

**1 Decision Date**

14 June 2017

**2 Duration of the Exemption**

This Exemption comes into force on the Decision Date and expires at the close of 14 June 2022, unless amended 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 Flexi Cards Limited (company number 1421862).

**OIO** means the Overseas Investment Office.

**Q Card Trust** means the Q Card Trust created under the e Master Trust and Security Trust Deed dated 31 July 2014 (as amended and restated) between the Trustee, NZGT Security Trustee Limited and the Exemption Holder and the Notice of Creation of Trust dated 31 July 2014 between the Trustee, the Exemption Holder and Fisher & Paykel Financial Services Limited (now Flexi Financial Services Limited).

**RFS Receivables** means receivables consisting of all rights under credit contracts (including any ancillary rights relating to that credit contract) originated by Retail Financial Services Limited under the Farmers finance brand.

**Receivables** means receivables consisting of all rights under credit contracts (including any ancillary rights relating to that consumer credit contract to be acquired) originated by the Exemption Holder, or any other direct or indirect wholly owned subsidiary of FlexiGroup (New Zealand) Limited, and held by one of those entities or held by the Trustee in its capacity as trustee of a trust established under the Securitisation Programme.

**Regulations** means the Overseas Investment Regulations 2005.

**Securitisation Programme** means the securitisation programme established under the Master Trust and Security Trust Deed dated 31 July 2014 (as amended and restated) between The Trustee, NZGT Security Trustee Limited, and the Exemption Holder.

**Trustee** means The New Zealand Guardian Trust Company Limited in its capacity as trustee of the Q Card Trust.

(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) The acquisition of Receivables and RFS Receivables by the Trustee under the Securitisation Programme, being property in New Zealand used in carrying on business in New Zealand for consideration exceeding \$100 million, is exempt from the requirement for consent.

#### **5 Conditions of the Exemption**

- (1) The Exemption Holder may seek to have the duration of the Exemption extended by submitting an application to amend the Exemption under regulation 37(3) of the Regulations. An application to amend the Exemption must be submitted to the OIO at least 3 months prior to the expiry of the Exemption.
- (2) The Q Card Trust must not have any overseas person beneficiary other than the Exemption Holder or a wholly-owned subsidiary of FlexiGroup (New Zealand) Limited.
- (3) If the Trustee resigns or is removed, any replacement trustee of the Q Card Trust must not be an overseas person unless the overseas person obtains consent or holds an exemption from the requirement for consent under the Act.
- (4) 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 The New Zealand Guardian Trust Company Limited in its capacity as trustee of the Q Card Trust's acquisition of significant business assets from the requirement for consent under the Act.

The transaction is part of a securitisation programme in which the Trustee will acquire receivables, which consist of all rights under a loan contract, including ancillary rights relating to that loan contract. The receivables will

be pooled to form security for loans from banks, financial institutions or investors.

The transaction requires consent because Q Card Trust is an overseas person and the consideration for the assets to be acquired will exceed \$100 million.

The exemption is consistent with the purpose the Act because beneficial ownership and effective control of the receivables will not change as a result of the transaction. The beneficiary of the Q Card Trust will be Flexi Cards Limited. The receivables will originate from Flexi Cards Limited or other directly or indirectly wholly-owned subsidiaries of FlexiGroup (New Zealand) Limited, the parent of Flexi Cards Limited. Flexi Cards Limited will also be the servicer and trust manager, exercising day to day management and control of the trust assets.

Any subsequent transactions concerning the assets will remain subject to any applicable requirement for consent under the Act.