

Our Ref: 201320085

12 November 2015

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FORMAL WARNING TO I-LUN CHIEN IN RESPECT OF SUSPECTED FALSE STATEMENT

1. This warning relates to the application by I-Lun Chien, dated 18 December 2013, seeking to acquire approximately 14.39 hectares of land (**Land**) at Lot 12, Matawai Forest, Gisborne (**Application**).
2. We have reasonable grounds to believe that I-Lun Chien has engaged in conduct that constitutes an offence under the Overseas Investment Act (the Act). I-Lun Chien is required to comply with his obligations under the Act at all times.
3. Details of the conduct are as follows:
 - (a) Paragraph 8 of the Application stated that "the Land has been certified by the Forest Stewardship Council (FSC)".
 - (b) In a letter of 11 March 2014 the Overseas Investment Office (OIO) noted the position of I-Lun Chien that the Land "is already FSC accredited".
 - (c) On 3 May 2014, I-Lun Chien made a statutory declaration by virtue of the Oaths and Declarations Act 1957 that the information provided to the Overseas Investment Office supporting the application was true and correct.
 - (d) On 8 May 2014, consent was granted. Condition 6 stated:

The Applicant must maintain the Forest Stewardship Council ("FSC") certification over the Land (including complying with the FSC policies and regulations), as such FSC certification is described in paragraph 8 of the Applicant's application letter dated 18 December 2013.
 - (e) On 30 July 2015 [REDACTED], the lawyer for I-Lun Chien, advised the OIO that the Land did not have FSC certification.
4. We consider that this conduct may constitute an offence under section 46 of the Act, which states:

46 Offence of false or misleading statement or omission

- (1) Every person commits an offence who knowingly or recklessly makes any false or misleading statement or any material omission in—
 - (a) any offer or representation made for the purposes of this Act or regulations; or
 - (b) any information or document provided to the regulator; or
 - (c) any communication with the regulator.
- (2) Every person commits an offence who knowingly or recklessly provides the regulator with a document that is false or misleading.

- (3) A person who commits an offence under subsection (1) or subsection (2) is liable on conviction to a fine not exceeding \$300,000.
5. If you continue to engage in conduct that constitutes an offence, civil or criminal enforcement action may be taken under the Act. This may result in (but is not limited to) the imposition of—
- (a) civil penalties of up to \$300,000; and
 - (b) criminal penalties of imprisonment for up to 12 months or a fine of up to \$300,000, in the case of an individual, and a fine of up to \$300,000, in the case of a body corporate.
6. Please note that issuing this formal warning notice to you does not affect the OIO's ability to consider or impose other appropriate sanctions under the Act.

Yours sincerely



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