

**Reprint
as at 15 March 2021**



Financial Advisers (Overseas Custodians—Assurance Engagement) Exemption Amendment Notice 2020

(LI 2020/332)

Financial Advisers (Overseas Custodians—Assurance Engagement) Exemption Amendment Notice 2020: revoked, on 15 March 2021, pursuant to section 97(3)(d) of the Financial Services Legislation Amendment Act 2019 (2019 No 8).

Pursuant to sections 148 and 148A of the Financial Advisers Act 2008, the Financial Markets Authority, being satisfied of the matters set out in section 148(2) of that Act, gives the following notice.

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Notice

1 Title

This notice is the Financial Advisers (Overseas Custodians—Assurance Engagement) Exemption Amendment Notice 2020.

2 Commencement

This notice comes into force on 1 February 2021.

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

This notice is administered by the Financial Markets Authority.

3 Principal notice

This notice amends the Financial Advisers (Overseas Custodians—Assurance Engagement) Exemption Notice 2018 (the **principal notice**).

4 Clause 5 amended (Exemption from assurance engagement requirement)

In clause 5(b), replace “24 February 2021” with “15 March 2021”.

Dated at Auckland this 17th day of December 2020.

Nick Kynoch,
General Counsel,
Financial Markets Authority.

Statement of reasons

This notice, which comes into force on 1 February 2021, amends the Financial Advisers (Overseas Custodians—Assurance Engagement) Exemption Notice 2018 (the **principal notice**).

The principal notice exempts certain overseas custodians from the requirements in regulations 9 and 10 of the Financial Advisers (Custodians of FMCA Financial Products) Regulations 2014 (the **Regulations**) to obtain an assurance engagement from a New Zealand auditor that covers the New Zealand assurance engagement matters specified in regulation 10 of the Regulations.

The exemption in the principal notice applies to an overseas custodian who obtains assurance engagements in 1 or more of the jurisdictions listed in the Schedule that together cover all FMCA custodial services provided by the custodian or its sub-custodians to New Zealand clients.

The exemption in the principal notice applies for an overseas custodian’s relevant periods ending on or after 24 February 2018 but before 24 February 2021. This notice amends the principal notice so that it also applies for relevant periods ending before 15 March 2021. On 15 March 2021, the new financial advice regime provided for in the Financial Services Legislation Amendment Act 2019 comes into effect and custodial services will be regulated under the Financial Markets Conduct Act 2013. This notice ensures overseas custodians can continue to rely on the principal notice until the start of the new regime.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 148(2) of the Financial Advisers Act 2008 (the **Act**), considers it appropriate to amend the principal notice so that overseas custodians can continue to rely on the principal notice until the start of the new regime. The FMA is satisfied that the policy reasons for granting the exemption in the principal notice remain valid

and relevant, and that the cost of compliance with the relevant obligation would not be justified by the benefit of compliance. The FMA is further satisfied that the comparability and quality of overseas assurance engagements means that the protection of the New Zealand public is unlikely to be prejudiced.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 22 December 2020.

Reprints notes

1 *General*

This is a reprint of the Financial Advisers (Overseas Custodians—Assurance Engagement) Exemption Amendment Notice 2020 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Financial Services Legislation Amendment Act 2019 (2019 No 8): section 97(3)(d)