

**Reprint  
as at 1 September 2014**



**Financial Reporting Act  
(International Finance  
Corporation) Exemption Notice  
2009**

(SR 2009/298)

Financial Reporting Act (International Finance Corporation) Exemption Notice  
2009: expired, on 1 September 2014, by clause 3.

Pursuant to section 35A 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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**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.**

## Notice

### 1 Title

This notice is the Financial Reporting Act (International Finance Corporation) Exemption Notice 2009.

### 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 August 2014.

### 4 Application

An exemption granted by this notice applies to the following accounting periods of the IFC:

- (a) the accounting period that ended on 30 June 2009; and
- (b) subsequent accounting periods.

### 5 Interpretation

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

**Act** means the Financial Reporting Act 1993

**IFC** means the International Finance Corporation of which the New Zealand Government is a member under the International Finance Agreements Act 1961

**IFRS** means—

- (a) International Financial Reporting Standards and International Accounting Standards that have been issued or adopted by the International Accounting Standards Board in accordance with the constitution of the International Accounting Standards Committee Foundation; and
- (b) final interpretations by the International Financial Reporting Interpretations Committee approved by the International Accounting Standards Board in accordance with that constitution

**specified financial statements** means the audited annual financial statements that are required to be prepared in respect

of the IFC under its Articles of Agreement and that are filed under the laws 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 Exemptions from sections 10(1), 11, 15(1), 16, and 18(1) of Act**

Every director of the IFC is exempted from sections 10(1), 11, 15(1), 16, and 18(1) of the Act in respect of the IFC.

**7 Conditions of exemptions**

The exemptions in clause 6 are subject to the conditions that—

- (a) the specified financial statements comply with US GAAP or IFRS; and
- (b) if, in complying with US GAAP or IFRS, the specified financial statements do not give a true and fair view of the matters to which they relate, the directors of the IFC add information and explanations as required to give a true and fair view of those matters; and
- (c) the specified financial statements are delivered to the Registrar, annually, before the date on which financial statements for the IFC would, but for the exemptions in clause 6, be required to be delivered for registration under the Act; and
- (d) the specified financial statements include, or are accompanied by, a report prepared by the auditor of the financial statements that complies with the requirements of the laws of the United States of America.

Dated at Wellington this 5th day of October 2009.

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

[Seal]

N O Todd,  
Member.

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### **Statement of reasons**

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 31 August 2014, exempts the directors of the International Finance Corporation (**IFC**) from various provisions of the Financial Reporting Act 1993 (the **Act**).

The effect of the exemptions is to provide relief to the directors of the IFC from requirements of the Act relating to the preparation, content, auditing, and filing of financial statements. The exemptions are granted on the conditions that the IFC prepares financial statements and publicly files them with the United States Securities and Exchange Commission under the laws of the United States of America (the **United States**), that those financial statements comply with generally accepted accounting practice in the United States (**US GAAP**) or International Financial Reporting Standards approved by the International Accounting Standards Board (**IFRS**), that they include or are accompanied by an auditor's report, and that the directors of the IFC add information or explanations as required to ensure that they give a true and fair view of the matters to which they relate.

The Securities Commission (the **Commission**) must not grant an exemption under section 35A of the Act unless it is satisfied that—

- the exemption would not cause significant detriment to subscribers for the securities of the issuer that are members of the public in New Zealand, having regard to the financial reporting requirements that must be complied with in relation to the issuer under the law in force in the country where the issuer is incorporated or constituted; and
- the extent of the exemption is not broader than what is reasonably necessary to address the matters that gave rise to the exemption.

The Commission is satisfied that these requirements are met in the present case. The IFC is not incorporated in any jurisdiction, but was established by its Articles of Agreement, which were executed in Washington DC (in a single copy). The Commission has accordingly treated the IFC as having been constituted in the United States for the purposes of section 35A of the Act.

The Commission considers that it is appropriate to grant these exemptions for the following reasons:

- there will not be any significant detriment to subscribers for the IFC's securities who are members of the public in New Zealand because—
  - the IFC is subject to specific financial reporting and filing requirements under the laws of the United States, and the conditions of the exemptions require the financial statements registered in New Zealand to comply with US GAAP or IFRS:
  - the IFC is an issuer under New Zealand law by reason of having offered securities in New Zealand using its United States offer documents and accounts under the Securities Act (International Finance Corporation) Exemption Notice 2009. The exemption allows ongoing financial reporting requirements to be consistent with the initial offer documents provided to subscribers:
- the Commission has had regard to the financial reporting and audit requirements that must be complied with by the IFC under its Articles of Agreement and United States law:
- the Commission is satisfied that the financial statements prepared under US GAAP or IFRS provide sufficient information to avoid any detriment to subscribers:
- the exemptions are not broader than is required because the IFC is still required to prepare, have audited, and publicly file its financial statements in New Zealand, but may only do so on the basis of US GAAP or IFRS.

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## Reprints notes

### **1**    *General*

This is a reprint of the Financial Reporting Act (International Finance Corporation) Exemption Notice 2009 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 Reporting Act (International Finance Corporation) Exemption Notice 2009 (SR 2009/298): clause 3

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