

**Reprint
as at 1 November 2013**



**Financial Reporting Act (General
Electric Capital Corporation
Group) Exemption Notice 2008**

(SR 2008/418)

Financial Reporting Act (General Electric Capital Corporation Group)
Exemption Notice 2008: expired, on 1 November 2013, by clause 3.

Pursuant to section 4B of the Financial Reporting Act 1993, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

- 1 Title**
This notice is the Financial Reporting Act (General Electric Capital Corporation Group) Exemption Notice 2008.

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this reprint.

Note 4 at the end of this reprint provides a list of the amendments incorporated.

This notice is administered by the Securities Commission.

2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

3 Expiry

This notice expires on the close of 31 October 2013.

4 Application

An exemption granted by this notice applies to the following accounting periods of an exempt person:

- (a) an accounting period of the exempt person ending on 31 December 2008; and
- (b) subsequent accounting periods.

5 Interpretation

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

Act means the Financial Reporting Act 1993

exempt person means a subsidiary of GE Capital that would, but for this notice, be a recipient of money from a conduit issuer (within the meaning of section 4A of the Act) by virtue of receiving 10% or more of the money that has been raised by GE Funding by the issue of specified debt securities

GE Capital means General Electric Capital Corporation, a company incorporated in Delaware, United States of America

GE Funding means GE Capital New Zealand Funding, a company incorporated in New Zealand

offer document means the combined prospectus and investment statement in relation to any offer of the specified debt securities

prospective investor, in relation to a specified debt security, means any person who, under the terms of issue of the specified debt security, is eligible to subscribe for the specified debt security

specified debt securities means debt securities that—

- (a) are offered to the public by GE Funding; and
- (b) GE Capital is liable to repay subject only to the condition that GE Funding fails to do so

specified financial statements means the consolidated audited annual financial statements that—

- (a) are prepared by GE Capital in accordance with the laws of the United States of America (including the Securities Exchange Act of 1934 (US) and the Code of Federal Regulations (US)); and
- (b) have been filed with the Securities and Exchange Commission of the United States of America

US GAAP means generally accepted accounting practice in the United States of America.

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

6 Exemption from section 4(1)(ba) of Act

Every exempt person is exempt from being an issuer under section 4(1)(ba) of the Act in respect of the specified debt securities.

7 Conditions of exemption in clause 6

The exemption in clause 6 is subject to the conditions that—

- (a) GE Capital will, within 5 working days of receiving a request from a holder of a specified debt security or a prospective investor for a copy of the specified financial statements, without fee, send or make available to that person a copy of the most recent specified financial statements together with a copy of the auditor's report on those statements and the warning statement referred to in paragraph (f); and
- (b) the specified financial statements sent or made available by GE Capital comply with US GAAP; and
- (c) if, in complying with US GAAP, the specified financial statements do not give a true and fair view of the matters to which they relate, the directors of the exempt person add information and explanations that will give a true and fair view of those matters; and
- (d) the specified financial statements are accompanied by a report by an approved auditor that complies with the requirements of the Code of Federal Regulations (US); and

- (e) the offer document contains—
 - (i) a statement to the effect that a holder of a specified debt security or a prospective investor may obtain a copy of the most recent specified financial statements by electronic means; and
 - (ii) a statement as to how a holder of a specified debt security or a prospective investor may obtain a copy of the most recent specified financial statements by electronic means, including the relevant Internet address; and
 - (iii) a statement to the effect that a holder of a specified debt security or a prospective investor may request free of charge a copy of the most recent specified financial statements and how such a request should be made; and
- (f) the annual financial statements registered by GE Funding in New Zealand (in accordance with the Financial Reporting Act 1993) have attached to them a copy of the most recent specified financial statements, along with a warning statement drawing investors' attention to the fact that the specified financial statements are prepared under US GAAP, and that there are material differences between US GAAP and NZ GAAP.

Dated at Wellington this 22nd day of October 2008.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

J Diplock,
Chairperson.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on the close of 31 October 2013, exempts certain subsidiaries of General Electric Capital Corporation (**GE Capital**) from being issuers under section 4(1)(ba) of the Financial Reporting Act 1993 by virtue of being recipients of money raised by GE Capital New Zealand Funding (**GE Funding**) from any offer of debt securities to the public.

The effect of the exemption is that each subsidiary of GE Capital to whom it applies will not be required to file individual audited financial statements. The exemption is subject to specified conditions.

The Securities Commission considers that it is appropriate to grant the exemption for the following reasons:

- the conduit issuer provisions of the Financial Reporting Act 1993 were introduced to require public reporting by entities that have the effective use of funds raised from the public, but which have structured themselves in such a way as to avoid being issuers under the law and depriving investors of the information to evaluate the true risk of their investment; and
 - the comprehensive nature of the guarantee provided by GE Capital is such that it has taken on the credit risk for the failure of the investment and performance of the subsidiaries who actually utilise money raised from the offer; and
 - by requiring the financial statements of GE Capital as guarantor to be registered in New Zealand in addition to the financial statements of GE Funding, investors will have access to the information they need to evaluate the true risk of their investment; and
 - the warning statement required will alert investors to the fact that the guarantor's financial statements are prepared under US GAAP rather than NZ GAAP. The Securities Commission is satisfied that US GAAP financial statements will provide investors with sufficient information to make an informed assessment of the guarantor's funding position.
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**Financial Reporting Act (General
Electric Capital Corporation Group)
Exemption Notice 2008**

Reprinted as at
1 November 2013

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 30 October 2008.

Reprints notes

1 *General*

This is a reprint of the Financial Reporting Act (General Electric Capital Corporation Group) Exemption Notice 2008 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, will have the status of an official version once issued by the Chief Parliamentary Counsel under section 17(1) of that Act.

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 Reporting Act (General Electric Capital Corporation Group) Exemption Notice 2008 (SR 2008/418): clause 3
