



**THE OVERSEAS INVESTMENT REGULATIONS 1974,  
AMENDMENT NO. 2**

KEITH HOLYOAKE, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 17th day of December 1979

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, hereby makes the following regulations.

REGULATIONS

**1. Title and commencement**—(1) These regulations may be cited as the Overseas Investment Regulations 1974, Amendment No. 2, and shall be read together with and deemed part of the Overseas Investment Regulations 1974\* (hereinafter referred to as the principal regulations).

(2) These regulations shall come into force on the 1st day of January 1980.

**2. Borrowing or raising money outside New Zealand**—Regulation 3 of the principal regulations is hereby amended by inserting, after subclause (1), the following subclause:

“(1A) Notwithstanding subclause (1) of this regulation, it shall be lawful for a body corporate that is not an overseas person to—

“(a) Allot or issue shares in the body to any overseas person; and

“(b) Make any calls in respect of those shares—  
without obtaining the consent of the Minister, if the allotment or issue does not have the effect of making the body corporate an overseas person.”

**3. Borrowing or raising money in New Zealand by overseas persons**—  
(1) Regulation 4 of the principal regulations is hereby amended by inserting, after subclause (1), the following subclause:

\*S.R. 1974/117  
Amendment No. 1: S.R. 1978/79

“(1A) Notwithstanding subclause (1) (a) of this regulation, it shall be lawful for an overseas person to borrow money in New Zealand without obtaining the consent of the Minister, if the total of the amount borrowed and all other outstanding amounts borrowed in New Zealand by that person, or (where that person is a company or body corporate) by any company or body corporate that is interconnected therewith, does not exceed \$300,000.”

(2) Regulation 2 of the principal regulations is hereby amended by inserting, after subclause (2), the following subclause:

“(2A) For the purposes of these regulations, a company or body corporate is interconnected with another company or body corporate if one of them is a subsidiary of the other or if both of them are subsidiaries of one and the same company or body corporate.”

**4. Notice to Commission of take-over offers by or to overseas persons**—Regulation 4 of the Overseas Investment Regulations 1974, Amendment No. 1, is hereby amended by omitting the expression “Regulation 7 (1)”, and substituting the expression “Regulation 7 (2)”.

P. G. MILLEN,  
Clerk of the Executive Council.

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#### 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 1 January 1980,—

- (a) Provide that, notwithstanding regulation 3 of the Overseas Investment Regulations 1974, a body corporate that is not an overseas person may allot or issue shares to any overseas person, and make calls thereon, without obtaining the consent of the Minister of Finance, if the allotment or issue does not have the effect of making the body corporate an overseas person; and
- (b) Provide that, notwithstanding regulation 4 of the Overseas Investment Regulations 1974, an overseas person may borrow money in New Zealand without obtaining the consent of the Minister of Finance, if the total of the amount borrowed and all other outstanding amounts borrowed in New Zealand by that person, or by any interconnected company or body corporate, does not exceed \$300,000; and
- (c) Correct a drafting error in the Overseas Investment Regulations 1974, Amendment No. 1.

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Issued under the authority of the Regulations Act 1936.  
Date of notification in *Gazette*: 20 December 1979.  
These regulations are administered in the Post Office.