

Exemption

Read this exemption carefully - you must comply with all the conditions.

Decision date	21 May 2025
Case	202500260
Exemption	<p>Castlerock Partners LP is exempt from the definition of overseas person provided the eligibility requirements are met.</p> <p>The eligibility requirements are:</p> <ol style="list-style-type: none"> 1. <u>Ownership of Castlerock Partners LP</u> Less than 50% of the limited partnership interest in Castlerock Partners LP is held by Overseas Persons. 2. <u>Control of Castlerock Partners LP</u> No more than 25% of Castlerock GP Limited is cumulatively controlled by Overseas Persons that each hold 10% or more of the interests in Castlerock GP Limited. 3. <u>Management of Castlerock Partners LP</u> The Manager is Castlerock LP Management Limited. 4. <u>Involvement of foreign governments</u> No foreign government (or its associates) hold 10% or more of the limited partnership interests in Castlerock Partners LP. 5. <u>Suitability of investors</u> Every Relevant Person is not unsuitable to own or control New Zealand assets in accordance with section 18A(1) of the Act. <p>Every person is exempt from the requirement for consent for an acquisition of securities or rights or interests in securities in the exemption holder provided the exemption holder will continue to meet the eligibility requirements of the exemption.</p>

Expiry	This exemption expires on 21 May 2030.
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Definitions

Act means the Overseas Investment Act 2005

Applicant means Castlerock Partners LP (NZBN 9429043309672)

General Partner means Castlerock GP Limited (NZBN 9429042428800)

LINZ means Toitū Te Whenua Land Information New Zealand

Manager means Castlerock LP Management Limited (NZBN 9429042428749)

Overseas Person has the same meaning as defined in section 7 of the Act

Regulations means the Overseas Investment Regulations 2005

Relevant Person means an Overseas Person that makes an investment in the Applicant.

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this Consent has the same meaning as in the Act or Regulations.

Conditions

Your Exemption is subject to the conditions set out below. You must comply with them. The Overseas Investment Act 2005 (**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 LINZ. LINZ has an obligation to investigate and act upon alleged and suspected breaches of the Act.

Details:	Required date:
Condition 1: Not unsuitable to invest in New Zealand	
Every Relevant Person must remain not unsuitable to own or control New Zealand assets in accordance with section 18A(1) of the Act.	At all times.
The Applicant will notify LINZ in writing if any Relevant Person establishes any of the investor test factors listed in section 18A(4) of the Act.	Within 20 working days after the factor is established.
Condition 2: Reporting Conditions	

<p>If requested in writing by LINZ, the Manager must provide a written report on any matter relating to its compliance with:</p> <ol style="list-style-type: none"> 1. the Exemption 2. the conditions of the Exemption 3. the ownership and control of the Applicant 	<p>Within 20 working days after the request is made by LINZ.</p>
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Amendment or revocation of exemption

The Exemption and conditions of the Exemption may at any time be amended or revoked by LINZ in the same way as it may be made.

Reasons for exemption

The Applicant, Castlerock Partners LP (NZBN 9429043309672), is a private business investment fund that specialises in acquiring and managing New Zealand businesses. The Applicant is approximately 85.2% New Zealand owned and is controlled by New Zealanders. The Applicant is not an Overseas Person.

On 2 December 2024, the Applicant was added to NZTE's 'Acceptable Managed Funds List' for the Active Investor Plus visa (**AIP visa**). The Applicant intends to use its AIP visa accreditation to introduce new overseas investors as limited partners in the fund. It is likely that the cumulative ownership of the Applicant by Overseas Persons will increase to more than 25% as a result of investment in the Applicant by AIP visa applicants.

The Applicant holds, indirectly through its portfolio limited partnerships, leasehold interests in sensitive land, and may acquire additional interests in sensitive land in the future.

A discretionary exemption from the definition of overseas person under the Act is reasonable because the Applicant is majority owned and substantively controlled by New Zealanders.

Section 61D provides for exemptions from the definition of overseas person. There are two criteria for exemption in section 61E(1), namely:

- whether there are circumstances that mean it is necessary, appropriate or desirable to provide an exemption for any of the matters referred to in section 61B(a) to (c); and
- that the extent of any exemption granted is not broader than reasonably necessary to address the circumstances referred to in the first criterion.

The specific matter relevant to the exemption is set out in section 61(B)(c)(viii), which refers to an exemption in respect of persons considered to be majority owned and substantively controlled by New Zealanders. The Ministerial Directive Letter directs that exemptions should generally be granted to non-listed managed investment schemes (MIS) and limited partnerships where they meet the New Zealand ownership and control criteria referred to in the Ministerial Directive

Letter unless there is good reason not to. The criteria are met in this case.

The exemption is not broader than reasonably necessary because it is subject to conditions which ensure that the Applicant remains majority owned and substantively controlled by New Zealanders and because the exemption is limited to **five** years.

In addition, the exemption has conditions to ensure that the Applicant is not open to access or control by a foreign government and remains suitable to own and control sensitive New Zealand assets.