
Exemption

Decision date	23 December 2024
Case	202400785
Exemption	Every person is exempt from the requirement to obtain consent under section 10(1)(a) of the Act for the acquisition of residential (but not otherwise sensitive) land through a Qualifying Transaction. ²
Qualifying Transaction	Means the acquisition of up to 50% of the shares in Frodoco Holdings Limited ³ from 1000243587 Ontario Limited and/or Spark New Zealand Trading Limited.
Timeframe	This exemption expires on 31 December 2025.

Definitions

Act means the Overseas Investment Act 2005

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Regulations means the Overseas Investment Regulations 2005.

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).

Conditions

This exemption has been granted without further conditions.

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.

² For the avoidance of doubt, this exemption does not apply to any other sensitive land or assets acquired through the Qualifying Transaction.

³ Company number 8408583

Reasons for exemption

The Applicant, 1000243587 Ontario Limited, is the ultimate majority owner of Connexa Limited (**Connexa**) which holds interests in over 2,000 areas of land across New Zealand, including areas of sensitive land. The majority of the sensitive land is residential (but not otherwise sensitive) land (residential only land).

Connexa is a network operator which uses the land for the purpose of providing telecommunications services. Connexa is therefore able to rely on the exemption in regulation 57 of the Regulations to acquire residential only land without obtaining consent under the Act.

The Applicant and other shareholders wish to sell up to 50% of the shares in Connexa's parent company, Frodoco Holdings Limited (**Frodoco**). As this is an upstream transaction, the purchaser is unlikely to be a network operator and will require consent to acquire the residential only land.

An exemption from the requirement of consent has been granted for any overseas purchaser of the shares in relation to the residential only land only. LINZ considers the exemption is appropriate because:

- It would be inefficient, unduly costly, and unduly burdensome for an overseas purchaser to apply for consent for the residential only land which includes over 2,000 records of title which are owned and controlled by a subsidiary company.
- The requirement to obtain consent for the residential only land is minor or technical as the purchaser will not be able to rely on regulation 57 due to this being an upstream transaction.
- The residential only land will continue to be managed and controlled by a network operator for the purpose of providing telecommunications services as intended under regulation 57.
- The purpose of regulation 57 is to overcome the additional time delay, financial cost and uncertainty of outcome for the development of network infrastructure. In doing so, the exemption balances the important role played by infrastructure providers with the low risk of such an exemption being used to circumvent the Act.
- The exemption only applies to residential only land. It does not exempt an overseas person from having to obtain consent to acquire significant business assets, or to acquire other sensitive land Frodoco has an interest in.

LINZ considers that the exemption is not broader than reasonably necessary as it is limited to 12 months and applies to residential only land acquired through the Qualifying Transaction.