



**OVERSEAS INVESTMENT AMENDMENT REGULATIONS (NO. 2)
1997**

MICHAEL HARDIE BOYS, Governor-General

ORDER IN COUNCIL

At Wellington this 1st day of December 1997

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Overseas Investment Act 1973, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Overseas Investment Amendment Regulations (No. 2) 1997, and are part of the Overseas Investment Regulations 1995*.

(2) These regulations come into force on the day after the date of their notification in the *Gazette*.

2. Transactions not requiring consent—Regulation 6 (a) of the principal regulations is amended by omitting subparagraph (ii), and substituting the following subparagraph:

“(ii) From an overseas person that wholly owns that overseas person; or”.

3. Transactions not requiring consent—Regulation 9 (h) of the principal regulations is amended by revoking subparagraph (ii), and substituting the following subparagraph:

*S.R. 1995/292

Amendment 1997: S.R. 1997/155

“(ii) From an overseas person that wholly owns that overseas person; or”.

DIANE WILDERSPIN,
Acting for Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on the day after the date of their notification in the *Gazette*, amend regulations 6 (a) and 9 (h) of the Overseas Investment Regulations 1995.

Regulation 5 of the principal regulations lists the classes of transactions not involving the acquisition of land for which consent must be obtained by overseas persons.

Regulation 6 of the regulations lists the classes of transactions that are exempt from the requirement to obtain that consent. In particular, regulation 6 (a) (ii) exempts the acquisition by an overseas person from a person that wholly owns the overseas person of securities or rights or interests in securities or property.

This would allow a person who was not an overseas person to transfer securities or property to a company incorporated outside New Zealand that was wholly owned by that person without having to obtain consent. Companies incorporated outside New Zealand are overseas persons under the principal regulations. The securities or property could then be transferred to another overseas person, again, without the need to obtain consent.

Regulation 2 of these regulations limits the exemption to cases where the securities or property are acquired by an overseas person from another overseas person by whom the overseas person is wholly-owned.

Regulation 8 of the principal regulations lists the classes of transactions involving the acquisition of land for which consent must be obtained by an overseas person.

Regulation 9 of the regulations lists the classes of transactions that are exempt from the requirement to obtain that consent. Regulation 9 (h) (ii) contains a similar exemption to regulation 6 (a) (ii).

Regulation 3 of these regulations, like *regulation 2*, limits the exemption to cases where the securities or property are acquired by an overseas person from another overseas person by whom the overseas person is wholly-owned.

Issued under the authority of the Acts and Regulations Publication Act 1989.

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These regulations are administered in the Reserve Bank of New Zealand.