



THE OVERSEAS INVESTMENT EXEMPTION NOTICE 1995

PURSUANT to the Overseas Investment Regulations 1995, the Minister of Finance and the Minister of Lands hereby give the following notice.

NOTICE

1. Title and commencement—(1) This notice may be cited as the Overseas Investment Exemption Notice 1995.

(2) This notice shall come into force on the 15th day of January 1996.

2. Interpretation—(1) In this notice,—

“Regulations” means the Overseas Investment Regulations 1995;

“Specified person” means a person that is an overseas person but which would not be an overseas person if any of the persons listed in the First Schedule or the Second Schedule to this notice were not an overseas person.

(2) Terms or expressions used in this notice shall have the same meanings as they have in the Regulations.

3. Certain persons exempted from regulations 5 (1) and 8 (1) of Overseas Investment Regulations 1995—(1) Every specified person is exempted from the requirements of regulation 5 (1) and 8 (1) of the Regulations unless—

(a) An overseas person that is not a specified person, or overseas persons that are not specified persons,—

(i) Has or have a beneficial entitlement to or a beneficial interest in 25 percent or more of the specified securities of that specified person; or

(ii) Has or have the right to exercise or control the exercise of 25 percent or more of the voting power at a meeting of that specified person; or

(iii) Is or are able to appoint or control the appointment of 25 percent or more of the board of directors (or other persons or body exercising powers of management, however described) of that specified person; or

(b) A person listed in the First Schedule to this notice—

(i) Has a beneficial entitlement to or a beneficial interest in 25 percent or more of the specified securities of that specified person; or

(ii) Has the right to exercise or control the exercise of 25 percent or more of the voting power at a meeting of that specified person; or

(iii) Is able to appoint or control the appointment of 25 percent or more of the board of directors (or other persons or body exercising powers of management, however described) of that specified person.

(2) Every person listed in the Second Schedule to this notice is exempted from the requirements of regulation 5 (1) and regulation 8 (1) of the Regulations.

4. Certain persons exempted from regulations 5 (2) and 8 (2) of Overseas Investment Regulations 1995—(1) Every person is exempted from the requirements of regulation 5 (2) of the Regulations in relation to any transaction that will have a result specified in paragraph (a) of that subclause where every overseas person to which any of subparagraphs (i) to (v) of that paragraph applies is a person that is exempted from the requirements of regulation 5 (1) and regulation 8 (1) of the Regulations by clause 3 of this notice.

(2) Every person is exempted from the requirements of regulation 8 (2) of the Regulations in relation to any transaction where,—

(a) In the case of a transaction that will have the result specified in paragraph (a) of that subclause, every overseas person to which that paragraph applies will become a person that is exempted from the requirements of regulation 5 (1) and regulation 8 (1) of the Regulations by clause 3 of this notice; or

(b) In the case of a transaction that will have a result specified in any of paragraphs (b) to (f) of that subclause, every overseas person to which any of those paragraphs applies is a person that is exempted from the requirements of regulation 5 (1) and regulation 8 (1) of the Regulations by clause 3 of this notice.

SCHEDULES

FIRST SCHEDULE

Aetna Life of Australia and New Zealand Ltd
AMP General Insurance (NZ) Ltd
ANZ Custodians Ltd
ANZ Pensions (New Zealand) Ltd
Arawata Investments Ltd
Australian Mutual Provident Society
Australian Reinsurance Company Ltd
B.N.Z. Finance Nominees Ltd
Bankers Trust Australia Ltd
Bankers Trust New Zealand Ltd
BP Pacific Investments Ltd
BT Corporate Finance (NZ) Ltd
Buttle Wilson Ltd
BZW New Zealand Ltd
BZW New Zealand Nominees Ltd
Cigna Life Insurance New Zealand Ltd
Cigna Reinsurance New Zealand Ltd
Citycorp New Zealand Ltd
Colonial Mutual General Insurance Company Ltd
Colonial Mutual Life Assurance Society Ltd
Commercial Union General Insurance Company Ltd
Commercial Union Group Staff Pensions Ltd
Countrywide Banking Corporation Ltd
Elders Investment (NZ) Ltd
FAI Metropolitan Life Assurance Company of N.Z. Ltd
Francis Allison Symes Ltd
General Accident Insurance Company New Zealand Ltd
General Accident Insurance New Zealand Ltd
General Accident Life Assurance Ltd
General Accident Linked Life Assurance Ltd
Guardian Assurance Plc
Guardian Royal Exchange Assurance of NZ Ltd
Hendry Hay Macintosh Ltd
Hongkong Bank Nominees (New Zealand) Ltd
ICI New Zealand Superfunds Securities Ltd
Jardine Fleming Investment Management Ltd
Jordan Sandman Were Ltd
Macquarie Bank Ltd
Mercantile and General Reinsurance Company Ltd
Munich Reinsurance Company Ltd
Mutual Life and Citizens Assurance Company Ltd
National Mutual Life Association of Australasia Ltd
Nestlé Pensions Ltd
New Zealand Investment Trust PLC
Nominees (New Zealand) Ltd
Norwich Union Life Insurance Society
Norwich Winterthur Insurance (N.Z.) Ltd
NZI Corporation Ltd
NZI Corporation Nominees Ltd

FIRST SCHEDULE—*continued*

NZI Insurance New Zealand Ltd
Ord O'Connor Grieve Ltd
Paua Nominees Ltd
PDFM Ltd
Pental Nominees Ltd
Prudasco New Zealand Superannuation Ltd
Prudential Assurance Company Ltd
Rewa Rewa Investments Ltd
Riversmead Nominees Ltd
Royal Insurance Company Ltd
Royal Life (NZ) Ltd
Royal Shield Superannuation Investments Ltd
Shell New Zealand Pensions Ltd
Southpac Custodians Ltd
Standard Chartered Equitor Asset Management Asia Ltd
Strong Asia Pacific Fund Inc
Strong Common Stock Fund Inc
Strong Discovery Fund II Inc
Strong Discovery Fund Inc
Strong International Stock Fund Inc
Strong Opportunity Fund Inc
Strong Special Fund II Inc
Sun Alliance Insurance Ltd
Sun Alliance Life Ltd
The New Zealand Insurance Company Ltd
The New Zealand Insurance Life Ltd
The New Zealand Refining Nominees Ltd
Unilever New Zealand Superannuation Nominees Ltd
Westpac Investment Management -NZ- Ltd
Westpac Nominees -NZ- Ltd
Whiteman McCoughan Dyson Ltd

SECOND SCHEDULE

Apple Fields Ltd
 Bancorp Holdings Ltd
 Brierley Investments Ltd
 Fisher and Paykel Industries Ltd
 Fletcher Challenge Ltd
 Freesia Meat Holdings Ltd
 Greenstone Fund Ltd
 New Zealand Guardian Trust Company Ltd
 Skellerup Group Ltd
 Wrightson Ltd

Dated at Wellington this 21st day of December 1995.

W. F. BIRCH
 Minister of Finance.

DENIS MARSHALL
 Minister of Lands.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice, which comes into force on 15 January 1996, exempts certain persons from Parts II and III of the Overseas Investment Regulations 1995. Part II of the regulations specifies the transactions, not involving the acquisition of land, that require consent under the regulations. Part III specifies the transactions involving the acquisition of land that require consent under the regulations.

Clause 3 (1) of the notice exempts specified persons from regulation 5 (1) and regulation 8 (1).

Regulation 5 (1) requires an overseas person to obtain the consent of the Minister of Finance before giving effect to a transaction that would have any of the following effects:

- (a) The acquisition of a beneficial entitlement or interest in 25 percent or more of the securities of another person or voting rights in 25 percent or more of the securities of another person or the right to appoint 25 percent or more of the board of another person, in any case where—
 - (i) The value of the securities or the consideration for the acquisition exceeds \$10 million; or
 - (ii) The value of the assets of the issuer of the securities or group exceeds \$10 million;
- (b) The establishing by the overseas person of a business for a period exceeding 3 months where the expenditure involved exceeds \$10 million;
- (c) The acquisition of property used in carrying on a business where the value of the consideration exceeds \$10 million.

Regulation 8 (1) requires an overseas person to obtain the consent of the Minister of Finance and the Minister of Lands before giving effect to a transaction that would have any of the following results:

- (a) The acquisition by the overseas person of land or any estate or interest in land;
- (b) The acquisition by the overseas person of securities of another person that owns land or any estate or interest in land, in any case where—
 - (i) The other person would, as a result of the acquisition, become an overseas person; or

(ii) The overseas person would acquire a beneficial entitlement or interest in 25 percent or more of the securities of the other person or voting rights in 25 percent or more of the securities of the other person or the right to appoint 25 percent or more of the board of the other person.

A specified person is an overseas person that would not be an overseas person if any person listed in the First or Second Schedules to the notice were not an overseas person. The persons listed in the First Schedule are, in essence, portfolio investors. The persons listed in the Second Schedule are, in essence, overseas persons that are New Zealand controlled.

The exemption applies only if the specified person is not subject to effective control by an overseas person that is not itself a specified person or by a person listed in the First Schedule to the notice.

Clause 3 (2) of the notice exempts persons listed in the Second Schedule to the notice from regulation 5 (1) and regulation 8 (1) of the regulations.

Clause 4 (1) exempts every person from regulation 5 (2) of the regulations where the transaction referred to in that subclause relates to an overseas person that is exempt under *clause 3* of the notice.

Regulation 5 (2) requires a person who is a party to a transaction to obtain the consent of the Minister of Finance if—

- (a) The transaction will result in an overseas person having a beneficial entitlement or interest in 25 percent or more of the securities of another person or voting rights in 25 percent or more of the securities of another person or the right to appoint 25 percent or more of the board of another person; and
- (b) The value of the assets of the other person or group exceeds \$10 million.

Clause 4 (2) exempts every person from regulation 8 (2) of the regulations where the transaction referred to in that subclause relates, in the case of paragraph (a), to a person becoming an overseas person that will be exempt under *clause 3* of the notice or relates, in the case of paragraphs (b) to (f), to an overseas person that is exempt under that clause.

Regulation 8 (2) requires a person who is a party to a transaction to obtain the consent of the Minister of Finance and the Minister of Lands before giving effect to the transaction if the transaction will—

- (a) Result in a person that owns land becoming an overseas person; or
- (b) Result in an overseas person having a beneficial entitlement or interest in 25 percent or more of the securities of another person or voting rights in 25 percent or more of the securities of another person or the right to appoint 25 percent or more of the board of another person, in any case where that other person owns land.

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

Date of notification in *Gazette*: 21 December 1995.

This notice is administered in the Overseas Investment Commission.