through Trustees Executors Limited, and the share reacquisition by Sterling Grace (NZ) Limited would result in an increase in an existing 25% or more ownership or control interest in Trustees Executors Holdings Limited.

The Exemption is consistent with the purpose the Act because it is a limited extension of the exemption already granted to Trustees Executors Limited under decision 2008216131. The Exemption is also consistent with recent exemptions granted to custodian companies (see for example decisions 201610046 and 201610050) as the sensitive assets that trigger the requirement for consent are held in a trustee capacity only.

Any subsequent transactions relating to the shares of Trustees Executors Holdings Limited will remain subject to any applicable requirement for consent under the Act. Any subsequent acquisition of sensitive New Zealand assets by either Trustees Executors Holdings Limited or Sterling Grace (NZ) Limited will remain subject to any applicable requirement for consent under the Act.