

Reprint  
as at 15 September 2018



**Financial Markets Conduct Amendment Regulations  
(No 2) 2016**  
(LI 2016/249)

Patsy Reddy, Governor-General

**Order in Council**

At Wellington this 25th day of October 2016

Present:

Her Excellency the Governor-General in Council

These regulations are made under subpart 1 of Part 9 and clause 29 of Schedule 1 of the Financial Markets Conduct Act 2013—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Commerce and Consumer Affairs made in accordance with sections 547(2), 549, and 550 and clause 29(3) of Schedule 1 of that Act.

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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.

**These regulations are administered by the Ministry of Business, Innovation, and Employment.**

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## Regulations

### 1 Title

These regulations are the Financial Markets Conduct Amendment Regulations (No 2) 2016.

### 2 Commencement

- (1) Regulations 11 and 13 come into force on 1 December 2016.
- (2) Regulation 12 comes into force on 1 April 2017.
- (3) The rest of these regulations come into force on 28 October 2016.

**3 Principal regulations**

These regulations amend the Financial Markets Conduct Regulations 2014 (the **principal regulations**).

**4 Regulation 5 amended (Interpretation)**

In regulation 5(1), definition of **quarter**, paragraph (b), replace “manager or provider” with “manager, any other issuer, or the provider”.

**5 New regulation 42B inserted (Requirement to include all material information does not apply to information in supplement for multiple-participant scheme)**

After regulation 42A, insert:

**42B Requirement to include all material information does not apply to information in supplement for multiple-participant scheme**

- (1) This regulation applies to an offer of interests in a multiple-participant scheme.
- (2) Section 57(1)(b)(ii) of the Act does not apply to information contained in relevant supplements that are given to investors under clause 8B of Schedule 4.
- (3) In this clause, **multiple-participant scheme** and **relevant supplement** have the same meanings as in clause 8B of Schedule 4.

**6 Regulation 49A amended (Offers of convertible financial products)**

In regulation 49A, replace “an offer” with “offers”.

**7 Regulation 49B amended (Requirements that apply to convertibles)**

- (1) In regulation 49B, replace “offer” with “offers of the convertible and the new product”.
- (2) In regulation 49B, replace the example with:

**Example**

XYZ Limited makes an offer of debt securities that will convert into ordinary shares. XYZ Limited is not a registered bank (see regulation 49D).

The convertibles are debt securities, while the new products are equity securities.

The PDS will comply with the requirements for a PDS for debt securities (in Schedule 2) rather than those that apply to equity securities (in Schedule 3). The PDS must include the additional information about the new products that is required by Schedule 2.

The register entry will comply with the requirements for debt securities (in Part 2 of Schedule 2) rather than those that apply to equity securities (in Part 2 of Schedule 3).

**8 Regulation 49D amended (Convertible debt securities issued by registered banks)**

- (1) Replace regulation 49D(2) with:

- (2) The disclosure document must—
  - (a) contain all of the information specified in Schedule 9 that is applicable; and
  - (b) comply with regulation 23(2).
- (2) Replace regulation 49D(5) and (6) with:
- (5) Subclause (4) is subject to clause 26 of Schedule 8 (which applies to the register entry with all necessary modifications).
- (3) After regulation 49D(7), insert:
- (8) Nothing in regulation 49B or this regulation limits the application of regulation 72 in relation to the offer of the convertible.

#### **Example**

ABC Limited (a registered bank) makes an offer of debt securities that will convert into ordinary shares.

The convertibles are debt securities, while the new products are equity securities.

An offer of the debt securities issued by a registered bank does not require disclosure under Part 3 of the Act (see clause 21 of Schedule 1 of the Act). Instead, a limited disclosure document (**LDD**) that complies with Schedule 9 is required. However, the offer of the equity securities requires disclosure under Part 3 of the Act.

The disclosure document (which is a PDS for the offer of the equity securities and an LDD for the offer of the debt securities) must comply with the requirements in Schedule 9. Most of the disclosure required by Schedule 9 relates to the debt securities, but that schedule does require some additional information to be included relating to the equity securities.

The register entry for the offer of equity securities must comply with the requirements for debt securities (in Part 2 of Schedule 2) rather than those that apply to equity securities (in Part 2 of Schedule 3).

### **9 Regulation 56 amended (Duty to make fund update publicly available)**

- (1) Replace regulation 56(2) with:
- (2) However, if the managed fund is a restricted scheme or a closed scheme or the managed fund has a closed section,—
  - (a) subclause (1) does not apply to the restricted scheme, closed scheme, or closed section; and
  - (b) the manager must make a fund update for each specified fund, specified multi-fund investment option, and specified life cycle stage in that scheme or section publicly available within 3 months after—
    - (i) the last day of each disclosure year; or
    - (ii) the balance date of the scheme in each year.
- (2) After regulation 56(2A), insert:

- (2B) If a specified fund, specified multi-fund investment option, or specified life cycle stage relates to both a closed section and an open section of a superannuation scheme or workplace savings scheme, the manager must,—
- (a) for the purposes of the open section, make the fund update for the fund, option, or stage publicly available in accordance with subclause (1); and
  - (b) for the purposes of the closed section, make the fund update for the fund, option, or stage publicly available in accordance with subclause (2)(b).

(3) Replace regulation 56(5) with:

(5) In this regulation,—

**closed scheme** means a superannuation scheme, or workplace savings scheme, that—

- (a) was closed to new members on its registration as a registered scheme; and
- (b) remains closed to new members

**closed section** means a section of a superannuation scheme, or workplace savings scheme, that—

- (a) was closed to new members on the scheme's registration as a registered scheme; and
- (b) remains closed to new members

**open section** means a section of a superannuation scheme, or workplace savings scheme, that is not a closed section

**working day** means a day that is not—

- (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, Labour Day, the Sovereign's birthday, or Waitangi Day; or
- (b) a day in the period commencing on 25 December in one year and ending on 15 January in the next year; or
- (c) if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday.

**10 New regulation 72A inserted (Wholesale offer exclusion does not apply to certain offers of Crown debt securities)**

After regulation 72, insert:

**72A Wholesale offer exclusion does not apply to certain offers of Crown debt securities**

For the purposes of clause 29 of Schedule 1 of the Act, the exclusion in clause 3 of Schedule 1 of the Act (offer to wholesale investor) does not apply to an offer of debt securities that are continuously offered by the Crown by way of issue if—

- (a) the offer is made by the Crown to 1 or more wholesale investors; and

- (b) the offer is made in reliance on clause 22(1)(a) of Schedule 1 of the Act (and in compliance with clauses 30 and 31 of Schedule 8); and
- (c) the limited disclosure document that is provided under clause 30 of Schedule 8 includes a statement to the effect that this regulation applies in relation to the offer.

## 11 New subpart 1AA of Part 5 inserted

Before subpart 1 of Part 5, insert:

### Subpart 1AA—Insider trading

#### 114A Exemption involving acquiring certain products by way of issue

- (1) Conduct by a person, to the extent that it is conduct falling within section 241(1) of the Act, is exempt from being insider conduct if—
  - (a) the conduct is a trade in a quoted debt security, equity security, or managed investment product; and
  - (b) the trade is an acquisition of the debt security, equity security, or managed investment product by way of issue.
- (2) Conduct by a person (**A**), to the extent that it is conduct falling within section 242(1) of the Act, is exempt from being insider conduct if—
  - (a) the conduct is directly or indirectly disclosing inside information to another person (**B**) where A knows or ought reasonably to know or believes that B will, or is likely to,—
    - (i) trade in a quoted debt security, equity security, or managed investment product; or
    - (ii) advise or encourage another person (**C**) to trade in a quoted debt security, equity security, or managed investment product; and
  - (b) the trade would be an acquisition of the debt security, equity security, or managed investment product by way of issue.
- (3) Conduct by a person (**A**), to the extent that it is conduct falling within section 243(1) of the Act, is exempt from being insider conduct if—
  - (a) the conduct is—
    - (i) advising or encouraging another person (**B**) to trade a quoted debt security, equity security, or managed investment product; or
    - (ii) advising or encouraging B to advise or encourage another person (**C**) to trade a quoted debt security, equity security, or managed investment product; and
  - (b) the trade would be an acquisition of the debt security, equity security, or managed investment product by way of issue.

- (4) Despite subclauses (1) to (3), this regulation does not apply if the trade referred to in any of those subclauses is an acquisition of a debt security, equity security, or managed investment product under an offer made in reliance on clause 19 of Schedule 1 of the Act.
- (5) This regulation is revoked on the close of 30 November 2017.

## **12 Regulation 211 amended (Annual information)**

After regulation 211(2)(e), insert:

- (ea) if the category “other” is used in providing the information specified in subclause (1)(l), the information must include, as a note to the pie graph, an explanation of the nature of each of the financial products included in that category:
- (eb) the information specified in subclause (1)(l) must be based on the information that the provider judges to be the most appropriate to produce an accurate representation of the assets:

## **13 Schedule 1 amended**

*[Revoked]*

Regulation 13: revoked, on the close of 14 September 2018, pursuant to section 547(4) of the Financial Markets Conduct Act 2013 (2013 No 69).

## **14 Schedule 2 amended**

- (1) In Schedule 2, replace clause 37(4)(b) with:
  - (b) the information required by subclause (5) in relation to the business, subsidiary, or body corporate is material information.
- (2) In Schedule 2, clause 37(5)(a), delete “if it was not part of the issuing group for the whole of that period”.
- (3) In Schedule 2, replace clause 37(6)(a) with:
  - (a) A’s most recently completed accounting period before the earlier of—
    - (i) the date of the PDS:
    - (ii) the date on which A became part of the issuing group (if that date is before the date of the PDS):
- (4) In Schedule 2, replace clause 37(6)(d) with:
  - (d) if this paragraph applies under subclause (6A), an interim accounting period from the balance date of the period referred to in paragraph (a) and ending on a stated date (being an interim accounting period that is not less than 6 months):
- (5) In Schedule 2, after clause 37(6)(d), insert:
  - (e) if this paragraph applies under subclause (6B), an interim accounting period from the balance date of the period referred to in paragraph (a)

and ending on a stated date (being an interim accounting period that is not less than 6 months).

(6) In Schedule 2, after clause 37(6), insert:

(6A) Subclause (6)(d) applies if—

- (a) the period referred to in subclause (6)(a) ended more than 9 months before the date of the PDS; and
- (b) A became or will become part of the issuing group during or after the issuing group's most recent period; and
- (c) A's most recently completed accounting period ended more than 6 months before A became part of the issuing group.

(6B) Subclause (6)(e) applies if—

- (a) A became part of the issuing group before the issuing group's most recent period; and
- (b) A's most recently completed accounting period ended more than 9 months before A became part of the issuing group; and
- (c) the information referred to in subclause (1)(a) to (i) and (k) can be taken or derived from interim financial statements that have already been prepared.

(7) In Schedule 2, replace clause 37(7) with:

(7) Despite subclauses (5)(a) and (6), information is not required under subclause (5)(a) for an accounting period of A if it ends more than 36 months before the start of the issuing group's current accounting period at the date of the PDS.

(8) In Schedule 2, after clause 39(1)(g), insert:

- (ga) if a table under clause 37 includes information for a business, subsidiary, or body corporate (A) under clause 37(5)(a) for an interim accounting period under clause 37(6)(d) or (e), the table must also include the following information in respect of A:
  - (i) in the case of a period under clause 37(6)(d), the information under clause 37(1)(a) to (d) for a corresponding interim accounting period in the previous accounting period:
  - (ii) in the case of a period under clause 37(6)(e), the information under clause 37(1)(a) to (d) for a corresponding interim accounting period in the previous accounting period (but only if that information can be taken or derived from interim financial statements that have already been prepared):

### 15 Schedule 3 amended

(1) In Schedule 3, replace clause 35(2)(b) with:

- (b) the information required by subclause (3) in relation to the business, subsidiary, or body corporate is material information.



- (2) In Schedule 3, clause 35(3)(a), delete “if it was not part of the issuing group for the whole of that period”.
- (3) In Schedule 3, replace clause 35(5)(a) with:
- (a) A’s most recently completed accounting period before the earlier of—
    - (i) the date of the PDS;
    - (ii) the date on which A became part of the issuing group (if that date is before the date of the PDS):
- (4) In Schedule 3, replace clause 35(5)(d) with:
- (d) if this paragraph applies under subclause (5A), an interim accounting period from the balance date of the period referred to in paragraph (a) and ending on a stated date (being an interim accounting period that is not less than 6 months):
- (5) In Schedule 3, after clause 35(5)(d), insert:
- (e) if this paragraph applies under subclause (5B), an interim accounting period from the balance date of the period referred to in paragraph (a) and ending on a stated date (being an interim accounting period that is not less than 6 months).
- (6) In Schedule 3, after clause 35(5), insert:
- (5A) Subclause (5)(d) applies if—
- (a) the period referred to in subclause (5)(a) ended more than 9 months before the date of the PDS; and
  - (b) A became or will become part of the issuing group during or after the issuing group’s most recent period; and
  - (c) A’s most recently completed accounting period ended more than 6 months before A became part of the issuing group.
- (5B) Subclause (5)(e) applies if—
- (a) A became part of the issuing group before the issuing group’s most recent period; and
  - (b) A’s most recently completed accounting period ended more than 9 months before A became part of the issuing group; and
  - (c) the information referred to in subclause (1)(a) to (c) and (e) to (i) can be taken or derived from interim financial statements that have already been prepared.
- (7) In Schedule 3, replace clause 35(6) with:
- (6) Despite subclauses (3)(a) and (5), information is not required under subclause (3)(a) for an accounting period of A if it ends more than 36 months before the start of the issuing group’s current accounting period at the date of the PDS.
- (8) In Schedule 3, after clause 39(k), insert:

- (ka) if a table under clause 35 includes information for a business, subsidiary, or body corporate (A) under clause 35(3)(a) for an interim accounting period under clause 35(5)(d) or (e), the table must also include the following information in respect of A:
- (i) in the case of a period under clause 35(5)(d), the information under clause 35(1)(a) to (c) and (i) for a corresponding interim accounting period in the previous accounting period:
  - (ii) in the case of a period under clause 35(5)(e), the information under clause 35(1)(a) to (c) and (i) for a corresponding interim accounting period in the previous accounting period (but only if that information can be taken or derived from interim financial statements that have already been prepared):

## 16 Schedule 4 amended

- (1) In Schedule 4, clause 1(1), insert in their appropriate alphabetical order:

**closed scheme** means a superannuation scheme, or workplace savings scheme, that—

- (a) was closed to new members on its registration as a registered scheme; and
- (b) remains closed to new members

**closed section** means a section of a superannuation scheme, or workplace savings scheme, that—

- (a) was closed to new members on the scheme's registration as a registered scheme; and
- (b) remains closed to new members

**open section** means a section of a superannuation scheme, or workplace savings scheme, that is not a closed section

- (2) In Schedule 4, after clause 1(5), insert:

- (5A) However, New Zealand may be treated as being the country of a fixed-interest asset if—

- (a) the asset is denominated in New Zealand currency; or
- (b) both of the following apply:
  - (i) the asset is issued by an entity that is incorporated or located in New Zealand; and
  - (ii) the asset is denominated in a currency other than New Zealand currency but 1 or more derivatives are held to hedge the foreign market currency and interest rate risk so as to effectively swap exposure on the asset into an asset denominated in New Zealand currency with New Zealand interest rate risk.

- (3) In Schedule 4, clause 2(1), definition of **other charges**, paragraph (c), after “administration charges,”, insert “trading expenses,”.
- (4) In Schedule 4, clause 8B(2)(b), delete “; and”.
- (5) In Schedule 4, revoke clause 8B(2)(c).
- (6) In Schedule 4, after clause 8B(4), insert:
  - (4A) If information specified in subclause (3) is not contained in the PDS, section 9 of the PDS (where you can find more information) must include—
    - (a) a statement to the effect that an investor may request that the manager provide a relevant supplement that relates to the investor; and
    - (b) a statement explaining how a request for that document should be made.
- (7) In Schedule 4, replace clause 53(8)(a) with:
  - (a) paragraph (j) does not apply to a fund in—
    - (i) a restricted scheme; or
    - (ii) a closed scheme; or
    - (iii) a closed section (subject to paragraph (ab) of this subclause):
  - (ab) if a fund relates to both a closed section and an open section,—
    - (i) paragraph (j) applies to the fund for the purposes of fund updates made publicly available in accordance with regulation 56(1) (which relates to the open section); and
    - (ii) paragraph (j) does not apply to the fund for the purposes of fund updates made publicly available in accordance with regulation 56(2)(b) (which relates to the closed section).
- (8) In Schedule 4, replace clause 53(9)(a) with:
  - (a) paragraph (k) does not apply to a fund in—
    - (i) a restricted scheme; or
    - (ii) a closed scheme; or
    - (iii) a closed section (subject to paragraph (ab) of this subclause):
  - (ab) if a fund relates to both a closed section and an open section,—
    - (i) paragraph (k) applies to the fund for the purposes of fund updates made publicly available in accordance with regulation 56(1) (which relates to the open section); and
    - (ii) paragraph (k) does not apply to the fund for the purposes of fund updates made publicly available in accordance with regulation 56(2)(b) (which relates to the closed section).
- (9) In Schedule 4, clause 54(1)(a)(ii), delete “(unless the fund is in a restricted scheme)”.
- (10) In Schedule 4, clause 54(1)(b)(i) and (c), replace “quarter ending on the relevant date of the fund update” with “relevant period”.

- (11) In Schedule 4, replace clause 54(2) with:
- (2) Subclause (1)(a)(ii) and (d) does not apply to—
- (a) a restricted scheme; or
  - (b) a closed scheme; or
  - (c) a closed section (subject to subclause (2A)).
- (2A) If a fund relates to both a closed section and an open section, subclause (1)(a)(ii) and (d)—
- (a) applies to the register entry information for the open section; and
  - (b) does not apply to the register entry information for the closed section.
- (12) In Schedule 4, replace clause 54(4) with:
- (4) In this clause,—
- conflict of interest** has the same meaning as in clause 52(5)
- relevant period** means, in the case of a fund update to which—
- (a) regulation 56(1) applies, the quarter ending on the relevant date of the fund update:
  - (b) regulation 56(2) applies, the 12-month period ending on the relevant date of the fund update.

## 17 Schedule 8 amended

- (1) In Schedule 8, clause 29(2)(c), after “Part 9 of the Act”, insert “; or”.
- (2) In Schedule 8, after clause 29(2)(c), insert:
- (d) to an offer for the sale of debt securities issued by the Crown if—
- (i) the Crown continuously offers the debt securities by way of issue as referred to in regulation 72A; and
  - (ii) the offer for sale is made by a wholesale investor to a retail investor; and
  - (iii) unless the debt securities have previously been held by a retail investor, the wholesale investor has provided the retail investor with an LDD before the wholesale investor accepted an application or transferred the debt securities to the retail investor.
- (3) In Schedule 8, after clause 29(2), insert:
- (3) Subclause (2)(c) does not apply to an offer for the sale of debt securities issued by the Crown if—
- (a) the Crown continuously offers the debt securities by way of issue as referred to in regulation 72A; and
  - (b) the offer for sale is made by a wholesale investor to a retail investor.
- (4) The following apply for the purposes of subclause (2)(d):

- (a) **LDD** means the most recent limited disclosure document that is lodged on the register by the Crown for the offer referred to in subclause (2)(d)(i) and that contains the statement referred to in regulation 72A(c):
  - (b) **application** means an application for the debt securities that is made by the retail investor:
  - (c) the LDD must be provided by giving it to the retail investor or delivering or sending it to the retail investor's address:
  - (d) subclause (2)(d)(iii) is not a requirement to provide a disclosure document for the purposes of clause 26 of Schedule 1 of the Act.
- (4) In Schedule 8, replace clause 37(2) with:
- (2) However, clauses 38 to 43 do not apply to—
- (a) offers made in reliance upon clause 21(b) of Schedule 1 of the Act if the debt securities—
    - (i) are category 2 products; or
    - (ii) have previously been offered for issue or sale as referred to in clause 23(2)(b):
  - (b) offers made in reliance upon clause 22(1) of Schedule 1 of the Act if—
    - (i) the offer is of a kind referred to in clause 29(2)(a) or (b) or (d); or
    - (ii) the financial products have previously been offered for issue or sale as referred to in clause 29(2)(c).

## **18 Schedule 11 amended**

In Schedule 11, replace clause 5(2)(a) with:

- (a) holders of credit union products, members of the credit union or their proxies are present or have cast votes under clause 11 who—
  - (i) represent no less than the percentage of the number of members of the credit union who are entitled to vote that is specified in the governing document for the purposes of this subparagraph; or
  - (ii) consist of no less than the number of members of the credit union who are entitled to vote that is specified in the governing document for the purposes of this subparagraph; or
  - (iii) if a percentage or number is not so specified, represent no less than 25% of the number of members of the credit union who are entitled to vote:
- (ab) holders of debt securities issued by a building society, product holders or their proxies are present or have cast votes under clause 11 who—
  - (i) consist of no less than the number of product holders who are entitled to vote that is specified in the governing document for the purposes of this subparagraph; or

- (ii) hold debt securities with a combined nominal value of no less than the percentage of the nominal value of the debt securities held by those persons who are entitled to vote that is specified in the governing document for the purposes of this subparagraph; or
- (iii) if a number or percentage is not so specified, hold debt securities with a combined nominal value of no less than 25% of the nominal value of the debt securities held by those persons who are entitled to vote:

## 19 Schedule 12 amended

- (1) In Schedule 12, clause 1, insert in its appropriate alphabetical order:

**UK pension fund** means a registered pension scheme for the purposes of Part 4 of the Finance Act 2004 (UK)

- (2) In Schedule 12, clause 1, insert as subclauses (2) and (3):

- (2) In this schedule, a scheme is a **ROPS** if—

- (a) it is a recognised overseas pension scheme for the purposes of the Finance Act 2004 (UK) or, at any time after this subclause came into force, it has been such a scheme; or
- (b) the manager and the supervisor have agreed that steps will be taken for the scheme to become a recognised overseas pension scheme for the purposes of that Act.

- (3) However, in this schedule, a scheme is not a ROPS if it is a restricted scheme.

- (3) In Schedule 12, after clause 11, insert:

### 11A Further restriction on withdrawal for ROPS

- (1) This clause applies if—

- (a) the scheme is a ROPS; and
- (b) the scheme participant's accumulation includes money that was transferred from a UK pension fund or otherwise has previously been invested in a UK pension fund.

- (2) A withdrawal may not be made under clause 4, 8, or 10, or under clause 2 in reliance on meeting the requirements in clause 3, if—

- (a) the governing document contains limits or restrictions on a scheme participant's ability to make a withdrawal under that clause (being limits or restrictions that have the purpose of ensuring that the scheme complies with the requirements for a ROPS); and
- (b) the withdrawal that has been applied for does not comply with those limits or restrictions.

### 11B Permitted withdrawal of former UK pension fund money from ROPS

- (1) This clause applies if—

- (a) the scheme is a ROPS; and
  - (b) the scheme participant's accumulation includes money that was transferred from a UK pension fund or otherwise has previously been invested in a UK pension fund; and
  - (c) the governing document permits a withdrawal under this clause in the manner and circumstances set out in the governing document; and
  - (d) the manner and circumstances set out in the governing document are consistent with the requirements for being a ROPS.
- (2) If the manager is reasonably satisfied that a withdrawal is in accordance with the manner and circumstances referred to in subclause (1)(c), the scheme participant may, on application to the manager, make a withdrawal in accordance with this clause.
- (3) The maximum amount of a withdrawal under this clause is the amount that, in the manager's opinion, is equivalent to the money that was transferred from a UK pension fund or otherwise has previously been invested in a UK pension fund.
- (4) For the purposes of subclause (3), any loss or return on the money referred to in that subclause must be disregarded unless the governing document provides otherwise (and, if the governing document does so provide, the maximum amount may take into account any loss or return on the money).
- (4) In Schedule 12, after clause 12(4), insert:
- (5) A transfer may not be made if—
- (a) the scheme from which the transfer is proposed to be made is a ROPS; and
  - (b) the scheme participant's accumulation includes money that was transferred from a UK pension fund or otherwise has previously been invested in a UK pension fund; and
  - (c) the governing document contains limits or restrictions on a scheme participant's ability to transfer the scheme participant's accumulation (being limits or restrictions that have the purpose of ensuring that the scheme complies with the requirements for a ROPS); and
  - (d) the transfer that has been applied for does not comply with those limits or restrictions.

**20 Schedule 21 amended**

- (1) In Schedule 21, after clause 1(3), insert:
- (3A) However, New Zealand may be treated as being the country of a fixed-interest asset if—
- (a) the asset is denominated in New Zealand currency; or
  - (b) both of the following apply:

- (i) the asset is issued by an entity that is incorporated or located in New Zealand; and
  - (ii) the asset is denominated in a currency other than New Zealand currency but 1 or more derivatives are held to hedge the foreign market currency and interest rate risk so as to effectively swap exposure on the asset into an asset denominated in New Zealand currency with New Zealand interest rate risk.
- (2) In Schedule 21, clause 27(5), replace “12” with “15”.
- (3) In Schedule 21, clause 29(2), definition of **stated date**, replace “12” with “15”.
- (4) In Schedule 21, after clause 31(2), insert:
- (2A) Subclause (2)(b) applies only to disclosure years that were completed before the stated date.
- (5) In Schedule 21, after clause 32(2), insert:
- (2A) Subclause (2)(b) applies only to disclosure years that were completed before the stated date.

Michael Webster,  
Clerk of the Executive Council.



## **Reprints notes**

### **1     *General***

This is a reprint of the Financial Markets Conduct Amendment Regulations (No 2) 2016 that incorporates all the amendments to those regulations as at the date of the last amendment to them.

### **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 Act 2013 (2013 No 69): section 547(4)