



## Financial Markets Conduct (Shares in Investment Companies) Designation Amendment Notice 2020

Pursuant to section 562 of the Financial Markets Conduct Act 2013, the Financial Markets Authority, having complied with the requirements set out in section 563 of that Act, gives the following notice.

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### Notice

#### 1 Title

This notice is the Financial Markets Conduct (Shares in Investment Companies) Designation Amendment Notice 2020.

#### 2 Commencement

This notice comes into force on 15 March 2021.

#### 3 Principal notice

This notice amends the Financial Markets Conduct (Shares in Investment Companies) Designation Notice 2017 (the **principal notice**).

#### 4 Clause 3 amended (Interpretation)

In clause 3(1), revoke the definition of **financial advice**.

Dated at Auckland this 17th day of December 2020.

Nick Kynoch,  
General Counsel,  
Financial Markets Authority.

### Statement of reasons

This notice, which comes into force on 15 March 2021, amends the Financial Markets Conduct (Shares in Investment Companies) Designation Notice 2017 (the **principal notice**).

The principal notice declares that certain shares in investment companies are managed investment products rather than equity securities for the purposes of the Financial Markets Conduct Act 2013 (the **Act**), and that the company that issues the shares is a managed investment scheme. The notice also declares that an offer of the shares that could otherwise be made as an unregulated offer in reliance on the exclusion in Schedule 1 of the Act for offers made through a licensed intermediary (for example, a licensed crowd funding service provider) is required to be made as a regulated offer.

This notice revokes the definition of financial advice, with effect from 15 March 2021. From that date, the definition in section 431C of the Financial Markets Conduct Act 2013 will apply.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 563 of the Act, considers it appropriate to amend the principal notice to ensure that it continues to have its intended effect. The FMA is satisfied that the policy reasons for granting the designations in the principal notice remain valid and relevant, including that, having had regard to the economic substance of the shares, the principal notice continues to be necessary or desirable to promote 1 or more of the purposes of the Act. The FMA is further satisfied that the amendment does not materially alter the effect of the principal notice.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 22 December 2020.

This notice is administered by the Financial Markets Authority.