
Exemption

Read this exemption carefully - you must comply with all the conditions.

Exemption

Decision date	30 September 2024
Case	202400506
Exemption	<p>s9(2)(b)(ii) is exempt from the definition of overseas person for the purposes of making a s9(2)(b)(ii) provided the eligibility requirements are met.</p> <p>The eligibility requirements are:</p> <ol style="list-style-type: none"><u>Ownership of s9(2)(b)(ii)</u> Less than 50 per cent of the limited partnership interest in s9(2)(b)(ii) is held by Overseas Persons.<u>Control of s9(2)(b)(ii)</u> The general partner of s9(2)(b)(ii) is an entity controlled by the Manager or interests directly connected with the Manager or its shareholders. No more than 25% of the General Partner of s9(2)(b)(ii) is cumulatively controlled by overseas persons that each hold 10% or more of the interests in the General Partner.<u>Management of s9(2)(b)(ii)</u> The Manager is the manager of s9(2)(b)(ii)<u>Involvement of foreign governments</u> No foreign government (or its associates) holds 10% or more of the limited partnership interest in s9(2)(b)(ii)<u>Suitability of investors</u> Every Relevant Person is not unsuitable to own or control New Zealand assets in accordance with section 18A(1) of the Act.
Expiry	This exemption expires on 30 September 2029

Definitions

Act means Overseas Investment Act 2005.

General Partner means the general partner of s9(2)(b)(ii).

s9(2)(b)(ii) means an investment in s9(2)(b)(ii), including an investment in s9(2)(b)(ii), the purchase of land for development into s9(2)(b)(ii), the acquisition of s9(2)(b)(ii), and the acquisition of shares or other securities in s9(2)(b)(ii) as part of using the services of s9(2)(b)(ii) or related body corporate. The acquisition of securities in a person other than s9(2)(b)(ii) will only be a s9(2)(b)(ii) investment with the prior written agreement of LINZ.

LINZ means Toitū Te Whenua Land Information New Zealand. LINZ is also referred to as 'us'.

Manager means s9(2)(b)(ii).

s9(2)(b)(ii)

Overseas Person has the same meaning as defined in section 7 of the Act.

Regulations means Overseas Investment Regulations 2005.

Relevant Person means an overseas person that:

- (i) is the General Partner or the Manager,
- (ii) directly or indirectly owns more than 25% of the General Partner or the Manager, or
- (iii) is a member of the governing body of the people referred to in paragraphs (i)-(iii).

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this Exemption has the same meaning as in the Act or Regulations.

Conditions

Your Exemption is subject to the conditions set out below. You must comply with them. The Overseas Investment Act 2005 (**Act**) provides for civil and criminal sanctions for breaching the Act, failing to comply with conditions of exemption and failing to provide information required by LINZ. LINZ has an obligation to investigate and act upon alleged and suspected breaches of the Act.

Details:	Required date:
Condition 1: Not unsuitable to invest in New Zealand	
Every Relevant Person must remain not unsuitable to own or control New Zealand assets in accordance with section 18A(1) of the Act.	At all times.
You must tell us in writing if any Relevant Person establishes any of the investor test factors listed in section 18A(4) of the Act.	Within 20 working days after the factor is established.
Condition 2: Reporting Conditions	

If requested in writing by LINZ, the Manager must provide a written report on any matter relating to its compliance with:	
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1. the Exemption
2. the conditions of the Exemption
3. the ownership and control of s9(2)(b)(ii)

Amendment or revocation of exemption

The Exemption and conditions of the Exemption may at any time be amended or revoked in the same way as it may be made.

Reasons for exemption

s9(2)(b)(ii)

intends to invest in s9(2)(b)(ii) sector and to acquire sensitive New Zealand assets.

A company will be formed to act as its general partner. s9(2)(b)(ii) will act as its manager. Both are (or expected to be) wholly owned and controlled by New Zealanders.

A discretionary exemption from the definition of overseas person under the Overseas Investment Act 2005 (**the Act**) is warranted because s9(2)(b)(ii) is expected to be majority owned and substantively controlled by New Zealanders,

Section 61D provides for exemptions from the definition of overseas person. There are two criteria for exemption in section 61E(1), namely:

- whether there are circumstances that mean that it is necessary, appropriate, or desirable to provide an exemption for any of the matters referred to in section 61B(a) to (c), and
- that the extent of any exemption granted is not broader than reasonably necessary to address the circumstances referred to in the first criterion.

The specific matter applicable in this exemption is set out in section 61(B)(c)(viii), which refers to an exemption in respect of persons considered to be majority owned and substantively controlled by New Zealanders.

The criteria are met in this case.

- it is necessary, appropriate, or desirable to provide an exemption because s9(2)(b)(ii) will be majority owned or funded by New Zealanders and will have a strong connection with New Zealand.
- the exemption is no broader than is reasonably necessary as only s9(2)(b)(ii) is to be exempted, the period is limited to five years from the date of the exemption,

limited only to investments in the s9(2)(b)(ii) sector, and only for as long as the general partner and the manager have control and management of s9(2)(b)(ii)

It is also reasonable to grant the exemption having regard to the purpose of the Act and the considerations included in the Ministerial Directive Letter dated 6 June 2024. In particular, the exemption has conditions to ensure that [REDACTED] will not be majority owned or substantively controlled by overseas persons, not open to access or control by a foreign government, and is suitable to own sensitive New Zealand assets.