

**Reprint  
as at 1 December 2019**



**Financial Markets Conduct (Disclosure of Relevant  
Interests by Directors and Senior Managers) Exemption  
Notice 2014**  
(LI 2014/354)

Financial Markets Conduct (Disclosure of Relevant Interests by Directors and Senior Managers)  
Exemption Notice 2014: revoked, on the close of 30 November 2019, by clause 3.

Pursuant to section 556 of the Financial Markets Conduct Act 2013, the Financial Markets Authority, being satisfied of the matters set out in section 557 of that Act, gives the following notice.

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**Notice**

**1 Title**

This notice is the Financial Markets Conduct (Disclosure of Relevant Interests by Directors and Senior Managers) Exemption Notice 2014.

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**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.**

## 2 Commencement

This notice comes into force on 1 December 2014.

## 3 Revocation

This notice is revoked on the close of 30 November 2019.

## 4 Interpretation

- (1) In this notice, unless the context otherwise requires,—

**Act** means the Financial Markets Conduct Act 2013

**overseas securities exchange** means a securities exchange in Australia or the United Kingdom on which financial products of the listed issuer are approved for trading

**passive fund** means a fund that is required under the terms of its trust deed, or the terms of the offer of the interests in the fund, to hold financial products as near as practically possible to the financial products' proportions in an index

**Regulations** means the Financial Markets Conduct Regulations 2014.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

## 5 Exemption for relevant interests in financial products of passive funds

Every director, and every senior manager, of a listed issuer is exempted from section 297 of the Act in respect of any relevant interest that the director or senior manager has, or acquires or disposes of, in a financial product of the listed issuer or a related body corporate if the financial product is an interest in a passive fund.

## 6 Exemptions if financial products of listed issuer are approved for trading on securities exchange in Australia or United Kingdom

- (1) This clause applies to every director, and every senior manager, of a listed issuer if financial products of the listed issuer are approved for trading on a securities exchange in Australia or the United Kingdom.

- (2) Every director, and every senior manager, of a listed issuer to which this clause applies is exempted from—

(a) section 297(1) of the Act in respect of any relevant interest in a financial product of the listed issuer or a related body corporate that the director or senior manager has; and

(b) section 297(2) of the Act in respect of any relevant interest in a financial product of the listed issuer or a related body corporate that the director or senior manager acquires or disposes of.

## **7 Conditions of exemptions in clause 6**

- (1) The exemptions in clause 6 are subject to the conditions that,—
  - (a) in the case of clause 6(2)(a), the director or senior manager has made a valid disclosure in relation to the relevant interest under the listing rules of an overseas securities exchange; and
  - (b) in the case of clause 6(2)(b), the director or senior manager has made a valid disclosure in relation to the acquisition or disposal of the relevant interest under the listing rules of an overseas securities exchange; and
  - (c) the disclosure referred to in paragraph (a) or (b) has, within the time frame for disclosure under the listing rules referred to in that paragraph, been disclosed to a licensed market operator for the purpose of making the information to which the disclosure relates available to participants in the licensed market on which the financial products are quoted; and
  - (d) the listed issuer must keep an interests register for the disclosures in New Zealand in accordance with section 304 of the Act; and
  - (e) the listed issuer must comply with sections 305 and 306 of the Act in respect of that interests register; and
  - (f) a relevant interest, an acquisition, or a disposal disclosed in accordance with paragraph (a) or (b) must be noted in that interests register as if it was disclosed under section 297 of the Act.
- (2) For the purposes of clause 6 and subclause (1), a person is treated as being a director or senior manager for 6 months after that person ceases to be a director or a senior manager.
- (3) An interests register kept in accordance with clause 10(1)(a) of the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Notice 2004 must be treated as being an interests register referred to in subclause (1)(d).

Dated at Wellington this 21st day of November 2014.

Liam Mason,  
General Counsel.

## **Statement of reasons**

This notice comes into force on 1 December 2014 and is revoked on 30 November 2019.

This notice exempts a director or a senior manager of a listed issuer from disclosing relevant interests in quoted financial products if—

- the financial products are the managed investment products of a passive fund; or
- financial products of the listed issuer are approved for trading on a securities exchange in Australia or the United Kingdom. The exemption is subject to the conditions that the director or senior manager discloses the interests under the listing rules of that overseas securities exchange and that information is disclosed to a licensed market operator for the purpose of making the information available to participants in the relevant New Zealand financial product market. In addition, the exemption is subject to a condition that the relevant interest is noted in an interests register that is kept in accordance with the Financial Markets Conduct Act 2013 (the **Act**).

These exemptions are carried over from the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Notice 2004, but the exemptions have been modified to take into account concepts under the Act.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemptions because—

- the exemptions under the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Notice 2004 that have been carried over into this notice are still applicable for market participants and have been in place since 3 May 2004; and
- the risk of insider trading or any other market manipulation is minimal for quoted financial products that are interests in passive funds; and
- without an exemption, directors and senior managers holding relevant interests in the managed investment products of passive funds would be subject to disclosure obligations that would raise significant practical compliance issues for the directors and senior managers concerned; and
- compliance with the disclosure regime would, in the case of relevant interests in interests in passive funds, not provide information that furthers the market information or anti-insider trading purposes of the disclosure regime; and
- disclosure under the Act in respect of the financial products of a listed issuer where disclosure is made under the listing rules of a securities exchange in Australia or the United Kingdom, and which has been further disclosed to NZX Limited or another licensed market operator, would be an unnecessary duplication of disclosure requirements; and
- the granting of the exemptions is desirable in order to promote the purposes of the Act, specifically by avoiding unnecessary compliance costs and to provide for timely, accurate, and understandable information to be provided to the market to assist market participants in making decisions. The exemptions are not broader than is reasonably necessary to address the matters that gave rise to the exemptions.

Issued under the authority of the Legislation Act 2012.  
Date of notification in *Gazette*: 27 November 2014.

## Reprints notes

### **1** *General*

This is a reprint of the Financial Markets Conduct (Disclosure of Relevant Interests by Directors and Senior Managers) Exemption Notice 2014 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 Markets Conduct (Disclosure of Relevant Interests by Directors and Senior Managers) Exemption Notice 2014 (LI 2014/354): clause 3