



Financial Markets Conduct (Green, Social, Sustainability, and Sustainability-linked Bonds) Exemption Notice 2026

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

Contents

	Page
1 Title	1
2 Commencement	2
3 Revocation	2
4 Interpretation	2
5 Exemptions for offer of GSSS bonds	5
6 Exemptions for offer of options to acquire GSSS bonds	6
7 Exemptions for offer of vanilla bonds	6
8 Exemptions for offer of options to acquire vanilla bonds	7
9 Exemptions do not apply in certain circumstances	8
10 Condition that issuer must give notice to NZX Limited and be in compliance with continuous disclosure and financial reporting obligations	8
11 Condition to correct defective notice	9
12 Condition to include information in document containing key terms of offer of GSSS bonds (and options to acquire those bonds)	10
13 Condition to include information in document containing key terms of offer of vanilla bonds (and options to acquire vanilla bonds)	13
14 Condition about information that must be included in document that contains key terms of offer of GSSS bonds or in framework	15
15 Exemption for recipient of money from conduit issuer	17

Notice

1 Title

This notice is the Financial Markets Conduct (Green, Social, Sustainability, and Sustainability-linked Bonds) Exemption Notice 2026.

2 Commencement

This notice comes into force on 31 March 2026.

3 Revocation

This notice is revoked on the close of 30 March 2031.

4 Interpretation

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

Act means the Financial Markets Conduct Act 2013

allocate includes to notionally allocate

different GSSS status has the meaning set out in subclause (3)

eligible projects means the projects, assets, activities, loans, or other expenditure that the issuer has identified as delivering positive environmental or social outcomes and that meet the eligibility criteria specified in the framework

excluded information means information to which a continuous disclosure obligation would apply but which has not been disclosed under such an obligation as a result of an exclusion in, or a waiver given under, the listing rules for the NZX Debt Market

financial reporting obligations, in relation to an issuer, means requirements imposed under—

- (a) the Act or other legislation to prepare financial statements or group financial statements in relation to the issuer or its group for the most recently completed accounting period, to have those statements audited, and to lodge or register those statements; and
- (b) the listing rules of the NZX Debt Market in relation to providing financial statements for release to the market in relation to any more recent interim accounting period than the period referred to in paragraph (a)

framework, in relation to debt securities, means a framework prepared by the issuer, or a related body corporate, that—

- (a) explains how the issuer, or a related body corporate, intends to do 1 or more of the following:
 - (i) allocate the proceeds of the offer of the debt securities to the financing or refinancing (in whole or in part) of eligible projects:
 - (ii) link the interest rate of the debt securities to the issuer's or a related body corporate's achievement of sustainability performance targets set under a methodology specified in the framework or in the terms of the offer:
 - (iii) make a donation to a charitable entity, a not-for-profit entity, or a community organisation if the issuer or a related body corporate fails to achieve sustainability performance targets set under a

methodology specified in the framework or in the terms of the offer; and

- (b) provides for reporting about—
 - (i) the allocation of the proceeds of the offer of the debt securities to the financing or refinancing (in whole or in part) of eligible projects; or
 - (ii) performance in achieving the sustainability performance targets; and
- (c) provides for the eligibility criteria for eligible projects (in the case of use of proceeds bonds); and
- (d) is published on an internet site that is maintained by or on behalf of the issuer or a related body corporate

GSSS bond means a debt security that has a GSSS status

GSSS principles means principles or standards that—

- (a) relate to debt securities that are labelled, referred to, or marketed using the words “green”, “social”, “sustainability”, “sustainability-linked”, or similar terminology; and
- (b) are widely recognised in the financial markets

GSSS status has the meaning set out in subclause (2)

interest rate provisions means the terms or conditions of the debt securities relating to 1 or more of the following:

- (a) the interest rate or rates that may be earned by holding the debt securities:
- (b) changes to the interest rate or rates:
- (c) the basis on which, or the method by which, the interest rate or rates will be ascertained:
- (d) the dates on which, or the frequency with which, the interest from the debt securities will be due and paid

KPI means a measurable or quantifiable environmental or social indicator of performance (for example, carbon emissions)

lose their GSSS status has the meaning set out in subclause (4)

NZX Debt Market means the financial product market operated by NZX Limited under that name

Regulations means the Financial Markets Conduct Regulations 2014

relevant time, in relation to an offer, means—

- (a) a time within the 24-hour period before the offer is made; or
- (b) an earlier time required by NZX Limited

sustainability-linked bonds means debt securities—

- (a) in respect of which—
 - (i) the interest rate is linked to the achievement of sustainability performance targets; and
 - (ii) a failure to achieve those targets by a date specified in the terms of the offer (or within a period determined in a manner specified in the terms of the offer) will cause an increase in the interest rate; or
- (b) under which the issuer, or a related body corporate, is required to make a donation to a charitable entity, a not-for-profit entity, or a community organisation if there is a failure to achieve sustainability performance targets

sustainability performance target means an environmental or a social target for a KPI that is set under a methodology specified in a framework or in the terms of the offer

use of proceeds bonds means debt securities in respect of which the issuer intends to allocate the proceeds of the offer to the financing or refinancing (in whole or in part) of eligible projects

vanilla bond means a debt security that is not a GSSS bond.

- (2) Debt securities have a **GSSS status** if—
 - (a) the issuer, in 1 or more of the following ways, labels, refers to, or markets the debt securities using the words “green”, “social”, “sustainability”, “sustainability-linked”, or similar terminology:
 - (i) in the terms of the offer;
 - (ii) in information made available to participants in the NZX Debt Market;
 - (iii) in a restricted communication; and
 - (b) the debt securities are either or both of the following:
 - (i) use of proceeds bonds;
 - (ii) sustainability-linked bonds.
- (3) Two classes of debt securities have a **different GSSS status** if any of the following apply:
 - (a) one of the classes has a GSSS status under subclause (2)(a) based on one of the words “green”, “social”, “sustainability”, or “sustainability-linked” or similar terminology and the other class has a GSSS status under subclause (2)(a) based on one of the other words or other terminology referred to in this paragraph:

Example

An issuer markets certain bonds that have a GSSS status using the word “green”.

The issuer markets other bonds that have a GSSS status using the word “social”.

The bonds have a different GSSS status.

-
- (b) one of the classes is use of proceeds bonds and the other class is sustainability-linked bonds:
 - (c) one of the classes has a GSSS status and the other class does not.
- (4) Debt securities **lose their GSSS status** if 1 or more the following occurs:
- (a) the issuer stops labelling, referring to, or marketing the debt securities in any of the ways referred to in subclause (2)(a):
 - (b) the issuer reports to investors that the debt securities no longer have a GSSS status:
 - (c) the issuer notifies NZX Limited that the debt securities no longer have a GSSS status (for the purpose of that information being made available to participants in the NZX Debt Market).
- (5) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemptions for offer of GSSS bonds

- (1) An issuer of GSSS bonds is exempt from Part 3 of the Act in respect of an offer of the GSSS bonds if—
- (a) the GSSS bonds have attached to them identical rights, privileges, limitations, and conditions as an existing class of quoted debt securities of the issuer (the **quoted securities**), except that they—
 - (i) may have a different redemption date or different interest rate provisions (or both); and
 - (ii) have a GSSS status, or a different GSSS status, at the date of issue; and
 - (b) the quoted securities have been quoted on the NZX Debt Market at all times during the 3-month period before the time of the offer; and
 - (c) trading in the quoted securities on the NZX Debt Market was not suspended for more than a total of 5 trading days during the 3-month period referred to in paragraph (b); and
 - (d) it is a term of the offer that the issuer will take any necessary steps to ensure that the GSSS bonds are, immediately after the issue, quoted; and
 - (e) the market rules of the NZX Debt Market contain continuous disclosure provisions.
- (2) An issuer of GSSS bonds is exempt from Part 4 of the Act in respect of the GSSS bonds if—
- (a) subclause (1)(a) to (e) applies; and

- (b) the quoted securities are issued by—
 - (i) a registered bank; or
 - (ii) the Crown; or
 - (iii) a person referred to in clause 22(1)(b) to (f) of Schedule 1 of the Act.

6 Exemptions for offer of options to acquire GSSS bonds

- (1) An issuer of options to acquire, by way of issue, GSSS bonds is exempt from Part 3 of the Act in respect of an offer of those options (and the offer of the underlying GSSS bonds) if—
 - (a) the GSSS bonds have attached to them identical rights, privileges, limitations, and conditions as an existing class of quoted debt securities of the issuer (the **quoted securities**), except that they—
 - (i) may have a different redemption date or different interest rate provisions (or both); and
 - (ii) have a GSSS status, or a different GSSS status, at the date of issue; and
 - (b) the quoted securities have been quoted on the NZX Debt Market at all times during the 3-month period before the time of the offer; and
 - (c) trading in the quoted securities on the NZX Debt Market was not suspended for more than a total of 5 trading days during the 3-month period referred to in paragraph (b); and
 - (d) it is a term of the offer of the options that the issuer will take any necessary steps to ensure that, immediately after the GSSS bonds are issued, the GSSS bonds are quoted; and
 - (e) the market rules of the NZX Debt Market contain continuous disclosure provisions.
- (2) An issuer of options to acquire, by way of issue, GSSS bonds is exempt from Part 4 of the Act in respect of the options and the underlying GSSS bonds if—
 - (a) subclause (1)(a) to (e) applies; and
 - (b) the quoted securities are issued by—
 - (i) a registered bank; or
 - (ii) the Crown; or
 - (iii) a person referred to in clause 22(1)(b) to (f) of Schedule 1 of the Act.

7 Exemptions for offer of vanilla bonds

- (1) An issuer of vanilla bonds is exempt from Part 3 of the Act in respect of an offer of the vanilla bonds if—

- (a) the vanilla bonds have attached to them identical rights, privileges, limitations, and conditions as an existing class of quoted debt securities of the issuer that have a GSSS status (the **quoted securities**), except that they—
 - (i) may have a different redemption date or different interest rate provisions (or both); and
 - (ii) do not have a GSSS status at the date of issue; and
 - (b) the quoted securities have been quoted on the NZX Debt Market at all times during the 3-month period before the time of the offer; and
 - (c) trading in the quoted securities on the NZX Debt Market was not suspended for more than a total of 5 trading days during the 3-month period referred to in paragraph (b); and
 - (d) it is a term of the offer that the issuer will take any necessary steps to ensure that the vanilla bonds are, immediately after the issue, quoted; and
 - (e) the market rules of the NZX Debt Market contain continuous disclosure provisions.
- (2) An issuer of vanilla bonds is exempt from Part 4 of the Act in respect of the vanilla bonds if—
- (a) subclause (1)(a) to (e) applies; and
 - (b) the quoted securities are issued by—
 - (i) a registered bank; or
 - (ii) the Crown; or
 - (iii) a person referred to in clause 22(1)(b) to (f) of Schedule 1 of the Act.

8 Exemptions for offer of options to acquire vanilla bonds

- (1) An issuer of options to acquire, by way of issue, vanilla bonds is exempt from Part 3 of the Act in respect of an offer of those options (and the offer of the underlying vanilla bonds) if—
- (a) the vanilla bonds have attached to them identical rights, privileges, limitations, and conditions as an existing class of quoted debt securities of the issuer that have a GSSS status (the **quoted securities**), except that they—
 - (i) may have a different redemption date or different interest rate provisions (or both); and
 - (ii) do not have a GSSS status at the date of issue; and
 - (b) the quoted securities have been quoted on the NZX Debt Market at all times during the 3-month period before the time of the offer; and

- (c) trading in the quoted securities on the NZX Debt Market was not suspended for more than a total of 5 trading days during the 3-month period referred to in paragraph (b); and
 - (d) it is a term of the offer of the options that the issuer will take any necessary steps to ensure that, immediately after the vanilla bonds are issued, the vanilla bonds are quoted; and
 - (e) the market rules of the NZX Debt Market contain continuous disclosure provisions.
- (2) An issuer of options to acquire, by way of issue, vanilla bonds is exempt from Part 4 of the Act in respect of the options and the underlying vanilla bonds if—
- (a) subclause (1)(a) to (e) applies; and
 - (b) the quoted securities are issued by—
 - (i) a registered bank; or
 - (ii) the Crown; or
 - (iii) a person referred to in clause 22(1)(b) to (f) of Schedule 1 of the Act.

9 Exemptions do not apply in certain circumstances

An exemption in clauses 5 to 8 does not apply to an offer (or to the financial products offered) if—

- (a) the offer is made within 3 months after a change to the essential nature of the issuer's business; or
- (b) the offer is made within 3 months after a transaction for which the issuer has provided disclosure to the NZX Debt Market as if it were listing on that market; or
- (c) the offer is made in connection with enabling—
 - (i) a change to the essential nature of the issuer's business; or
 - (ii) a transaction for which the issuer will be required to provide disclosure to the NZX Debt Market as if it were listing on that market.

10 Condition that issuer must give notice to NZX Limited and be in compliance with continuous disclosure and financial reporting obligations

- (1) The exemptions in clauses 5 to 8 are subject to the condition that the issuer must not offer the financial products referred to in those clauses, or issue those financial products, unless the issuer—
- (a) has, at a relevant time, provided a notice to NZX Limited in accordance with subclause (2) for the purpose of the information in the notice being notified to the NZX Debt Market; and

- (b) is, as at the date of the notice, in compliance with its continuous disclosure obligations that apply to it in relation to the existing class of quoted debt securities referred to in those clauses (the **quoted securities**); and
 - (c) is, as at the date of the notice, in compliance with its financial reporting obligations.
- (2) The exemptions in clauses 5 to 8 are subject to the condition that the issuer must take all reasonable steps to ensure that the notice under subclause (1)(a)—
- (a) states that an offer for issue is being made to investors in reliance upon an exemption in clause 5, 6, 7, or 8 (as applicable); and
 - (b) states that the notice is provided under subclause (1)(a); and
 - (c) states that, as at the date of the notice, the issuer is in compliance with the continuous disclosure obligations that apply to it in relation to the quoted securities; and
 - (d) states that, as at the date of the notice, the issuer is in compliance with its financial reporting obligations; and
 - (e) sets out the information (if any) that is excluded information as at the date of the notice; and
 - (f) in the case of debt securities being issued that have a different redemption date, interest rate provisions, or GSSS status from that of the quoted securities, set out the information that would (if the quoted securities had had the same redemption date, interest rate provisions, or GSSS status) be—
 - (i) required to be disclosed under a continuous disclosure obligation; or
 - (ii) excluded information.
- (3) The notice must contain information under subclause (2)(e) and (f) only to the extent to which it is material information within the meaning of section 59 of the Act.

11 Condition to correct defective notice

- (1) This clause applies if—
- (a) the notice given under clause 10 is defective; and
 - (b) the issuer becomes aware of the defect in the notice,—
 - (i) in the case of subclause (4)(a)(i) or (ii), within the relevant period; and
 - (ii) in the case of subclause (4)(a)(iii), before the offer closes.
- (2) The **relevant period** is,—
- (a) in the case of clause 5 or 7, 12 months after the GSSS bonds or the vanilla bonds are issued:

- (b) in the case of clause 6 or 8, 12 months after the options are issued.
- (3) The exemptions in clauses 5 to 8 are subject to the condition that the issuer must, within a reasonable time after the issuer becomes aware of a defect, provide to NZX Limited a notice that sets out the information necessary to correct the defect (for the purpose of NZX Limited notifying that information to the NZX Debt Market).
- (4) The notice is **defective** if—
 - (a) there is—
 - (i) a statement in the notice that is false or misleading or is likely to mislead; or
 - (ii) an omission from the notice of information that is required to be contained in the notice by clause 10; or
 - (iii) a circumstance that has arisen since the notice was given but before the offer closes that would have been required by clause 10 to be disclosed or otherwise contained in the notice if it had arisen before the notice was given, and the circumstance is not so disclosed or contained in the notice; and
 - (b) the matter referred to in paragraph (a) is materially adverse from the point of view of an investor.

12 Condition to include information in document containing key terms of offer of GSSS bonds (and options to acquire those bonds)

- (1) The exemptions in clauses 5 and 6 are, in respect of GSSS bonds or options offered by the issuer to another person (**B**), subject to the conditions that—
 - (a) the issuer must ensure that a statement under subclause (2) is included at the front (in a prominent position) of every document provided to B that contains the key terms of the offer; and
 - (b) the issuer must ensure that the information under subclause (3) is included in at least 1 document provided to B that contains the key terms of the offer; and
 - (c) if a document referred to in paragraphs (a) and (b) is not provided to B, the issuer must not accept an application, or issue the GSSS bonds or options to B, if a statement under subclause (2) and a document containing the information under subclause (3) was not, before the application was made, given to B or delivered or sent to B's address.
- (2) The statement under subclause (1)(a) must—
 - (a) clearly identify the offer as an offer of GSSS bonds, or of options to acquire GSSS bonds, where the GSSS bonds have attached to them identical rights, privileges, limitations, and conditions as certain quoted debt securities of the issuer (the **quoted securities**), except that they—

- (i) may have a different redemption date or different interest rate provisions (or both); and
 - (ii) have a GSSS status, or a different GSSS status, at the date of issue; and
 - (b) contain a statement to the effect that the issuer is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited for the purpose of that information being made available to participants in the market and that that information can be found from a specified link or URL (being a link to or a URL for the page of the internet site maintained by NZX Limited that relates to the quoted securities or the issuer); and
 - (c) provide a list that identifies the quoted securities (where the securities are identified by reference to the interest rates and redemption dates of those securities and in any other way that the issuer thinks fit); and
 - (d) contain a statement to the effect that investors should look at the market price of the quoted securities to find out how the market assesses the returns and risk premium for those securities; and
 - (e) contain,—
 - (i) in the case of use of proceeds bonds, a brief description of how the money raised under the offer is expected to be allocated to eligible projects; and
 - (ii) in the case of sustainability-linked bonds, a brief description of the sustainability performance targets; and
 - (f) for sustainability-linked bonds, contain a clear statement that the proceeds may be used for general business purposes rather than being specifically allocated to environmentally or socially responsible projects.
- (3) The information referred to in subclause (1)(b) is,—
 - (a) for use of proceeds bonds,—
 - (i) a statement that explains whether a loss of their GSSS status would constitute an event of default or other breach of the terms of the GSSS bonds on offer; and
 - (ii) a brief description of the circumstances in which the GSSS bonds may lose their GSSS status; and
 - (iii) a statement of whether a holder of the bond has a right to be repaid principal or interest early if the bond loses its GSSS status; and
 - (b) for sustainability-linked bonds under paragraph (a) of the definition of that term,—
 - (i) a description of how the interest rate of the bond is linked to the achievement of sustainability performance targets; and

- (ii) when the sustainability performance targets must be met in order to avoid an increase in the interest rate; and
 - (iii) when the interest rate would increase as a result of a failure to achieve a sustainability performance target; and
 - (iv) a statement that explains whether a loss of their GSSS status would constitute an event of default or other breach of the terms of the GSSS bonds on offer; and
 - (v) a statement of whether a holder of the bond has a right to be repaid principal or interest early if the bond loses its GSSS status; and
 - (vi) a brief description of whether the issuer has or will engage an independent reviewer to verify performance against the KPIs and sustainability performance targets and, if so, whether the independent review will be carried out in accordance with particular GSSS principles; and
 - (vii) a link to or URL for the page or section of the internet site where the report for that independent review (if any) is or will be located; and
 - (viii) a brief description of whether the issuer will monitor performance against the KPIs and sustainability performance targets; and
- (c) for sustainability-linked bonds under paragraph (b) of the definition of that term,—
- (i) a description of how a failure to achieve sustainability performance targets will result in a duty to make a donation to a charitable entity, a not-for-profit entity, or a community organisation; and
 - (ii) when the sustainability performance targets must be met in order to avoid making the donation; and
 - (iii) when the donation would be made as a result of a failure to achieve a sustainability performance target; and
 - (iv) the amount of the donation or how the amount of the donation would be determined; and
 - (v) the charitable entity, not-for-profit entity, or community organisation to which the donation would be made; and
 - (vi) a statement that explains whether a loss of their GSSS status would constitute an event of default or other breach of the terms of the GSSS bonds on offer; and
 - (vii) a statement of whether a holder of the bond has a right to be repaid principal or interest early if the bond loses its GSSS status; and

- (viii) a brief description of whether the issuer has or will engage an independent reviewer to verify performance against the KPIs and sustainability performance targets and, if so, whether the independent review will be carried out in accordance with particular GSSS principles; and
- (ix) a link to or URL for the page or section of the internet site where the report for that independent review (if any) is or will be located; and
- (x) a brief description of whether the issuer will monitor performance against the KPIs and sustainability performance targets; and
- (d) if the issuer has or will engage an independent reviewer to review 1 or more of the following for alignment with particular GSSS principles, a brief description of the scope and nature of that independent review:
 - (i) the framework;
 - (ii) the eligible criteria specified in the framework that eligible projects must meet (in the case of use of proceeds bonds);
 - (iii) the selection of KPIs and the calibration of sustainability performance targets (in the case of sustainability-linked bonds); and
- (e) a link to or URL for the page or section of the internet site where the report for that independent review (if any) is or will be located; and
- (f) if there is or will be no independent review as referred to in paragraph (d), a statement to that effect; and
- (g) a brief description of the framework and a link to or URL for the page or section of the internet site where the framework is located; and
- (h) a statement to the effect that investors should read the framework; and
- (i) a statement to the effect that there is a risk that the price at which the GSSS bonds or options may be sold may be affected if—
 - (i) the GSSS bonds lose their GSSS status; or
 - (ii) the sustainability performance targets are not achieved; and
- (j) a brief description of—
 - (i) the issuer's ability to amend the framework; and
 - (ii) if amendments may be made, how investors will be notified of the amendments.

13 Condition to include information in document containing key terms of offer of vanilla bonds (and options to acquire vanilla bonds)

- (1) The exemptions in clauses 7 and 8 are, in respect of vanilla bonds or options offered by the issuer to another person (**B**), subject to the conditions that—

- (a) the issuer must ensure that a statement under subclause (2) is included at the front (in a prominent position) of every document provided to B that contains the key terms of the offer; and
 - (b) if a document referred to in paragraph (a) is not provided to B, the issuer must not accept an application, or issue the vanilla bonds or options to B, if a statement under subclause (2) was not, before the application was made, given to B or delivered or sent to B's address.
- (2) The statement referred to in subclause (1)(a) must—
- (a) clearly identify the offer as an offer of vanilla bonds, or of options to acquire vanilla bonds, where the vanilla bonds have attached to them identical rights, privileges, limitations, and conditions as certain quoted debt securities of the issuer that have a GSSS status (the **quoted securities**), except that they—
 - (i) may have a different redemption date or different interest rate provisions (or both); and
 - (ii) do not have a GSSS status at the date of issue; and
 - (b) contain a statement to the effect that the issuer is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited for the purpose of that information being made available to participants in the market and that that information can be found from a specified link or URL (being a link to or a URL for the page of the internet site maintained by NZX Limited that relates to the quoted securities or the issuer); and
 - (c) provide a list that identifies the quoted securities (where the securities are identified by reference to the interest rates and redemption dates of those securities and in any other way that the issuer thinks fit); and
 - (d) contain a statement to the effect that investors should look at the market price of the quoted securities to find out how the market assesses the returns and risk premium for those securities; and
 - (e) contain a prominent statement that—
 - (i) the vanilla bonds are not GSSS bonds; and
 - (ii) any GSSS representations made by the issuer that relate to the quoted securities do not apply to the vanilla bonds.
- (3) In subclause (2)(e), **GSSS representations** means representations about—
- (a) allocating the proceeds of the offer of the debt securities to eligible projects; or
 - (b) achieving sustainability performance targets.

14 Condition about information that must be included in document that contains key terms of offer of GSSS bonds or in framework

- (1) The exemptions in clauses 5 and 6 are subject to the conditions that the information specified in subclause (3) is included in either or both of the following:
 - (a) the documents provided to investors that contain the key terms of the offer of the GSSS bonds or options;
 - (b) the framework.
- (2) The information may be included partly in the documents referred to in subclause (1)(a) and partly in the framework.
- (3) The information is—
 - (a) a description of the basis for the issuer labelling, referring to, or marketing the debt securities using the words “green”, “social”, “sustainability”, “sustainability-linked”, or similar terminology; and

Guidance note

See section 23 of the Act, which requires the issuer, when making a representation, to have reasonable grounds for the representation. That is, the issuer must not make an unsubstantiated representation.

- (b) in the case of use of proceeds bonds,—
 - (i) a summary of the environmental or social outcomes of the eligible projects; and
 - (ii) a description of how and when the allocation of the proceeds of the offer of debt securities to the financing or refinancing (in whole or in part) of eligible projects is to be measured and reported on, including the required frequency of reporting to holders of the bonds on progress towards allocating the proceeds to eligible projects; and
- (c) in the case of sustainability-linked bonds,—
 - (i) a summary of the sustainability performance targets; and
 - (ii) a description of how and when the sustainability performance targets are to be measured and reported on, including the required frequency of reporting to holders of the bonds on progress in achieving the sustainability performance targets; and
 - (iii) a description of the nature of the sustainability performance targets, including any KPIs that the issuer intends to use to measure the achievement of the targets; and
- (d) a description of the GSSS principles (if any) that the GSSS bonds will align with; and
- (e) if paragraph (c)(ii) applies, a description of the progress (if any) in achieving the sustainability performance targets; and

- (f) for use of proceeds bonds, a description of how the issuer intends to select and monitor the eligible projects and to report to holders of the GSSS bonds on any changes to the eligible projects, including—
 - (i) the time frame for allocating the proceeds of the offer of the bonds to the financing or refinancing (in whole or in part) of the eligible projects; and
 - (ii) the nature, extent, and frequency of monitoring of eligible projects to ensure that they continue to meet the eligibility criteria specified in the framework; and
 - (iii) the policy for dealing with a project, an asset, an activity, a loan, or other expenditure that ceases to be an eligible project; and
 - (iv) how and when holders of the GSSS bond will be notified of any changes to the eligible projects or to the eligibility criteria specified in the framework; and
- (g) a description of the circumstances that the issuer is aware of that exist or are likely to arise that significantly increase the risk of either or both of the following (to the extent that this information is material information within the meaning of section 59 of the Act):
 - (i) that the framework or any relevant GSSS principles may not be complied with;
 - (ii) that the environmental or social outcomes (including any sustainability performance targets) are not achieved; and
- (h) a description of the approach (if any) that the issuer intends to take for notifying holders of the GSSS bonds if non-compliance with the framework or any relevant GSSS principles is identified by the issuer or any independent reviewer; and
- (i) if the issuer does not intend to notify holders of the GSSS bonds as referred to in paragraph (h), a statement to that effect; and
- (j) a description of any potential consequences, in the issuer's view, of the issuer (or a related body corporate) not complying with the framework (to the extent that those consequences are materially adverse from the point of view of an investor), including a description of the circumstances where that non-compliance, in the issuer's view, may constitute or result in a loss of GSSS status; and
- (k) a description of the approach (if any) that the issuer intends to take for notifying holders of the GSSS bonds if—
 - (i) the GSSS bonds lose their GSSS status; or
 - (ii) sustainability performance targets are not met; and
- (l) if the issuer does not intend to notify holders of the GSSS bonds as referred to in paragraph (k), a statement to that effect.

15 Exemption for recipient of money from conduit issuer

A person is exempt from Part 7 of the Act if the person—

- (a) is a recipient of money from a conduit issuer under section 453 of the Act in respect of an offer of financial products that is made in reliance on any of clauses 5 to 8; and
- (b) is not a person referred to in section 451(1)(a) to (e) or (g) to (k) of the Act; and
- (c) is not otherwise a recipient of money from a conduit issuer in respect of an offer other than an offer referred to in paragraph (a).

Dated at Wellington this 24th day of March 2026.

Liam Mason,
General Counsel,
Financial Markets Authority.

Statement of reasons

This notice comes into force on 31 March 2026 and is revoked on the close of 30 March 2031.

The notice concerns certain debt securities that have a GSSS status. Debt securities have a **GSSS status** if—

- the issuer labels, refers to, or markets the debt securities using the words “green”, “social”, “sustainability”, “sustainability-linked”, or similar terminology; and
- the debt securities meet certain requirements for the use of the proceeds of the offer or are linked to certain sustainability performance targets.

The notice exempts issuers of bonds with a GSSS status from the disclosure requirements in Part 3 of the Financial Markets Conduct Act 2013 (the **Act**) where the financial products on offer have identical rights, conditions, privileges, and limitations to existing quoted debt securities, except that there may be differences in the interest rate provisions, redemption date, and GSSS status. It also provides the following:

- an exemption from Part 4 of the Act if the quoted debt securities are offered by a registered bank, the Crown, or a person referred to in clause 22 of Schedule 1 of the Act;
- an exemption from Part 7 of the Act for a recipient of money from a conduit issuer in respect of an offer of financial products that is made in reliance on an exemption in the notice (*see* section 453 of the Act).

The notice also exempts issuers of other bonds (**vanilla bonds**) that have attached to them identical rights, privileges, limitations, and conditions as an existing class of quoted debt securities of the issuer that have a GSSS status, except that the bonds on offer do not have a GSSS status and there may be differences in the interest rate provisions or redemption date.

The exemptions are similar to the exclusion in clause 19 of Schedule 1 of the Act. This clause relates to offers of financial products that are of the same class as financial products that are quoted on a licenced market (the **same class offer exclusion**).

For offers of GSSS bonds under the exemptions, an issuer's GSSS finance framework (**framework**) will set out how the issuer intends to issue and manage the bonds. Under the framework,—

- the proceeds of the offer may be allocated to projects, assets, activities, loans, or other expenditure that the issuer has identified as delivering positive environmental or social outcomes; or
- the interest rate of the bonds is linked to achievement of sustainability performance targets; or
- the issuer may need to make a donation to a charitable entity, a not-for-profit entity, or a community organisation if sustainability performance targets are not achieved.

The exemptions are subject to conditions that are consistent with the requirements in clause 19 of Schedule 1 to the Act and clauses 19 to 22 and 46 of Schedule 8 of the Financial Markets Conduct Regulations 2014 (which relate to the same class offer exclusion). The exemptions are also subject to additional conditions that do not apply to the same class offer exclusion. The additional conditions,—

- in relation to GSSS bonds, provide for the disclosure of key information about the GSSS status to investors; and
- in relation to vanilla bonds, provide for a prominent statement to be provided to investors to the effect that the vanilla bonds are not GSSS bonds and that any representations relating to the intended use of proceeds or sustainability targets that relate to the existing quoted bonds do not apply.

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemptions because—

- the exemptions promote innovation and flexibility in the financial markets by enabling GSSS bonds and vanilla bonds to be treated interchangeably where they otherwise have identical rights, privileges, limitations, and conditions to quoted products (except for a difference in redemption date, interest rate provisions, and GSSS status). This offers additional flexibility for issuers when deciding whether to issue a bond with GSSS status. It also promotes the growth of the GSSS bond market in New Zealand, and facilitates offers of a different type of bond that may fund projects, assets, activities, loans, or other expenditure that generate positive environmental and social benefits. This enables

investors to invest in financial products that might otherwise not be made available and responds to growing investor demand for financial products that integrate non-financial factors; and

- compliance with the disclosure requirements of Part 3 of the Act for these offers would provide limited value to investors. The exemptions apply only to bonds with identical terms to existing quoted debt securities, other than the interest rate provisions or redemption date (or both) and the GSSS status. This means that the higher costs of compliance with the requirements of the Act are not necessary given that material information is already available to the market; and
- the information that is already available to the market about the bonds is supplemented by the conditions of the exemptions, which require disclosure of information about whether the bond is a vanilla bond or has a GSSS status and, if so, what that GSSS status entails. This allows investors to readily identify the differences between the bonds being offered and existing quoted debt securities; and
- as such, the FMA is satisfied that the exemptions are desirable in order to promote the purposes of the Act, specifically by ensuring timely, accurate, and understandable information is provided to assist investors to make confident and informed decisions relating to the bonds offered, to avoid unnecessary compliance costs, and to promote innovation and flexibility in financial markets; and
- given the exemptions apply only to bonds with identical rights, privileges, conditions, and limitations as existing quoted debt securities except for the interest rate provisions or redemption date (or both) and the GSSS status of the bonds, and in view of the exemptions being granted on an equivalent basis to the same class offer exclusion (with certain modifications relating to the GSSS status or lack of GSSS status), the FMA is also satisfied that the exemptions are not broader than is reasonably necessary to address the matters that gave rise to them.

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*: 27 March 2026.

This notice is administered by the Financial Markets Authority.