

# **Overseas Investment Amendment Bill**

Government Bill

As reported from the committee of the whole House



**Overseas Investment Amendment Bill**

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**Key to symbols used in reprinted bill**

**As reported from the committee of the whole House**

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*Hon David Parker*

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### **Contents**

	Page
1 Title	5
2 Commencement	5
3 Principal Act	5
<b>Part 1</b>	
<b>Sensitive land</b>	
Subpart 1—Residential land	
4 Section 6 amended (Interpretation)	5
5 Schedule 1 amended	6
Subpart 2—Forestry rights and other <i>profits à prendre</i>	
5A Section 6 amended (Interpretation)	6
<b>Part 2</b>	
<b>Amendments relating to consent and conditions regime for overseas investments in sensitive New Zealand assets</b>	
6 Section 4 amended (Overview)	7
7 Section 6 amended (Interpretation)	7
8 Section 7 amended (Who are overseas persons)	10
9 New sections 8AA and 8A and cross-heading inserted	10
8AA Status of examples	10
<i>Transitional, savings, and related provisions</i>	
8A Transitional, savings, and related provisions	10
9A New section 11A inserted (Exemptions from requirement for consent)	10
11A Exemptions from requirement for consent	10

**Overseas Investment Amendment Bill**

10	Section 16 amended (Criteria for consent for overseas investments in sensitive land)	11
11	New sections 16E to 16G inserted	12
	16E Benefit to New Zealand test	12
	16F Conditions for consents relating to sensitive land that is residential land: benefit to New Zealand test	15
	16G Conditions for consents relating to sensitive land that will be used for forestry activities	17
12	Section 17 amended (Factors for assessing benefit of overseas investments in sensitive land)	17
13	Section 19 amended (Applying good character and Immigration Act 2009 criteria)	17
14	New section 23A inserted (Applications for standing consent in advance of transaction)	17
	23A Applications for standing consent in advance of transaction	18
15	Section 25 amended (Granting or refusal of consent)	18
16	New sections 25A and 25B inserted	18
	25A Conditions of consent	18
	25B Automatic conditions: every overseas investment	18
16AA	Section 27 amended (Consent may be varied by agreement)	19
16A	New section 27A inserted (Consent holder may apply for new consent)	19
	27A Consent holder may apply for new consent	19
17	Section 28 repealed (Conditions of consent)	20
18	Section 31 amended (What regulator does)	20
19	Section 34 amended (Ministerial directive letter)	20
19A	Section 62 amended (Foreshore, seabed, riverbed, or lakebed acquired by the Crown under consent process is not subdivision)	20
19B	Sections 73 to 75 and cross-headings repealed	20
19C	Schedule 2 replaced	20
19D	New Schedule 3 inserted	20
19E	New Schedule 4 inserted	20
19F	Amendments to regulations	20

**Part 3**

**Enforcement and other miscellaneous matters**

Subpart 1—Amendments relating to enforcement

20	Subpart 4 heading in Part 2 replaced	21
	Subpart 4—Information-gathering powers	
21	Section 38 replaced (Regulator may require consent holder to provide information for monitoring purposes)	21
	38 Regulator may require person who is subject to condition to provide information for monitoring purposes	21

**Overseas Investment Amendment Bill**

22	Section 39 amended (Regulator may require any person to provide information for statistical or monitoring purposes)	21
23	Section 40 replaced (Regulator may require consent holder to provide statutory declaration as to compliance)	21
	40 Regulator may require person who is subject to condition to provide statutory declaration as to compliance	22
24	Section 41 amended (Regulator may require information and documents for purpose of detecting offences)	22
25	New sections 41AA to 41D inserted	23
	41AA Privileges for person required to provide information or document	23
	41A Effect of proceedings	23
	41B Effect of final decision that exercise of powers under sections 38 to 41 unlawful	24
	41C Confidentiality of information and documents	25
	41D Conditions relating to publication or disclosure of information or documents	25
26	New sections 41E and 41F and cross-heading inserted	26
	<i>Disposal of property</i>	
	41E Regulator may issue notice requesting disposal of property	26
	41F Consequences of disposal or retention of property	27
27	Section 46 amended (Offence of false or misleading statement or omission)	28
28	Section 48 amended (Court may order person in breach to pay civil penalty)	28
29	New section 48A inserted (Defences for person involved in contravention, offence, or failure)	28
	48A Defences for person involved in contravention, offence, or failure	28
29A	Section 49 amended (Court may order mortgage to be registered over land)	29
29B	Section 50 amended (Court may order interest to be paid)	29
30	Section 51 replaced (Court may order consent holder to comply with condition of consent or exemption)	29
	51 Court may order compliance with condition of consent, exemption, or exemption certificate	29
31	New sections 51A to 51C and cross-heading inserted	29
	<i>Statement relating to compliance with consent requirement</i>	
	51A Person who acquires interest in residential land must make and provide statement	30
	51B Regulator must authorise manner of providing statement	31

**Overseas Investment Amendment Bill**

	51C	Conveyancer must obtain and keep statement	31
31A		Section 52 amended (Administrative penalties for late filing)	31
32		Sections 54 and 55 and cross-heading replaced	32
		<i>Giving, providing, or serving notices or documents</i>	
	54	Address for service	32
	54A	Notices or other documents given, provided, or served by regulator	32
	55	Non-appearance not ground for court to refuse order under Act if person served in accordance with section 54A	33
	55A	Proof that documents given, provided, or served	33
		Subpart 2—Miscellaneous provisions	
33		Section 61 amended (Regulations)	33
33A		New sections 61B to 61F inserted	35
	<u>61BA</u>	<u>Purpose of exemptions</u>	<u>35</u>
	61B	Regulations may contain class or individual exemptions	36
	61C	Minister may grant individual exemptions	36
	61D	Criteria for all exemptions	36
	61E	Other provisions applying to all exemptions	37
	61F	Person who relies on exemption to acquire property may be subject to existing consent or exemption conditions	38
<u>33B</u>		<u>New section 80 inserted (Transitional provision relating to clause 4A of Schedule 1AA (Exemption relating to dwellings in large apartment developments where sales of dwellings have begun before assent date))</u>	<u>39</u>
	<u>80</u>	<u>Transitional provision relating to clause 4A of Schedule 1AA (Exemption relating to dwellings in large apartment developments where sales of dwellings have begun before assent date)</u>	<u>39</u>
34		New Schedule 1AA inserted	39
35		Consequential amendment to Fisheries Act 1996	39
<u>36</u>		<u>Consequential amendments to Trans-Pacific Partnership Agreement Amendment Act 2016</u>	<u>39</u>
	<u>70</u>	<u>Schedule 1AA amended</u>	<u>40</u>
		<b>Schedule 1</b>	41
		<b>New Schedule 1AA inserted</b>	
		<b>Schedule 2</b>	47
		<b>Schedule 2 replaced</b>	
		<b>Schedule 3</b>	65
		<b>New Schedule 3 inserted</b>	
		<b>Schedule 4</b>	76
		<b>New Schedule 4 inserted</b>	



**Schedule 5**  
**Amendments to Overseas Investment Regulations 2005**

82

**The Parliament of New Zealand enacts as follows:****1 Title**

This Act is the Overseas Investment Amendment Act **2017**.

**2 Commencement**

(1A) **Section 33B** (which inserts, into the principal Act, **section 80**, which relates to **clause 4A** of **Schedule 1AA** (exemption relating to dwellings in large apartment developments where sales of dwellings have begun before assent date)) comes into force on the expiry of the 2-week period that starts on the date of Royal assent. 5

(1) ~~This Act~~ The rest of this Act comes into force on the date appointed by the Governor-General by Order in Council, and 1 or more orders may be made bringing different provisions into force on different dates and appointing different dates for different purposes. 10

(2) To the extent that it is not earlier brought into force, this Act comes into force immediately after the expiry of the 2-month period that starts on the date of Royal assent. 15

(3) In this section, **provision** includes any item, or any part of an item, in any of the schedules.

**3 Principal Act**

This Act amends the Overseas Investment Act 2005 (the **principal Act**). 20

**Part 1****Sensitive land****Subpart 1—Residential land****4 Section 6 amended (Interpretation)**

In section 6(1), insert in their appropriate alphabetical order: 25

**district valuation roll** means the roll that each territorial authority must prepare and maintain under section 7 of the Rating Valuations Act 1998 for its own district in accordance with rules made under that Act

**residential land**—

(a) means land that has a property category of residential or lifestyle in, or for the purpose of, the relevant district valuation roll (for example, the land's first character category code is "R" or "L"); and 30

- (b) includes a residential flat in a building owned by a flat-owning company (regardless of whether the building is on land within a property category referred to in **paragraph (a)**), and, for that purpose, references in this Act to interest include a licence to occupy that flat, where terms in this paragraph have a meaning corresponding to those in section 121A of the Land Transfer Act 1952 or section 122 of the Land Transfer Act 2017 5

## 5 Schedule 1 amended

- (1) In Schedule 1, table 1, above the item relating to non-urban land, insert:

residential land —

- (1A) In Schedule 1, table 1, after the item relating to a historic place, historic area, wahi tapu, or wahi tapu area that is entered on the New Zealand Heritage List/Rārangī Kōrero or for which there is an application that is notified under section 67(4) or 68(4) of the Heritage New Zealand Pouhere Taonga Act 2014, insert: 10

land that is set apart as Māori reservation and that is wahi tapu under section 338 of Te Ture Whenua Maori Act 1993 0.4 hectares

- (2) In Schedule 1, table 2, after the item relating to land over 0.4 hectares that includes a historic place, historic area, wahi tapu, or wahi tapu area that is entered on the New Zealand Heritage List/Rārangī Kōrero or for which there is an application that is notified under section 67(4) or 68(4) of the Heritage New Zealand Pouhere Taonga Act 2014, insert: 15

land over 0.4 hectares that is set apart as Māori reservation and that is wahi tapu under section 338 of Te Ture Whenua Maori Act 1993 0.4 hectares

## Subpart 2—Forestry rights and other *profits à prendre*

### 5A Section 6 amended (Interpretation) 20

- (1) In section 6(1), replace the definition of **exempted interest** with:

**exempted interest** means—

- (a) an easement; or  
(b) a *profit à prendre* that is not a regulated *profit à prendre*

- (2) In section 6(1), insert in their appropriate alphabetical order: 25

**forestry right** means—

- (a) a right created in accordance with the Forestry Rights Registration Act 1983; or  
(b) any other *profit à prendre* that—  
(i) relates to taking timber from a forest; and  
(ii) to the extent (if any) that the *profit à prendre* relates to other things, would, were the *profit à prendre* to be treated as a separate *profit à prendre* in relation to those things, fall within **paragraph** 30

- (b)** of the definition of regulated *profit à prendre* in this subsection
- regulated *profit à prendre*—**
- (a) means—
- (i) a forestry right; or 5
  - (ii) any other *profit à prendre*, if the area of land covered by the *profit à prendre* is (or will be) used exclusively or principally for the purposes of the *profit à prendre*; but
- (b) does not include a *profit à prendre* that is not a forestry right, if the *profit à prendre*— 10
- (i) consists only of rights to take any mineral (as that term is defined in section 2(1) of the Crown Minerals Act 1991); or
  - (ii) is within a class set out in regulations as a class of *profits à prendre* not to be treated as regulated *profits à prendre*

## Part 2 15

### Amendments relating to consent and conditions regime for overseas investments in sensitive New Zealand assets

#### 6 Section 4 amended (Overview)

- (1) In section 4(1)(b)(iv), replace “monitoring” with “information-gathering”.
- (2) In section 4(1)(b)(vii), after “enactments”, insert “(and *see also* **Schedule 1AA** for further transitional, savings, and related provisions)”. 20

#### 7 Section 6 amended (Interpretation)

- (1) In section 6(1), insert in their appropriate alphabetical order:
- benefit to New Zealand test** means the test set out in **section 16E**
- commitment to reside in New Zealand test** means the test set out in **Part 2** of **Schedule 2** 25
- excluded accommodation facility** means—
- (a) a hospital; or
  - (b) any premises used, or intended to be used, in the course of business principally for providing temporary lodging to the public; or 30
  - (c) a camping ground; or
  - (d) any facility within a class set out in regulations as a class of facility to be treated as an additional excluded accommodation facility in this Act
- exemption certificate** means a certificate granted under **clause 4 of Schedule 3** (dwellings in large apartment developments that are purchased off-the-plans) 35

<b>incidental residential use test</b> means the test set out in <b>clause 14</b> of <b>Schedule 2</b>	
<b>increased housing test</b> means the test set out in <b>clause 11</b> of <b>Schedule 2</b>	
<b>investor test</b> , in relation to an overseas investment in sensitive land, means the test set out in <b>section 16(2)</b>	5
<b>long-term accommodation facility</b> —	
(a) means—	
(i) a retirement village or rest home; or	
(ii) a hostel within the meaning of section 2 of the Education Act 1989, or other facility used or intended to be used to provide accommodation to students in accordance with the requirements of section 5B of the Residential Tenancies Act 1986; but	10
(c) does not include any facility to the extent that it is, or is part of, an excluded accommodation facility	
<b>non-occupation outcome</b> has the meaning set out in <b>clause 17</b> of <b>Schedule 2</b>	15
<b>non-residential use test</b> means the test set out in <b>clause 13</b> of <b>Schedule 2</b>	
<b>residential (but not otherwise sensitive) land</b> means land that—	
(a) is or includes residential land; but	
(b) is not otherwise sensitive under Part 1 of Schedule 1	20
<b>residential dwelling</b> —	
(a) means a building or group of buildings, or part of a building or group of buildings, that is—	
(i) used, or intended to be used, only or mainly for residential purposes; and	25
(ii) occupied, or intended to be occupied, exclusively as the home or residence of not more than 1 household; but	
(b) does not include any dwelling—	
(i) to the extent that it is, or is part of, a long-term accommodation facility or an excluded accommodation facility; or	30
(ii) within a class set out in regulations as a class of dwellings not to be treated as residential dwellings in this Act	
<b>security arrangement</b> means an arrangement that in substance secures payment or performance of an obligation (without regard to the form of the arrangement or the identity of the person who has title to the property that is subject to the arrangement)	35
<b>sensitive (but not residential) land</b> means land that—	
(a) is not and does not include residential land; but	

- (b) is sensitive under Part 1 of Schedule 1 for some other reason
- (2) In section 6(1), insert in their appropriate alphabetical order:
- conveyancing services** has the same meaning as in section 6 of the Lawyers and Conveyancers Act 2006
- involved** has the meaning set out in **subsection (7)** 5
- (3) In section 6(1), definition of **farm land**, after “means land”, insert “(other than residential (but not otherwise sensitive) land)”.
- (4) Replace section 6(2) with:
- (2) In this Act, a person is **ordinarily resident in New Zealand**,—
- (a) ~~for the purpose of an overseas investment in sensitive land where the relevant land is or includes residential land, for the purposes of a transaction that will result in an overseas investment in sensitive land where the relevant land is or includes residential land, and related matters, if the person—~~ 10
- (i) holds a residence class visa granted under the Immigration Act 2009; and 15
- (ii) has been residing in New Zealand for at least the immediately preceding 12 months; and
- (iia) is tax resident in New Zealand; and
- (iii) has been present in New Zealand for 183 days or more in total in the immediately preceding 12 months (counting presence in New Zealand for part of a day as a presence for a whole day): 20
- (b) ~~for any other purpose, for the purposes of a transaction that will not result in an overseas investment in sensitive land where the relevant land is or includes residential land, and related matters, if the person—~~ 25
- (i) holds a residence class visa granted under the Immigration Act 2009; and
- (ii) is in one of the following categories:
- (A) is domiciled in New Zealand; or
- (B) is residing in New Zealand with the intention of residing there indefinitely, and has done for the immediately preceding 12 months (*see* subsection (3)). 30
- (4A) After section 6(2), insert:
- (2A) In **subsection (2)(a)(iia)**, **tax resident in New Zealand** means a person who is a New Zealand resident under section YD 1(3) of the Income Tax Act 2007, where the reference in section YD 1(3) to a 12-month period is treated as the immediately preceding 12 months (disregarding the rules in section YD 1(4) to (6) of that Act). 35

- (4B) In section 6(3), replace “subsection (2)(b)(ii)” with “**subsection (2)(b)(ii)(B)**”.
- (5) After section 6(6), insert:
- (7) In this Act, a person is **involved** in a contravention, the commission of an offence, or a failure to comply if the person— 5
- (a) has aided, abetted, counselled, or procured the contravention, the commission of the offence, or the failure; or
  - (b) has induced, whether by threats or promises or otherwise, the contravention, the commission of the offence, or the failure; or
  - (c) has been in any way, directly or indirectly, knowingly concerned in, or party to, the contravention, the commission of the offence, or the failure; or 10
  - (d) has conspired with others to effect the contravention, the commission of the offence, or the failure.
- (8) **Subsection (7)** does not apply to proceedings for offences (but *see* Part 4 of the Crimes Act 1961, which relates to parties to the commission of offences). 15
- 8 Section 7 amended (Who are overseas persons)**
- In section 7(1), replace “resident” with “ordinarily resident in New Zealand”.
- 9 New sections 8AA and 8A and cross-heading inserted** 20
- After section 8, insert:
- 8AA Status of examples**
- (1) An example used in this Act is only illustrative of the provisions to which it relates. It does not limit those provisions.
  - (2) If an example and a provision to which it relates are inconsistent, the provision prevails. 25
- Transitional, savings, and related provisions*
- 8A Transitional, savings, and related provisions**
- The transitional, savings, and related provisions set out in **Schedule 1AA** have effect according to their terms.
- 9A New section 11A inserted (Exemptions from requirement for consent)** 30
- After section 11, insert:
- 11A Exemptions from requirement for consent**
- (1) The exemptions from the requirement for consent in **Schedule 3** have effect.
  - (2) *See also* the exemptions in the regulations.

**10 Section 16 amended (Criteria for consent for overseas investments in sensitive land)**

- (1) Replace section 16(1)(a) to (e) with:
- (a) the investor test is met (unless the overseas investment is exempt from this criterion under **subsection (3)**): 5
  - (b) if the relevant land is residential (but not otherwise sensitive) land,—
    - (i) 1 or more of the following tests in **Schedule 2** are met:
      - (A) the commitment to reside in New Zealand test:
      - (B) the increased housing test:
      - (C) the non-residential use test: 10
      - (D) the incidental residential use test; or
    - (ii) the benefit to New Zealand test is met:
  - (c) if the relevant land is sensitive (but not residential) land,—
    - (i) the relevant overseas person is, or (if that person is not an individual) each of the individuals with control of the relevant overseas person is, a New Zealand citizen, ordinarily resident in New Zealand, or intending to reside in New Zealand indefinitely; or 15
    - (ii) the benefit to New Zealand test is met:
  - (d) if the relevant land is residential land but is not described in **paragraph (b)**,— 20
    - (i) the commitment to reside in New Zealand test is met; or
    - (ii) the benefit to New Zealand test is met:
  - (e) if the relevant land is not described in **paragraphs (b) to (d)**, the benefit to New Zealand test is met:
- (2) Replace section 16(2) with: 25
- (2) For the purposes of this section, the investor test is met if the relevant Ministers are satisfied that—
- (a) the relevant overseas person has, or (if that person is not an individual) the individuals with control of the relevant overseas person collectively have, business experience and acumen relevant to that overseas investment; and 30
  - (b) the relevant overseas person has demonstrated financial commitment to the overseas investment; and
  - (c) the relevant overseas person is, or (if that person is not an individual) all the individuals with control of the relevant overseas person are, of good character; and 35
  - (d) the relevant overseas person is not, or (if that person is not an individual) each individual with control of the relevant overseas person is not, an

	individual of a kind referred to in section 15 or 16 of the Immigration Act 2009 (which sections list certain persons not eligible for visas or entry permission under that Act).	
(3)	<b>Subsection (1)(a)</b> (the investor test) does not apply to an overseas investment in sensitive land if either of the following circumstances applies:	5
	(a) <b>Circumstance 1:</b>	
	(i) the application for consent is under the commitment to reside in New Zealand test only; and	
	(ii) the relevant land is residential (but not otherwise sensitive) land:	
	(b) <b>Circumstance 2:</b>	10
	(i) the application for consent is under the increased housing test only; and	
	(ii) the increased housing outcome under the test is to be met by a development described in <b>clause 4(1) of Schedule 3</b> (large apartment developments); and	15
	(iii) the interest in land relates to 1 or more new residential dwellings in that development; and	
	(iv) the transaction is entered into before the construction of the dwelling is complete.	
(3A)	<u>See also <b>clause 4(5) of Schedule 2</b> (which relates to the commitment to reside in New Zealand test and relationship property) for a circumstance in which an individual with control of the relevant overseas person can be disregarded in determining whether the investor test is met.</u>	20
(4)	See section 19 in relation to <b>subsection (2)(c) and (d)</b> .	
<b>11</b>	<b>New sections 16E to 16G inserted</b>	25
	After section 16, insert:	
<b>16E</b>	<b>Benefit to New Zealand test</b>	
	<i>General test</i>	
(1)	The benefit to New Zealand test is met if all of the following are met:	
	(a) the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders), as determined by the relevant Ministers under section 17; and	30
	(b) if the relevant land is or includes non-urban land that, in area (either alone or together with any associated land) exceeds 5 hectares, the relevant Ministers determine that that benefit will be, or is likely to be, substantial and identifiable; and	35
	(c) if the relevant land is or includes residential land, the relevant Ministers are satisfied that the conditions that the relevant Ministers will impose	



- on the consent in accordance with **section 16F** will be, or are likely to be, met.
- (2) **Subsection (3)** applies if the relevant Ministers are satisfied—
- (a) that the relevant land will be, or is likely to be, used exclusively, or nearly exclusively, for forestry activities; and 5
  - (b) that—
    - (i) the relevant land is not residential land only; and
    - (ii) if the relevant land includes any residential land, the residential land adjoins other land that is included in the relevant land but is not residential land; and 10
  - (c) that the relevant land will not be, or is not likely to be, used, or held for future use, for any residential purposes, except where—
    - (i) accommodation is being provided for the purpose only of supporting forestry activities being carried out on the relevant land; and
    - (ii) all buildings being used for that accommodation are located on land on which some or all of those forestry activities are being carried out or on land that adjoins land on which some or all of those forestry activities are being carried out; and 15
  - (d) that, whenever a crop of trees is harvested on the relevant land, a new crop will be, or is likely to be, established on the relevant land to replace the crop that is harvested (subject to **subsection (7)**). 20
- (3) For the purposes of **subsection (1)(a) and (b)**, the relevant Ministers may assess the benefit to New Zealand (or any part of it or group of New Zealanders) by comparing the expected result of the overseas investment with what is expected to happen in relation to the relevant land if— 25
- (a) the overseas investment is not given effect to; and
  - (b) there were to be no future changes to the ownership or control (direct or indirect) of—
    - (i) interests in the relevant land; or
    - (ii) rights or interests in securities of persons who own or control (directly or indirectly) interests in the relevant land. 30
- Special test relating to forestry activities*
- (4) Regulations may provide that the benefit to New Zealand test is also met if the relevant Ministers are satisfied—
- (a) that the relevant land will be, or is likely to be, used exclusively, or nearly exclusively, for forestry activities; and 35
  - (b) that—
    - (i) the relevant land is not residential land only; and

- (ii) if the relevant land includes any residential land, the residential land adjoins other land that is included in the relevant land but is not residential land; and
- (c) that the relevant land will not be, or is not likely to be, used, or held for future use, for any residential purposes, except where— 5
- (i) accommodation is being provided for the purpose only of supporting forestry activities being carried out on the relevant land; and
- (ii) all buildings being used for that accommodation are located on land on which some or all of those forestry activities are being carried out or on land that adjoins land on which some or all of those forestry activities are being carried out; and 10
- (d) that any requirements set out in regulations in accordance with **subsection (5)** will be, or are likely to be, met (subject to **subsection (8)**); and
- (e) that, whenever a crop of trees is harvested on the relevant land, a new crop will be, or is likely to be, established on the relevant land to replace the crop that is harvested (subject to **subsection (7)**); and 15
- (f) if the relevant land is or includes special land and regulations require the special land, or any part of it, to be offered to the Crown, that the special land, or the part of it, has been offered to the Crown in accordance with regulations; and 20
- (g) that any other requirements set out in regulations are met.
- ~~(5) Regulations may, for the purposes of **subsection (4)(d)**, set out requirements that must be met after the overseas investment is given effect to, including the times at or by which, or the periods throughout which, the requirements must be met. 25~~
- (5) Regulations may, for the purposes of **subsection (4)(d)**, set out requirements that must be met after the overseas investment is given effect to.
- (6) Requirements set out in regulations for the purposes of **subsection (4)(d)** may (without limitation) be about 1 or more of the following: 30
- (a) activities that must, or must not, be carried out on the relevant land:
- ~~(b) the maintenance or protection of things that exist when the transaction from which the overseas investment results is entered into (including (without limitation) requirements about maintaining any existing historic heritage, biodiversity, environmental, or public access commitments or existing commitments relating to the supply of logs): 35~~
- (b) the maintenance or protection of things that exist when or before the overseas investment transaction is entered into (including (without limitation) the maintenance of existing arrangements relating to historic heritage, biodiversity, environmental matters, public access, or the supply of logs): 40

(c)	outcomes that must result from the overseas investment.	
	<i>Powers not to apply, or to modify, certain requirements</i>	
(7)	The relevant Ministers may decide—	
(a)	not to apply the requirement set out in <b>subsection (2)(d) or (4)(e)</b> if satisfied that the relevant overseas person (together with the relevant overseas person's associates) will not have sufficient ownership or control (direct or indirect) of rights in respect of the relevant land to ensure that the requirement will be met:	5
(b)	to modify the requirement set out in <b>subsection (2)(d) or (4)(e)</b> by not applying the requirement for a part of the relevant land if satisfied that the relevant overseas person (together with the relevant overseas person's associates) will not have sufficient ownership or control (direct or indirect) of rights in respect of that part of the relevant land to ensure that the requirement will be met for that part of the relevant land.	10
(8)	The relevant Ministers may decide not to apply, or may modify, any requirement set out in regulations for the purposes of <b>subsection (4)(d)</b> if satisfied that the relevant overseas person (together with the relevant overseas person's associates) will not have sufficient ownership or control (direct or indirect) of rights in respect of the relevant land to ensure that the requirement will be met.	15
	<i>Definitions</i>	20
(9)	In this section,—	
	<b>adjoins</b> includes separated only by a public road (including a motorway or a State highway, and whether or not the road is formed)	
	<b>forestry activities</b> means any of the following:	
(a)	maintaining a crop of trees:	25
(b)	harvesting a crop of trees:	
(c)	establishing a crop of trees	
	<b>special land</b> means foreshore or seabed or a bed of a river or lake.	
<b>16F</b>	<b>Conditions for consents relating to sensitive land that is residential land: benefit to New Zealand test</b>	30
(1)	This section applies if an application for consent for an overseas investment in sensitive land is being considered under the benefit to New Zealand test and the relevant land is or includes residential land.	
(1A)	However, this section does not apply where <b>section 16E(3)</b> is being applied or the application is being considered in accordance with <b>section 16E(4)</b> ( <i>see</i> instead <b>section 16G</b> ).	35
(2)	If consent is granted, to the extent that the consent relates to the residential land,—	

(a)	the relevant Ministers must determine a residential land outcome listed in the table in <b>clause 19 of Schedule 2</b> as applying to the residential land; and	
(b)	the consent must be made subject to the set of conditions for the residential land outcome, subject to any exemptions applying (in each case, as described in the table).	5
(3)	Consent may be granted on the basis of different residential land outcomes applying for different parts of the residential land (with different sets of conditions imposed for different parts).	
	<b>Example</b>	10
	A is an overseas person who wants to buy 100% of the shares in what is currently a 100% New Zealand-owned and -controlled company.	
	The company owns the following sensitive land (and has no other interests in sensitive land):	
	<ul style="list-style-type: none"> <li>• 40 hectares of <del>non-urban (non-residential) land</del>: <u>non-urban land (that is not residential land)</u>;</li> <li>• residential land where 2 houses are being constructed.</li> </ul>	15
	No part of the land is, or will be, used for forestry activities.	
	<i>Criteria for consent</i>	
	Because the relevant land is a mix of sensitive (but not residential) land and residential land, <b>section 16(1)(e)</b> applies and (in addition to the other criteria in section 16(1) that apply) the benefit to New Zealand test must be met in relation to all of the relevant land.	20
	<i>Residential land outcomes</i>	
	Because the relevant land includes residential land, <b>section 16E(1)(c)</b> applies.	25
	A wants to complete and sell one of the houses and live in the other house. A's application for consent proposes the following residential land outcomes (from the table in <b>clause 19 of Schedule 2</b> ) for the residential land:	
	<ul style="list-style-type: none"> <li>• occupation as a main home or residence (on the basis that the commitment to reside in New Zealand test will be met in respect of part of the residential land);</li> <li>• increased residential dwellings (for the remaining part of the residential land).</li> </ul>	30
	<i>Required conditions</i>	
	If consent is granted, each part of the residential land will be covered by a set of conditions (see <b>clause 19 of Schedule 2</b> ) for the residential land outcomes that the relevant Ministers determine apply.	35
	(See also <b>sections 25A and 25B</b> , in relation to the imposition of conditions generally.)	

- 16G Conditions for consents relating to sensitive land that will be used for forestry activities**
- (1) **Subsection (2)** applies if an application for consent for an overseas investment in sensitive land is being considered under the benefit to New Zealand test and **section 16E(3)** is being applied. 5
- (2) If granted, the consent must be made subject to conditions for the purpose of ensuring that the following requirements will be met:
- (a) the requirements set out in **section 16E(2)(a) and (c)**:
- (b) the requirement set out in **section 16E(2)(d)**, subject to **section 16E(7)**. 10
- (3) **Subsection (4)** applies if an application for consent for an overseas investment in sensitive land is being considered under the benefit to New Zealand test in accordance with **section 16E(4)**.
- (4) If granted, the consent must be made subject to conditions for the purpose of ensuring that the following requirements will be met: 15
- (a) the requirements set out in **section 16E(4)(a) and (c)**:
- (b) the requirements set out in regulations made for the purposes of **section 16E(4)(d)**, subject to **section 16E(8)**:
- (c) the requirement set out in **section 16E(4)(e)**, subject to **section 16E(7)**. 20
- (5) A condition imposed in relation to the requirement set out in **section 16E(2)(d) or (4)(e)** may require the replacement of a crop of trees that is harvested to be on a like-for-like basis or on any similar basis.
- 12 Section 17 amended (Factors for assessing benefit of overseas investments in sensitive land)** 25
- (1) In section 17(1), replace “If section 16(1)(e)(ii) applies” with “For the purposes of **section 16E(1)(a) and (b)** (including where **section 16E(3)** is being applied)”.
- (2) In section 17(1)(b), replace “section 16(1)(e)(ii) and (iii)” with “**section 16E(1)(a) and (b)** (including where **section 16E(3)** is being applied)”. 30
- 13 Section 19 amended (Applying good character and Immigration Act 2009 criteria)**
- (1) In section 19(1), replace “sections 16(1)(c)” with “**sections 16(2)(c)**”.
- (2) In section 19(2), replace “sections 16(1)(d)” with “**sections 16(2)(d)**”.
- 14 New section 23A inserted (Applications for standing consent in advance of transaction)** 35
- After section 23, insert:

**23A Applications for standing consent in advance of transaction**

- (1) A person may, in the circumstances set out in **Schedule 4**, apply for a consent (a **standing consent**) for 1 or more transactions in respect of 1 or more overseas investments in sensitive land—
- (a) that have not been entered into at the time when the application is made and when the standing consent is granted; and
  - (b) that fall within a class of transactions described in the application.
- (2) A standing consent is a consent to give effect to an overseas investment under a transaction for the purposes of ~~this Act section 10(1)(a)~~, subject to **Schedule 4**.

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**15 Section 25 amended (Granting or refusal of consent)**

Repeal section 25(1)(c).

**16 New sections 25A and 25B inserted**

After section 25, insert:

**25A Conditions of consent**

- (1) A consent granted under this Act may, in addition to the automatic conditions in **section 25B** (which apply to every consent) and any conditions that this Act requires be imposed on the consent, be made subject to such other conditions (if any) that the relevant Minister or Ministers think appropriate.
- (2) Nothing in this Act limits the discretion of the relevant Minister or Ministers under **subsection (1)**. For example, conditions of a consent may—
- (a) expand on, or be similar to, conditions that this Act requires be imposed on the consent (if any):
  - (b) expand on, be similar to, or be the same as conditions that this Act requires be imposed on other consents:
  - (c) require the consent holder to dispose of property in certain circumstances (for example, if a condition of consent is breached).
- (4) For the purpose of enforcing a condition, the relevant Minister or Ministers may enter into a contract or deed with an applicant (including a mortgage or other security arrangement).

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**25B Automatic conditions: every overseas investment**

It is a condition of every consent, whether or not it is stated in the consent, that—

- (a) the information provided by each applicant to the regulator or the relevant Minister or Ministers in connection with the application was correct at the time it was provided; and

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- (b) each consent holder must comply with the representations and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the consent is granted, unless compliance should reasonably be excused.

**16AA Section 27 amended (Consent may be varied by agreement)** 5

After section 27(3), insert:

- (3A) Subsection (3) does not apply in respect of a condition that this Act required to be imposed but the relevant Ministers may, with the agreement of the consent holder, vary the condition (for example, by varying the specified period within which a matter must occur). 10

**16A New section 27A inserted (Consent holder may apply for new consent)**

After section 27, insert:

**27A Consent holder may apply for new consent**

- (1) This section applies to a consent for a transaction that is subject to 1 or more conditions that this Act required to be imposed in relation to the consent. 15
- (2) The holder of the consent may apply for a new consent for the transaction.
- (3) The application must be made on the basis that any overseas investments that have resulted from the transaction are instead to be treated as if they will be given effect to on a future date specified or determined in accordance with the application. 20
- (4) ~~The relevant Minister or Ministers~~ relevant Ministers—
- (a) must consider the application in accordance with section 14; and
- (b) may grant the new consent if satisfied that all of the applicable criteria are met.
- (5) Despite **subsection (3)**, if the application asks for the benefit to New Zealand test to be applied to any overseas investment, the relevant Ministers may— 25
- (a) assess the benefit to New Zealand (or any part of it or group of New Zealanders) by comparing the expected result of the overseas investment from the date on which the overseas investment was actually given effect to: 30
- (b) otherwise apply (wholly or partly) any provision of **sections 16E to 16G** as they would have done had they been considering the application at the time of the original application for consent for the transaction.
- (6) If the ~~relevant Minister or Ministers~~ relevant Ministers grant the new consent, the new consent (including its conditions) replaces the previous consent (including its conditions) with effect from the start of— 35
- (a) the date referred to in **subsection (3)**; or
- (b) if later, the date after the date on which the new consent is granted.

- 17 Section 28 repealed (Conditions of consent)**  
Repeal section 28.
- 18 Section 31 amended (What regulator does)**  
After section 31(h), insert:
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|--|----|
| (ha) do the following:   | 5  |
| (i) monitor compliance with this Act and the regulations:  |    |
| (ii) investigate conduct that constitutes or may constitute a contravention, or an involvement in a contravention, of this Act or the regulations: |    |
| (iii) investigate conduct that constitutes or may constitute an offence under this Act:  | 10 |
| (iv) enforce this Act and the regulations:   |    |
- 19 Section 34 amended (Ministerial directive letter)**  
After section 34(3)(b), insert:
- |   |    |
|---|----|
| (ba) conditions of consent, including conditions that this Act requires be imposed: | 15 |
|---|----|
- 19A Section 62 amended (Foreshore, seabed, riverbed, or lakebed acquired by the Crown under consent process is not subdivision)**  
In section 62(a), replace “section 17(2)(f)” with “section **16E(4)(f)** or 17(2)(f)”.
- 20
- 19B Sections 73 to 75 and cross-headings repealed**  
Repeal sections 73 to 75 and the cross-heading above each section.
- 19C Schedule 2 replaced**  
Replace Schedule 2 with the **Schedule 2** set out in **Schedule 2** of this Act (which relates to sensitive land that is residential land).
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- 19D New Schedule 3 inserted**  
After Schedule 2, insert the **Schedule 3** set out in **Schedule 3** of this Act (which relates to exemptions from the requirement for consent for overseas investments in sensitive land).
- 19E New Schedule 4 inserted**
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- After Schedule 3 (as inserted by **section 19D**), insert the **Schedule 4** set out in **Schedule 4** of this Act (which relates to standing consents).
- 19F Amendments to regulations**  
Amend the Overseas Investment Regulations 2005 as set out in **Schedule 5**.



## Part 3

### Enforcement and other miscellaneous matters

#### Subpart 1—Amendments relating to enforcement

- 20 Subpart 4 heading in Part 2 replaced** 5  
 In Part 2, replace the subpart 4 heading with:
- Subpart 4—Information-gathering powers**
- 21 Section 38 replaced (Regulator may require consent holder to provide information for monitoring purposes)**  
 Replace section 38 with:
- 38 Regulator may require person who is subject to condition to provide information for monitoring purposes** 10

(1) For the purpose of monitoring compliance with the conditions of a consent, an exemption, or an exemption certificate, the regulator may, by notice in writing, require a person (A) who is required to comply with any of the conditions to provide the regulator with the information or documents (or both) that are specified in the notice. 15

(2) A must—

  - (a) comply with the regulator’s notice within the time, and in the manner, specified in it; and
  - (b) certify that the information provided to the regulator, including information contained in any documents provided, is correct. 20

(3) The regulator may retain or copy any information or document that is provided under this section.
- 22 Section 39 amended (Regulator may require any person to provide information for statistical or monitoring purposes)** 25
- (1) Replace section 39(1)(b) with:
- (b) monitoring compliance with a condition or conditions of a consent, an exemption, or an exemption certificate.
- (2) In section 39(2)(a), after “within the time”, insert “, and in the manner,”.
- 23 Section 40 replaced (Regulator may require consent holder to provide statutory declaration as to compliance)** 30  
 Replace section 40 with:

<b>40</b>	<b>Regulator may require person who is subject to condition to provide statutory declaration as to compliance</b>	
(1)	The regulator may, by notice in writing, require a person (A) who is required to comply with a condition or conditions of a consent, an exemption, or an exemption certificate to provide the regulator with a statutory declaration verifying—	5
	(a) the extent to which A has complied with the condition or conditions; and	
	(b) if A is in breach of a condition or conditions, the reasons for the breach and the steps that A intends to take to remedy the breach.	
(2)	A must provide the declaration—	10
	(a) within the time, and in the manner, specified in the notice; or	
	(b) if the notice specifies that A must provide the declaration at intervals, at those intervals.	
(3)	A declaration that is made under this section is not admissible in evidence in any proceedings under this Act except proceedings under section 46.	15
<b>24</b>	<b>Section 41 amended (Regulator may require information and documents for purpose of detecting offences)</b>	
(1)	In the heading to section 41, replace “ <b>for purpose of detecting offences</b> ” with “ <b>to be provided for purpose of monitoring compliance, investigating, and enforcing Act and regulations</b> ”.	20
(2)	Replace section 41(1) with:	
(1)	If the regulator has reasonable grounds to believe that it is necessary or desirable for 1 or more of the purposes set out in <b>subsection (1A)</b> , the regulator may, by written notice, require any person (A)—	
	(a) to provide to the regulator, within the time and in the manner specified in the notice, any information or class of information specified in the notice; or	25
	(b) to provide to the regulator any document or class of documents specified in the notice (within the time and in the manner specified in the notice); or	30
	(c) if necessary, to reproduce, or assist in reproducing, in usable form, information recorded or stored in any document or class of documents specified in the notice (within the time and in the manner specified in the notice).	
(1A)	The purposes are as follows:	35
	(a) monitoring compliance with this Act or the regulations (or both):	
	(b) investigating conduct that constitutes or may constitute a contravention, or an involvement in a contravention, of this Act or the regulations (or both):	

(c)	investigating conduct that constitutes or may constitute an offence under this Act:	
(d)	enforcing this Act or the regulations (or both).	
(3)	In section 41(2), after “within the time”, insert “, and in the manner.”.	
(3A)	Repeal section 41(3).	5
(4)	After section 41(4), insert:	
(5)	Sections 38 to 40 do not limit this section.	
<b>25</b>	<b>New sections 41AA to 41D inserted</b>	
	After section 41, insert:	
<b>41AA</b>	<b>Privileges for person required to provide information or document</b>	10
	A person who is required to provide information or a document under any of <b>sections 38</b> to 41 has the same privileges in relation to the provision of the information or document as witnesses have in any court.	
<b>41A</b>	<b>Effect of proceedings</b>	
(1)	If a person commences a proceeding in any court in respect of the exercise of any powers conferred by any of sections 38 to 41, until a final decision in relation to the proceeding is given,—	15
(a)	the powers may be, or may continue to be, exercised as if the proceeding had not been commenced; and	
(b)	no person is excused from fulfilling the person’s obligations under any of those sections by reason of the proceeding.	20
(2)	However, the court may make an interim order overriding the effect of <b>sub-section (1)</b> , but only if the court is satisfied that—	
(a)	the applicant has established a prima facie case that the exercise of the power in question is unlawful; and	25
(b)	the applicant would suffer substantial harm from the exercise or discharge of the power or obligation; and	
(c)	if the power or obligation is exercised or discharged before a final decision is made in the proceeding, none of the remedies specified in <b>sub-section (3)</b> , or any combination of those remedies, could subsequently provide an adequate remedy for that harm; and	30
(d)	the terms of the order do not unduly hinder or restrict the regulator in performing or exercising the regulator’s functions, powers, or duties under this Act.	
(3)	The remedies are as follows:	35
(a)	any remedy that the court may grant in making a final decision in relation to the proceeding (for example, a declaration):	

- (b) any damages that the applicant may be able to claim in concurrent or subsequent proceedings:
- (c) any opportunity that the applicant may have, as defendant in a proceeding, to challenge the admissibility of any evidence obtained as a result of the exercise or discharge of the power or obligation.

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Compare: 2011 No 5 s 57

**41B Effect of final decision that exercise of powers under sections 38 to 41 unlawful**

- (1) This section applies in any case where it is declared, in a final decision given in any proceeding in respect of the exercise of any powers conferred by any of sections 38 to 41, that the exercise of any powers conferred by any of those sections is unlawful. 10
- (2) If this section applies, to the extent to which the exercise of those powers is declared unlawful, the regulator must ensure that, immediately after the decision of the court is given,— 15
  - (a) any information obtained as a consequence of the exercise of powers declared to be unlawful and any record of that information are destroyed; and
  - (b) any documents, or extracts from documents, that are obtained as a consequence of the exercise of powers declared to be unlawful are returned to the person who previously had possession or control of them, and any copies of those documents or extracts are destroyed; and 20
  - (c) any information derived from or based on such information, documents, or extracts is destroyed.
- (3) However, the court may order that any information, record, or copy of any document or extract from a document may, instead of being destroyed, be retained by the regulator subject to any terms and conditions that the court imposes. 25
- (4) No information, and no documents or extracts from documents, obtained as a consequence of the exercise of any powers declared to be unlawful, and no record of any such information or document,— 30
  - (a) are admissible as evidence in any civil proceeding unless the court hearing the proceeding in which the evidence is sought to be adduced is satisfied that there was no unfairness in obtaining the evidence:
  - (b) are admissible as evidence in any criminal proceeding if the evidence is excluded under section 30 of the Evidence Act 2006: 35
  - (c) may otherwise be used in connection with the exercise of any powers conferred by this Act unless the court that declared the exercise of the

powers to be unlawful is satisfied that there was no unfairness in obtaining the evidence.

Compare: 2011 No 5 s 58

#### **41C Confidentiality of information and documents**

- (1) This section applies to the following information and documents: 5
- (a) information and documents supplied or disclosed to, or obtained by, the regulator under section 41:
  - (b) information derived from information and documents referred to in **paragraph (a)**.
- (2) The regulator must not publish or disclose any information or document to which this section applies unless— 10
- (a) the information or document is available to the public under any enactment or is otherwise publicly available; or
  - (b) the information is in a statistical or summary form; or
  - (c) the publication or disclosure of the information or document is for the purposes of, or in connection with, the performance or exercise of any function, power, or duty conferred or imposed on a Minister or Ministers or the regulator by this Act or any other enactment; or 15
  - (d) the publication or disclosure of the information or document is made to a law enforcement or regulatory agency for the purposes of, or in connection with, the performance or exercise of any function, power, or duty conferred or imposed on the law enforcement or regulatory agency by any enactment; or 20
  - (e) the publication or disclosure of the information or document is to a person who the regulator is satisfied has a proper interest in receiving the information or document; or 25
  - (f) the publication or disclosure of the information or document is with the consent of the person to whom the information or document relates or of the person to whom the information or document is confidential.
- (3) In relation to personal information, this section applies subject to the Privacy Act 1993. 30

Compare: 2011 No 5 s 59

#### **41D Conditions relating to publication or disclosure of information or documents**

- (1) The regulator may, by written notice to a person to whom any information or document is published or disclosed under **section 41C(2)(c) to (f)**, impose any conditions in relation to the publication, disclosure, or use of the information or document by the person. 35

- (2) The regulator must, in considering what conditions to impose, have regard to whether conditions are necessary or desirable in order to protect the privacy of an individual.
- (3) Conditions imposed under **subsection (1)** may include, without limitation, conditions relating to— 5
- (a) maintaining the confidentiality of anything provided (in particular, information that is personal information within the meaning of the Privacy Act 1993);
  - (b) the storing of, the use of, or access to anything provided;
  - (c) the copying, returning, or disposing of copies of documents provided. 10
- (4) A person who refuses or fails, without reasonable excuse, to comply with any conditions commits an offence and is liable on conviction to a fine not exceeding \$200,000.
- Compare: 2011 No 5 s 60

**26 New sections 41E and 41F and cross-heading inserted** 15

In Part 2, after the subpart 5 heading, insert:

*Disposal of property*

- 41E Regulator may issue notice requesting disposal of property**
- (1) This section applies if the regulator has reasonable grounds to believe that a person (A) has, in relation to property,— 20
- (a) contravened this Act; or
  - (b) committed an offence under this Act; or
  - (c) failed to comply with a condition of a consent or of an exemption.
- (2) The regulator may, by notice in writing,—
- (a) ask A to dispose of the property (within the time and in the manner specified in the notice for the purposes of this paragraph); and 25
  - (b) require A, if A wants to rely on **section 41F(1)**, to notify the regulator of that fact (within the time and in the manner specified in the notice for the purposes of this paragraph).
- (3) The time specified in the notice for the purposes of **subsection (2)(a)** must not be less than 90 days after the date on which the notice is given (but this does not limit the power to specify any time under **subsection (2)(b)**). 30
- (4) The notice must set out the regulator's belief and the reasonable grounds for that belief.
- (5) The regulator may withdraw a notice at any time before A does both of the following: 35

- (a) disposes of the property within the time and in the manner specified in the notice under **subsection (2)(a)**; and
- (b) complies with **subsection (2)(b)** within the time and in the manner specified in the notice under that paragraph.
- (5A) This section does not limit any other power that the regulator has. 5
- (6) In this section and **section 41F**, **property** has the meaning set out in section 47(3).
- 41F Consequences of disposal or retention of property**
- (1) A person (**A**) is not liable for the contravention, offence, or failure referred to in **section 41E(1)** if A— 10
- (a) disposes of the property within the time and in the manner specified in the notice under **section 41E(2)(a)**; and
- (b) complies with **section 41E(2)(b)** within the time and in the manner specified in the notice under that paragraph.
- (2) **Subsection (1)** does not apply if, in connection with the property, A has— 15
- (a) made any statement that is false or misleading in any material particular or any material omission in—
- (i) any offer or representation made for the purposes of this Act or regulations; or
- (ii) any information or document provided to the regulator; or 20
- (iii) any communication with the regulator; or
- (b) provided the regulator with a document that is false or misleading in any material particular.
- (3) If another person (**B**) is involved in the contravention, offence, or failure referred to in **section 41E(1)**, B may be ordered to pay a civil penalty under section 48 even though A is not liable under **subsection (1)**. 25
- (4) *See also* Part 4 of the Crimes Act 1961, which relates to parties to the commission of offences.
- (5) The regulator may take any other enforcement action it thinks fit in relation to the contravention, offence, or failure referred to in **section 41E(1)** if— 30
- (a) A fails to notify the regulator under **section 41E(2)(b)** within the time and in the manner specified in the notice under that paragraph; or
- (b) A does not dispose of the property within the time and in the manner specified in the notice under **section 41E(2)(a)**.
- (6) However, the failure to comply with the notice under **section 41E** is not itself 35 a contravention of this Act that gives rise to any civil or criminal liability.

**27 Section 46 amended (Offence of false or misleading statement or omission)**

(1) In section 46(1), replace “false or misleading statement” with “statement that is false or misleading in a material particular”.

(1A) After section 46(1)(a), insert:

(aa) any statement made under **section 51A**; or

5

(2) In section 46(2), after “misleading”, insert “in a material particular”.

**28 Section 48 amended (Court may order person in breach to pay civil penalty)**

(1) In the heading to section 48, after “breach”, insert “or involved in breach”.

(2) Replace section 48(1)(d) with:

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(d) failed to comply with a condition of a consent, an exemption, or an exemption certificate; or

(3) After section 48(1)(d), insert:

(e) been involved in a contravention of this Act, the commission of an offence under this Act, or a failure to comply referred to in paragraph (c) or (d).

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(4) In section 48(2)(b), before “any quantifiable gain”, insert “3 times the amount of”.

(4A) In section 48(2)(b), replace “or exemption” with “, exemption, or exemption certificate”.

20

(5) After section 48(2), insert:

(2A) However, in the case of a contravention of **section 51C**, the amount of the civil penalty must not exceed \$20,000.

**29 New section 48A inserted (Defences for person involved in contravention, offence, or failure)**

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After section 48, insert:

**48A Defences for person involved in contravention, offence, or failure**

(1) This section applies if—

(a) a person (A) contravenes this Act, commits an offence under this Act, or fails to comply as referred to in section 48(1)(c) or (d); and

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(b) another person (B) is involved in the contravention, the commission of the offence, or the failure.

(2) In any proceeding under section 48 against B for involvement in the contravention, the commission of the offence, or the failure, it is a defence if B proves that—

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- (a) B’s involvement in the contravention, the commission of the offence, or the failure was due to reasonable reliance on information supplied by another person; or
- (b) B took all reasonable and proper steps to ensure that A complied with this Act, did not commit the offence, or complied with the notice or condition referred to in section 48(1)(c) or (d) (as the case may be). 5
- (3) In **subsection (2)(a)**, **another person** does not include a director, an employee, or an agent of B.  
Compare: 2013 No 69 s 503
- 29A Section 49 amended (Court may order mortgage to be registered over land)** 10
- (1) In section 49(1), replace “a consent or an exemption” with “a consent, an exemption, or an exemption certificate”.
- (2) In section 49(1)(a), replace “condition of the consent” with “condition of the consent, the exemption, or the exemption certificate”. 15
- 29B Section 50 amended (Court may order interest to be paid)**
- In section 50(1), replace “a condition of a consent” with “a condition of a consent, an exemption, or an exemption certificate”.
- 30 Section 51 replaced (Court may order consent holder to comply with condition of consent or exemption)** 20
- Replace section 51 with:
- 51 Court may order compliance with condition of consent, exemption, or exemption certificate**
- (1) This section applies to—
- (a) a consent holder: 25
- (b) a person who is relying on an exemption or an exemption certificate that is subject to a condition.
- (2) On the application of the regulator, the court may—
- (a) restrain a person from acting in breach of a condition of a consent, an exemption, or an exemption certificate: 30
- (b) order a person in breach of a condition of a consent, an exemption, or an exemption certificate to comply with it.
- 31 New sections 51A to 51C and cross-heading inserted**
- After section 51, insert:

*Statement relating to compliance with consent requirement***51A Person who acquires interest in residential land must make and provide statement**

- (1) This section applies if—
- (a) a person (**A**) is acquiring an interest in residential land under a transaction; and 5
  - (b) the interest acquired is a freehold estate or a lease, or any other interest, for a term of 3 years or more (including rights of renewal, whether of the grantor or grantee), but excluding an interest under a mortgage, an interest under any other security arrangement, or an exempted interest; and 10
  - (c) an instrument ~~in respect of~~ recording A's acquisition of the interest will be lodged by or under the direction of a conveyancer.
- (2) A must, in respect of the acquisition, make a statement, to the best of A's knowledge and belief, relating to whether the transaction requires consent under this Act and, if so, ~~whether and how confirming that~~— 15
- (a) A has complied or will comply with the requirement; and
  - (b) if A is acting on behalf of another person (**B**), B has complied or will comply with the requirement.
- (3) The statement must be made in a manner that is authorised by the regulator in a notice under **section 51B**. 20
- (4) The statement—
- (a) may be in a single document; or
  - (b) may be included as part of another document (for example, an agreement for sale and purchase) if this is authorised by the regulator.
- (5) A must, before the instrument is lodged, provide the statement, or a copy of the statement, to the conveyancer who will lodge, or direct the lodgement of, the instrument. 25
- (6) A statement may be made and provided on A's behalf by another person (**C**) in either of the following ways (in which case the statement must be made to the best of C's knowledge and belief): 30
- (a) by C acting under an enduring power of attorney granted by A under the Protection of Personal and Property Rights Act 1988; or
  - (b) by C acting in a manner authorised by the regulator in a notice under **section 51B**.
- (7) In this section and **sections 51B and 51C**,— 35
- conveyancer** means a lawyer or conveyancer (where lawyer and conveyancer have the same meanings as in the Lawyers and Conveyancers Act 2006)

**lodged** means lodged for registration or notation under the Land Transfer Act 2017.

**51B Regulator must authorise manner of providing statement**

- (1) The regulator must, by notice, authorise the manner in which the statement must be made, including by doing any of the following: 5
- (a) specifying the required content of the statement, which may include any information that the regulator thinks relevant (for example, information relating to whether A or B is an overseas person, has or will have a consent, or is relying or will rely on an exemption):
  - (b) approving or prescribing 1 or more forms for the statement or 1 or more methods for making the statement (or both): 10
  - (c) allowing the statement to be included in another document (for example, in an agreement for sale and purchase):
  - (d) authorising the statement to be made and provided on A’s behalf (including the manner for doing so). 15
- (2) The regulator must—
- (a) notify the making of the notice in the *Gazette*; and
  - (b) publish the notice on an Internet site maintained by, or on behalf of, the regulator.
- (3) The notice is a disallowable instrument but not a legislative instrument for the purposes of the Legislation Act 2012 and must be presented to the House of Representatives under section 41 of that Act. 20

**51C Conveyancer must obtain and keep statement**

- (1) A conveyancer must not lodge, or direct the lodgement of, the instrument referred to in **section 51A(1)(c)** if the conveyancer— 25
- (a) has not obtained the statement or a copy of the statement that is required to be provided under **section 51A(5) or (6)**; or
  - (b) has reasonable grounds for believing that the statement or copy that is provided is not correct in a material particular.
- (2) The conveyancer must take reasonable steps to ensure that a copy of the statement is kept for a period of at least 7 years after the date on which the instrument is lodged. 30
- (3) Sections **41E**, 45, and 47 do not apply in respect of a contravention of this section (but a conveyancer may be liable to a civil penalty under section 48).

**31A Section 52 amended (Administrative penalties for late filing)** 35

In section 52(1), replace “a condition of a consent or of an exemption” with “a condition of a consent, an exemption, or an exemption certificate”.

**32 Sections 54 and 55 and cross-heading replaced**

Replace sections 54 and 55 and the cross-heading above section 54 with:

*Giving, providing, or serving notices or documents*

**54 Address for service**

Every consent holder, holder of an exemption under **section 61C**, and holder of an exemption certificate must— 5

- (a) have a postal or street address in New Zealand for service of notices and other documents; and
- (b) notify the regulator of that address; and
- (c) notify the regulator of any change in that address. 10

**54A Notices or other documents given, provided, or served by regulator**

(1) Any notice or other document that the regulator may or must give to, provide to, or serve on any person (**A**) by or under this Act or for the purposes of any proceeding under this Act must be treated as having been given, provided, or served on A if,— 15

- (a) if A is a person who has complied with **section 54**, it has been sent by prepaid post to the last address for service for the person that has been notified to the regulator:
- (b) in any other case, it has been served in any of the following ways:
  - (i) by leaving the document for A in a prominent position on the relevant land (whether or not A is in possession of that land) and sending a copy of the document to any lawyer or conveyancer who provided conveyancing services to A in respect of the land (where lawyer and conveyancer have the same meanings as in the Lawyers and Conveyancers Act 2006): 20
  - (ii) if A has a known electronic address, by sending it to A at that address in electronic form:
  - (iii) if A has a known place of residence or business in New Zealand, by sending it by prepaid post addressed to A at that place of residence or business: 30
  - (iv) if A has an agent in New Zealand and A is absent from New Zealand, by sending it by prepaid post addressed to the agent at the agent's place of residence or business or by sending it in electronic form to the agent at the agent's electronic address.

(2) In **subsection (1)(b)(i)**, **relevant land** means any land in respect of which A has (or is alleged to have)— 35

- (a) contravened this Act; or
- (b) committed an offence under this Act; or

- (c) failed to comply with a notice under section 38, 39, 40, or 41; or
- (d) failed to comply with a condition of a consent, an exemption, or an exemption certificate.
- (3) **Subsection (1)(b)(iv)** applies regardless of whether the agent is acting or has acted on behalf of A in respect of the matter to which the document relates. 5
- (4) This section applies despite any other rule or law.
- 55 Non-appearance not ground for court to refuse order under Act if person served in accordance with section 54A**
- The court must not refuse to make an order under sections 47 to **51** on the ground that a person has not appeared or otherwise taken part in the proceeding if the court is satisfied that the proceeding has been served in accordance with **section 54A**. 10
- 55A Proof that documents given, provided, or served**
- (1) If a document is given, provided, or served by sending it by prepaid post, then, unless the contrary is shown, the document is given, provided, or served when it would have been delivered in the ordinary course of post, and, in proving that the document was given, provided, or served, it is sufficient to prove that the letter concerned was properly addressed and posted. 15
- (2) If a document is given, provided, or served by sending it in electronic form, then, unless the contrary is shown, the document is given, provided, or served at the time that the electronic communication first enters an information system that is outside the control of the document's originator, and, in proving that the document was given, provided, or served, it is sufficient to prove that the document concerned was properly addressed and sent. 20
- (3) In this section, **information system** means a system for producing, sending, receiving, storing, displaying, or otherwise processing electronic communications. 25

## Subpart 2—Miscellaneous provisions

- 33 Section 61 amended (Regulations)**
- (1) Before section 61(1)(a), insert: 30
- (aaa) prescribing classes of dwellings not to be treated as residential dwellings in this Act:
- (aab) prescribing additional classes of facilities to be treated as excluded accommodation facilities in this Act:
- (aac) prescribing classes of *profits à prendre* not to be treated as regulated *profits à prendre* in this Act: 35
- (2) After section 61(1)(b), insert:

- (ba) making provision referred to in **section 16E(4)** (*see also paragraphs (c) and (ca)* of this subsection):
- (2A) Replace section 61(1)(c) with:
- (c) setting out what must be done to make an offer to the Crown count for the purposes of section **16E(4)(f)** or 17(2)(f), including prescribing— 5
- (i) a maximum or minimum period for which an offer must be open:
- (ii) the maximum price at which the land may be offered, and a valuation procedure for fixing that maximum price:
- ~~(iii) on what terms and conditions the land must be offered:~~
- (iii) requirements about the non-price terms and conditions on which the land must be offered, with the purpose of ensuring that it is offered to the Crown on terms and conditions that are equivalent to those offered to the overseas person— 10
- (A) to the extent that the offer to the Crown is equivalent to the offer made to the overseas person; and 15
- (B) subject to the person making the offer choosing to make the terms and conditions more favourable to the Crown:
- (iv) power for the relevant Ministers—
- (A) to determine that an offer does not count for the purposes of section **16E(4)(f)** or 17(2)(f) on the basis that any requirements set out in regulations under this paragraph have not been met in relation to the offer: 20
- (B) to waive the requirement that an offer be made for the purposes of section **16E(4)(f)** or 17(2)(f):
- (v) other processes that the person making an offer must follow, or other requirements that that person must meet, in relation to the preparation, making, assessment, acceptance, or implementation of the offer, including requirements to meet costs that are, or that would otherwise be, incurred by the Crown: 25
- (ca) setting out processes that the Crown must follow, or other requirements that the Crown must meet, in relation to the preparation, making, assessment, acceptance, or implementation of an offer made, or to be made, for the purposes of section **16E(4)(f)** or 17(2)(f): 30
- (3) Replace section 61(1)(i) and (j) with:
- (ib) implementing obligations that have entered into force for New Zealand before the commencement of the ~~**Overseas Investment Amendment Act 2017**~~ before the commencement of **section 33** of the Overseas Investment Amendment Act 2017 under any international agreements to which New Zealand is a party and that relate to either or both of over- 35

- seas investments in sensitive land and overseas investments in significant business assets:
- (ic) specifying types of overseas persons for the purposes of **clauses 4(2)(d) and 7 of Schedule 2** where necessary to implement obligations that have entered into force for New Zealand before the commencement of the ~~Overseas Investment Amendment Act 2017~~ before the commencement of **section 33** of the Overseas Investment Amendment Act 2017 under any international agreements to which New Zealand is a party and that relate to overseas investments in sensitive land:
- (ie) prescribing, for the purposes of **clauses 7 and 8 of Schedule 2**,—
- (i) the process for considering whether a person remains committed to residing in New Zealand, including relevant factors (which may be non-exhaustive):
- (ii) additional ways in which a trigger event is resolved:
- (if) setting a maximum percentage of new residential dwellings in a development that an exemption certificate may be applied to, including a nil percentage:
- (3A) After section 61(1)(k), insert:
- (ka) prescribing matters for the purposes of **section 61F**, including listing exemptions for the purposes of that section, prescribing circumstances in which ~~that section applies~~ that section does not apply, specifying classes of conditions to which **section 61F(2)** applies, and providing for matters under **section 61F(4)**:
- (4) Replace section 61(2) with:
- (2) Regulations under this Act (including regulations for prescribing fees, charges, bonds, or administrative penalties) may make different provisions for different cases on any differential basis.
- 33A New sections 61B to 61F inserted**
- Before section 62, insert:
- 61BA Purpose of exemptions**
- The purpose of **sections 61B and 61C** is to—
- (a) provide flexibility where compliance with this Act is impractical, inefficient, or unduly burdensome but where the purpose of this Act can still be substantially achieved through terms and conditions of the exemption; or
- (b) allow for exemptions that are minor or technical; or
- (c) allow for exemptions in respect of all or any of the following matters:
- (i) interests in land to be used for diplomatic or consular purposes:

<ul style="list-style-type: none"> <li>(ii) <u>persons registered as a charitable entity under the Charities Act 2005:</u></li> <li>(iii) <u>minor increases in ultimate ownership and control by overseas persons if consent has already been granted for those overseas persons to own or control sensitive assets:</u></li> <li>(iv) <u>security arrangements that are entered into in the ordinary course of business:</u></li> <li>(v) <u>relationship property as defined in section 8 of the Property (Relationships) Act 1976:</u></li> <li>(vi) <u>interests in land acquired for the purpose of providing network utility services:</u></li> <li>(vii) <u>interests in residential (but not otherwise sensitive) land acquired in order to comply with a requirement imposed by or under the Resource Management Act 1991 and to support a business that is not principally in the business of using land for residential purposes.</u></li> </ul>	<p>5</p> <p>10</p> <p>15</p>
<b>61B Regulations may contain class or individual exemptions</b>	20
(1) The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations exempting any transaction, person, interest, right, or assets, or any class of transactions, persons, interests, rights, or assets, from the requirement for consent or from the definition of overseas person or associate or associated land.	
(2) See <b>sections 61D</b> (criteria for all exemptions) and <b>61E</b> (other provisions applying to all exemptions).	
<b>61C Minister may grant individual exemptions</b>	25
(1) The Minister may exempt any transaction, person, interest, right, or assets from the requirement for consent or from the definition of overseas person or associate or associated land.	
(2) See <b>sections 61D</b> (criteria for all exemptions) and <b>61E</b> (other provisions applying to all exemptions).	30
(3) The Minister must publish each exemption granted under <b>subsection (1)</b> on an Internet site maintained by or for the regulator.	
<b>61D Criteria for all exemptions</b>	
(1) The Minister may recommend any regulations under <b>section 61B</b> , or grant an exemption under <b>section 61C</b> , only if the Minister considers—	35
(a) that there are circumstances that mean that it is necessary, appropriate, or desirable to provide an exemption from the provisions of this Act; and	



- (a) that 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 61BA(a) to (c)**; and
- (b) that the extent of the exemption is not broader than is reasonably necessary to address those circumstances. 5
- (2) In so considering, the Minister—
- (a) must have regard to the purpose of this Act; and
- (b) may have regard to all or any of the following:
- (i) the extent to which effective ownership or control is changed by the overseas investment or remains with persons who are not overseas persons: 10
- (ii) the extent to which a sensitive asset is already held in overseas ownership or control:
- (iii) the extent to which the acquisition is the result of the operation of other legislation or an event outside the control of the overseas person: 15
- (iv) the extent of time an overseas person is likely to have ownership or control of a right or an interest, for what purpose, and the likely impact on the sensitive asset of that overseas ownership or control: 20
- (v) any other factors that seem to the Minister to be relevant to the circumstances.
- 61E Other provisions applying to all exemptions**
- (1) This section applies to regulations under **section 61B** and exemptions granted under **section 61C**. 25
- (2) An exemption may be made subject to any conditions.
- (2A) Regulations under **section 61B** may provide, where a person relies on an exemption in the regulations, for the following:
- (a) for conditions of consents, to the extent set out in the regulations, to continue in effect as conditions of the consents but on the basis set out in the regulations (whether or not the person who relies on the exemption is a consent holder): 30
- (b) for the person who relies on the exemption to be treated as a consent holder to the extent set out in the regulations:
- (c) for consent holders to cease to be subject to the conditions of their consents to the extent set out in the regulations. 35
- (3) An exemption may at any time be amended or revoked in the same way as it may be made (for example, **section 61D** applies with all necessary modifications).

- (4) The reasons of the Minister for recommending the regulations or granting an exemption (including why the exemption is ~~appropriate-necessary, appropriate, or desirable~~) must be published together with the regulations or exemption.
- (5) However, the publication of an exemption under **section 61C**, or of the reasons for granting any exemption, may be deferred, ~~or need not be published, or~~ dispensed with (in whole or in part) if the Minister is satisfied on reasonable grounds that good reason for withholding the exemption or the reasons (as the case may be) would exist under the Official Information Act 1982 if they were official information. 5
- Compare: 1993 No 107 ss 45, 45A; 2013 No 69 ss 571(5), 572 10
- 61F Person who relies on exemption to acquire property may be subject to existing consent or exemption conditions**
- (1) This section applies if—
- (a) ~~either of the following apply:~~
- (i) ~~a consent holder (A) is subject to 1 or more conditions:~~ 15
- (ii) ~~a person (A) relies on an exemption in, or an exemption granted by or under, this Act or the regulations that is subject to 1 or more conditions; and~~
- (a) 1 or more of the following apply:
- (i) a consent holder (A) is subject to 1 or more conditions that apply in connection with property: 20
- (ii) a person (A) relies on an exemption in, or an exemption granted under, this Act or the regulations that is subject to 1 or more conditions that apply in connection with property:
- (iii) because of the previous operation of this section, a person (A) is treated as being subject to 1 or more conditions that apply in connection with property; and 25
- (b) another person (B) acquires the property (in whole or in part) under an overseas investment transaction, but B does not obtain consent because B relies on an exemption listed in the regulations; and 30
- (e) ~~the circumstances prescribed in the regulations apply; and~~
- (d) the regulations specify 1 or more classes of conditions to which **subsection (2)** applies.
- (1A) However, this section does not apply in the circumstances prescribed in the regulations (if any). 35
- (2) ~~B must be treated as being subject to the conditions of the consent or the exemption of the class specified in the regulations that apply in connection with the property (and those conditions apply with all necessary modifications as if B were the person who was originally subject to the conditions).~~

- (3) ~~In the case of **subsection (1)(a)(i)**, B must be treated as being a consent holder in respect of the property and in respect of the conditions that apply to B (for example, B may agree to the variation of the condition under section 27).~~
- (2) B must be treated as being subject to the conditions referred to in **subsection (1)(a)** that are of the class specified in the regulations (and those conditions apply as conditions of a consent or an exemption, as the case may be, with all necessary modifications as if B were the person who was originally subject to the conditions). 5
- (3) If the conditions that apply to B are conditions of a consent, B must be treated as being a consent holder in respect of the property and in respect of the conditions (for example, B may agree to the variation of the conditions under section 27). 10
- (4) A ceases to be subject to the conditions in the circumstances, and to the extent, provided for in the regulations.
- (5) **Subsection (4)** does not limit **subsection (3)**. 15
- (6) This section does not limit **section 61E(2A)**.
- 33B** **New section 80 inserted (Transitional provision relating to clause 4A of Schedule 1AA (Exemption relating to dwellings in large apartment developments where sales of dwellings have begun before assent date))**  
After section 79, insert: 20
- 80** **Transitional provision relating to clause 4A of Schedule 1AA (Exemption relating to dwellings in large apartment developments where sales of dwellings have begun before assent date)**  
A person may apply for an exemption certificate, and the application may be dealt with, before the commencement of **clause 4A** of **Schedule 1AA** as if that clause and the relevant fee prescribed in the regulations were in force. 25
- 34** **New Schedule 1AA inserted**  
Insert the **Schedule 1AA** set out in **Schedule 1** of this Act as the first schedule to appear after the last section of the principal Act.
- 35** **Consequential amendment to Fisheries Act 1996** 30
- (1) This section amends the Fisheries Act 1996.
- (2) In section 57(1)(e), replace “monitoring” with “information-gathering”.
- 36** **Consequential amendments to Trans-Pacific Partnership Agreement Amendment Act 2016**
- (1) This section amends the Trans-Pacific Partnership Agreement Amendment Act 2016. 35
- (2) Repeal section 67.

(3) Replace section 70 with:

**70** Schedule 1AA amended

In **Schedule 1AA**, after **Part 1**, insert the **Part 2** set out in Schedule 3 of this Act.

(4) Replace the Schedule 3 heading with:

5

**Schedule 3**

**Schedule 1AA of Overseas Investment Act 2005 amended**

**s 70**

(5) In Schedule 3, new Schedule 1AA of the Overseas Investment Act 2005,—

(a) delete the Schedule 1AA heading:

10

(b) replace “**Part 1**” with “**Part 2**”:

(c) renumber clauses 1 to 3 as clauses **9 to 11**.

**Schedule 1**  
**New Schedule 1AA inserted**

s 34

**Schedule 1AA**  
**Transitional, savings, and related provisions**

5

s 8A

**Part 1**

**Provisions relating to Overseas Investment Amendment Act 2017**

- 1 Existing transactions and applications not affected**
- (1) The amendments made by the Overseas Investment Amendment Act **2017** apply only to transactions entered into on or after commencement. 10
- (2) In particular, this Act and the regulations, as in force immediately before commencement, continue to apply to the following as if the Overseas Investment Amendment Act **2017** had not been enacted:
- (aa) any transaction entered into before commencement: 15
- (a) any application for consent that is made before commencement and that relates to a transaction entered into before commencement:
- (b) any application for consent that is made after commencement and that relates to a transaction entered into before commencement.
- (3) **Subclause (2)** does not limit **subclause (1)**. 20
- (4) In this clause, entering into a contract or an arrangement before commencement is a transaction that must be treated as being entered into before commencement even if, immediately before commencement, the transaction is subject to a condition precedent.
- (4A) If a sale or transfer of property or securities, or the issue, allotment, buyback, or cancellation of securities, occurs without a contract or an arrangement being entered into or an understanding being arrived at, the transaction must be treated as being entered into for the purpose of **subclauses (1) and (2)** when the property or securities are sold or transferred or the securities are issued, allotted, bought back, or cancelled (as the case may be). 25  
30
- (5) In this clause, **clause 1A**, and **clause 2**, **commencement** means the commencement of this clause.
- 
- Example**
- A is an overseas person.
- Before commencement, A enters into a sale and purchase agreement to buy a house that is on residential (but not otherwise sensitive) land. At that time, the land is not sensitive under this Act. The agreement is subject to a finance condition. 35

	After commencement, the finance condition is satisfied and the agreement becomes unconditional. Settlement occurs 1 month later.	
	The transaction does not require consent under this Act because the transaction was entered into before commencement (that is, at a time when the residential land was not sensitive land and its purchase did not require consent).	5
<b>1A</b>	<b>Existing transactions: benefit to New Zealand test relating to sensitive land that will be used for forestry activities</b>	
(1)	This clause applies to a transaction entered into before commencement if consent is not given for the transaction before commencement.	
(2)	Despite <b>clause 1</b> ,—	10
(a)	an application for consent for the transaction may be considered under the benefit to New Zealand test applying <b>section 16E(3)</b> or in accordance with <b>section 16E(4)</b> , as inserted by the Overseas Investment Amendment Act <b>2017</b> ; and	
(b)	the other provisions of this Act, as amended by the Overseas Investment Amendment Act <b>2017</b> , apply accordingly.	15
(3)	<b>Clause 1(4) and (4A)</b> applies for the purposes of this clause.	
<b>2</b>	<b>New information-gathering powers and service provisions apply to matters before or after commencement</b>	
(1)	Despite <b>clause 1</b> ,—	20
(a)	the regulator may exercise a power under section 41 (as in force after commencement) in connection with any transaction, act, omission, or other matter regardless of whether the transaction, act, omission, or other matter occurred before or after commencement; and	
(b)	<b>sections 54 to 55A</b> (as in force after commencement) apply to any document that is served after commencement regardless of whether the document relates to a transaction, act, omission, or other matter that occurs before or after commencement.	25
(1A)	<u>However, <b>section 54</b> (as in force after commencement) does not apply to a holder of an exemption under <b>section 61C</b> if the exemption was continued in force under <b>clause 3(2)</b> of this schedule.</u>	30
(2)	<b>Sections 41B–41AA to 41D</b> (as in force after commencement) apply for the purposes of <b>subclause (1)(a)</b> .	
<b>3</b>	<b>Existing exemptions saved</b>	
(1)	An exemption made under section 61(1)(i) that is in force immediately before the commencement of <b>section 33</b> of the Overseas Investment Amendment Act <b>2017</b> continues in force as if it were made under <b>section 61B</b> of this Act.	35
(2)	An exemption granted under regulation 37 of the Overseas Investment Regulations 2005 that is in force immediately before the commencement of <b>section</b>	

**33** of the Overseas Investment Amendment Act **2017** continues in force as if it were granted under **section 61C** of this Act.

- (3) ~~However, **sections 61C(3), 61D, and 61E(4)** do not apply to those exemptions as granted (but do apply to an amendment to, or revocation of, those exemptions made after the commencement of **section 33**).~~ 5
- (3) However, **sections 61BA, 61C(3), 61D, and 61E(4)**—
- (a) do not apply to those exemptions as granted; and
- (b) do not apply (other than **section 61C(3)**) to a minor or technical amendment to those exemptions, or to a replacement of those exemptions with only minor or technical amendments, made after the commencement of **section 33** of the Overseas Investment Amendment Act **2017**. 10

#### **4 Exemption relating to existing Resource Management Act 1991 requirements**

- (1) This clause applies if an overseas person (**A**), or a person (**B**) on behalf of an overseas person, is (in effect) required to acquire an interest in residential (but not otherwise sensitive) land because of— 15
- (a) a condition of a resource consent granted under the Resource Management Act 1991 before the commencement of this clause; or
- (b) any other requirement imposed by or under that Act and that is imposed on A or B before the commencement of this clause. 20
- (2) ~~A transaction does not require consent under this Act for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land that is the acquisition of that interest in residential (but not otherwise sensitive) land and is entered into by A or B for the purpose of satisfying that condition or another other requirement.~~ 25

#### **4A Exemption relating to dwellings in large apartment developments where sales of dwellings have begun before assent date**

- (1) This clause applies in respect of land that is being used, or intended to be used, for 1 (or more) of the following (a **development**): 30
- (a) in the construction of 1 or more multi-storey buildings as 1 development, where each building consists, or will consist, of at least 20 residential dwellings; or
- (b) to increase the number of residential dwellings in 1 or more multi-storey buildings, where the number of residential dwellings in each building will be increased by 20 or more. 35

##### *Exemption certificates*

- (2) A person involved in the development (the **developer**) may apply for an exemption certificate no later than the expiry of the 6-month period that starts

- on the date of Royal assent of the Overseas Investment Amendment Act **2017** (the **assent date**), specifying the land that constitutes the development (in a way that enables its boundaries to be clearly identified).
- (3) The relevant Minister or Ministers may grant an exemption certificate if they are satisfied that— 5
- (a) at least 20 new residential dwellings that are not completed at the assent date (the **new dwellings**) will be, or are likely to be, completed in the development before the expiry of the 5-year period that starts on the assent date; and
- (b) on or before the assent date, a transaction has been entered into by the parties in good faith in the ordinary course of business for the acquisition of 1 or more of the new dwellings that the relevant Minister or Ministers are satisfied will be, or are likely to be, completed in the development before the expiry of that 5-year period. 10
- (4) In considering whether the matters in **subclause (3)** are met, the relevant Minister or Ministers may have regard to factors such as— 15
- (a) whether the development has appropriate resource consent, building consent, and any other relevant authorisations; and
- (b) the developer's financial strength; and
- (c) the previous activity of the developer (or its associates or individuals with control) regarding use of residential land; and 20
- (d) the previous record of the developer (or its associates or individuals with control) in complying with consent conditions or applying for consent conditions to be varied.
- (5) An exemption certificate must be applied to 100% of the new dwellings in the development. 25
- Exemptions for dwellings to which exemption certificate applies that are purchased from developer*
- (6) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land in respect of a residential dwelling in the development if— 30
- (a) the relevant land is residential (but not otherwise sensitive) land; and
- (b) an exemption certificate applies to the dwelling under **subclause (5)**; and
- (c) the person (the **purchaser**) acquires the relevant land before the expiry of the 5-year period that starts on the assent date; and 35
- (d) the purchaser acquires the relevant land from—
- (i) the developer; or



(ii)	<u>another person from whom the exemption certificate permits the purchaser to acquire the relevant land in reliance on this exemption.</u>	
	<i>Other provisions</i>	
(7)	<u>In any exemption certificate granted under this clause, the relevant Minister or Ministers—</u>	5
(a)	<u>must specify the land that constitutes the development; and</u>	
(b)	<u>may specify persons or classes of persons for the purposes of <b>subclause (6)(d)</b> having regard to the purpose of this exemption, which is to allow persons involved in the construction of new dwellings to sell those dwellings (but not the development) to an overseas person as the first sale of the dwelling without the overseas person requiring consent.</u>	10
(8)	<u>The relevant Minister or Ministers may, with the agreement of the developer, vary an exemption certificate granted under this clause to the extent that it relates to the following:</u>	15
(a)	<u>the developer;</u>	
(b)	<u>the persons specified under <b>subclause (7)(b)</b>.</u>	
(9)	<u>For the purposes of Part 2 of the Act, <b>exemption certificate</b> includes an exemption certificate granted under this clause.</u>	
(10)	<u><b>Clause 1(4) and (4A)</b> applies for the purposes of this clause as if references to commencement were references to assent date.</u>	20
<b>6</b>	<b>References to Land Transfer Act 2017</b>	
(1)	This clause applies until the Land Transfer Act 1952 ceases to apply to instruments lodged for registration or endorsement.	
(2)	The definition of <b>lodged</b> in <b>section 51A</b> of this Act must be treated as including <del>being</del> lodged for registration or endorsement under the Land Transfer Act 1952 or the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002.	25
<b>7</b>	<b>Section 61F applies to conditions before and after commencement</b>	
	<b>Section 61F</b> may apply to a condition regardless of whether the condition came into effect before or after the commencement of this clause.	30
<b>7A</b>	<b>Provisions relating to exemptions in clauses 6 and 9 of Schedule 3</b>	
(1)	<u>For the purposes of <b>clause 6(4)(b)(i) of Schedule 3</b>, the acquisition (or treated acquisition) of a forestry right by a related forestry investor is to be disregarded if the acquisition (or treated acquisition)—</u>	35
(a)	<u>was made before commencement; or</u>	
(b)	<u>was made on or after commencement but resulted from a transaction referred to in <b>clause 1(2)(aa)</b> of this schedule.</u>	

(2) For the purposes of **clause 9(4)(b)(ii) of Schedule 3**, it does not matter if a regulated *profit à prendre* was first held (or treated as first held) by a related *profit* investor—

(a) before commencement; or

(b) on or after commencement as a result of a transaction referred to in **clause 1(2)(aa)** of this schedule.

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(3) In this clause, **commencement** means the commencement of **clause 1** of this schedule.

## **8 Review of amendments relating to forestry**

(1) The Minister must—

10

(a) carry out a review of the operation and effectiveness of the amendments made by the Overseas Investment Amendment Act **2017** relating to forestry (including forestry rights); and

(b) prepare a report on that review, including the Minister's recommendations for amendments to this Act (if any); and

15

(c) present the report to the House of Representatives as soon as practicable after it has been prepared.

(2) The review must be started within 2 years after the commencement of this clause.

**Schedule 2**  
**Schedule 2 replaced**

s 19C

<b>Schedule 2</b>		5
<b>Sensitive land that is residential land</b>		<b>ss 6, 16, 16F, 61</b>
<b>Contents</b>		<b>Page</b>
<b>Part 1</b>		
<b>Outline and definitions</b>		
1	Outline of this schedule	48
2	Interpretation	48
<b>Part 2</b>		
<b>Commitment to reside in New Zealand test</b>		
<i>Availability of test</i>		
3	For what land is test in this Part available	49
4	Who are qualifying individuals and key individuals	49
<i>Test and conditions</i>		
5	How commitment to reside in New Zealand test is met	50
6	Conditions for consent if commitment to reside in New Zealand test is met	51
<i>Trigger events</i>		
7	What are trigger events and how they are resolved	52
8	Waiver relating to trigger event	53
<i>Exemption</i>		
9	Exemption from definition of key individual	54
<b>Part 3</b>		
<b>Increased housing, non-residential use, and incidental residential use tests</b>		
<i>Availability of tests</i>		
10	For what land are tests in this Part available	55
<i>Increased housing test</i>		
11	How increased housing test is met	55
<i>Non-residential use test and incidental residential use test</i>		
12	What is the relevant business	56
13	How non-residential use test is met	56

14	How incidental residential use test is met	57
	<b>Part 4</b>	
	<b>How transaction meets more than 1 test in this schedule</b>	
15	How transaction meets more than 1 test in this schedule	58
	<b>Part 5</b>	
	<b>Conditions attached to outcomes for residential land</b>	
	<i>Conditions</i>	
16	Conditions attached to outcomes for residential land	58
17	What is <u>are</u> on-sale outcome and non-occupation outcome	59
18	Conditions for consent if 1 or more tests in Part 3 are met	59
19	Conditions for consent if benefit to New Zealand test is met and residential land is involved	60
	<i>Exemptions from on-sale outcome and condition</i>	
20	Exemption for large developments with shared equity, rent-to-buy, and rental arrangements	62
21	Exemption for indirect or minority interests in overseas persons that own or control land	63
	<b>Part 1</b>	
	<b>Outline and definitions</b>	
<b>1</b>	<b>Outline of this schedule</b>	
(1)	In this schedule,—	
(a)	<b>Part 2</b> sets out the commitment to reside in New Zealand test, which is a test that is only available for residential land:	5
(b)	<b>Part 3</b> sets out the increased housing test, the non-residential use test, and the incidental residential use test, which are tests that are only available for overseas investments in sensitive land where the relevant land is residential (but not otherwise sensitive) land:	10
(c)	<b>Part 4</b> explains how more than 1 test can be met for the purpose of <b>section 16(1)(b)(i)</b> :	
(d)	<b>Parts 2 and 5</b> set out conditions that this Act requires be imposed on consents that are granted for certain overseas investments in sensitive land where the relevant land is or includes residential land.	15
(2)	This clause is only a guide to the general scheme and effect of this schedule.	
<b>2</b>	<b>Interpretation</b>	
	In this schedule,—	
	<b>key individual</b> , in relation to an overseas investment, has the meaning set out in <b>clause 4</b>	20

**qualifying individual** has the meaning set out in **clause 4**

**relationship property** means relationship property as defined in section 8 of the Property (Relationships) Act 1976

**relevant business** has the meaning set out in **clause 12(2) and (3)**

**relevant interest**, in relation to residential land, means—

- (a) any interest in the residential land;
- (b) any right or interest in securities of a person who owns or controls (directly or indirectly) any interest in the residential land

**relevant interest**, in relation to residential land, means—

- (a) the interest in the residential land; or
- (b) rights or interests in securities of a person who owns or controls (directly or indirectly) any interest in the residential land

**resolved**, in relation to a trigger event, has the meaning set out in **clause 7**

**specified period** means the period or periods (or a means of calculating a period or periods) to be specified in the consent for the matter concerned

**spouse or partner** means spouse, civil union partner, or de facto partner

**trigger event** is defined in **clause 7**.

## Part 2

### Commitment to reside in New Zealand test

#### *Availability of test*

#### **3 For what land is test in this Part available**

- (1) The commitment to reside in New Zealand test is only available for residential land.
- (2) It does not matter if the residential land is also sensitive for some other reason under Part 1 of Schedule 1.

#### **4 Who are qualifying individuals and key individuals**

- (1) This clause defines certain terms for the purposes of an overseas investment in sensitive land that is considered under the commitment to reside in New Zealand test.
- (2) A person is a **qualifying individual** if the person—
  - (a) is a New Zealand citizen; or
  - (b) is ordinarily resident in New Zealand; or
  - (c) is an overseas person who holds a residence class visa granted under the Immigration Act 2009; or

- (d) is an overseas person of a type that is specified in regulations made under **section 61(1)(ic)**.
- (3) The **key individuals** for the overseas investment are—
- (a) the relevant overseas person (if an individual); or
- (b) if the relevant overseas person is not an individual, every individual with control of the relevant overseas person (unless the individual is exempt under **clause 9**). 5
- (4) However, if—
- (a) 2 individuals (**A and B**) who would be key individuals under **sub-clause (3)** are the spouse or partner of each other; and 10
- (b) ~~the relevant interest in the residential land will be acquired as relationship property of A and B; and~~
- (c) ~~the regulations exempt B from the requirement for consent under section 10(1)(a);—~~
- (b) either— 15
- (i) the relevant interest in the residential land will be acquired as relationship property of A and B and regulations exempt B from the requirement for consent under section 10(1)(a); or
- (ii) the interest in the residential land will be acquired by a company that is incorporated in New Zealand and in which all of the securities are wholly owned as relationship property by A and B, on the basis that A is a key individual,— 20
- then B is not a key individual for the overseas investment.
- (5) B (but not A) can also be disregarded for the overseas investment when determining whether the investor test is met if— 25
- (a) the application for consent is under the commitment to reside in New Zealand test only; and
- (b) the investor test applies (because the relevant land is or includes residential land and land that is sensitive under Part 1 of Schedule 1 for some other reason); and 30
- (c) the relevant Ministers are satisfied that A is an individual with control of the relevant overseas person (for example, if the relevant overseas person is a company).

*Test and conditions*

- 5 How commitment to reside in New Zealand test is met** 35
- (1) The commitment to reside in New Zealand test is met if all of the following are met:
- (a) the relevant Ministers are satisfied that—

<ul style="list-style-type: none"> <li>(i) every key individual is a qualifying individual; and</li> <li>(ii) the purpose of acquiring the relevant interest in the residential land is the acquisition of 1 dwelling (whether that dwelling is constructed on, or is being or will be constructed on, the residential land) for all of the key individuals to occupy as their main home or residence; and</li> </ul>	5
<ul style="list-style-type: none"> <li>(b) every key individual who is an overseas person (an <b>OP</b>) (if any) provides a statutory declaration that the OP intends,— <ul style="list-style-type: none"> <li>(i) at least until the declaration end date, to be present in New Zealand for at least 183 days in every 12-month period beginning on the date of consent or its anniversary in any year; and</li> <li>(ii) (if not already tax resident in New Zealand) to become tax resident in New Zealand; and</li> <li>(iii) to remain tax resident in New Zealand at least until the declaration end date.</li> </ul> </li> </ul>	10 15
<p>(2) <i>See also clause 6</i> (which sets out certain conditions to be imposed on certain consents that rely on meeting this test, including a requirement for the consent holder to dispose of all relevant interests in the residential land in certain circumstances).</p>	20
<p>(3) In this clause,—</p> <p><b>declaration end date</b>, in relation to an OP, means the earlier of—</p> <ul style="list-style-type: none"> <li>(a) the date that the OP becomes a New Zealand citizen or ordinarily resident in New Zealand; or</li> <li>(b) the date that the relevant overseas person ceases to have a relevant interest in the residential land</li> </ul> <p><b>dwelling</b> means a residential dwelling or a dwelling in a long-term accommodation facility</p> <p><b>tax resident in New Zealand</b> means a person who is a New Zealand resident under section YD 1 of the Income Tax Act 2007.</p>	25
<p><b>6 Conditions for consent if commitment to reside in New Zealand test is met</b></p>	30
<p>(1) This clause applies if consent is to be granted for an overseas investment on the basis of the commitment to reside in New Zealand test and 1 or more key individuals are overseas persons.</p>	35
<p>(2) Conditions must be imposed on the consent for the purpose of requiring the matters in the first column of the following table.</p>	35

- (3) Conditions so imposed cease to have effect as set out in the second column of the following table.

**If 1 or more key individuals are overseas persons, conditions that require the following matters must be imposed on the consent**

- |   |   |
|---|---|
| 1 | All key individuals must occupy the dwelling as their main home or residence (the <b>occupation requirement</b> )   |
| 2 | The consent holder must dispose of all relevant interests that the consent holder has in the residential land within 12 months of the date that a trigger event occurs (unless the trigger event is resolved within those 12 months) (the <b>disposal requirement</b> ) |

**... to have effect until**

- Every key individual who was an overseas person has become a New Zealand citizen or ordinarily resident in New Zealand
- The trigger event regime ceases for the overseas investment (*see* **clause 7**)

- (4) *See also* **sections 25A and 25B** (in relation to the imposition of conditions generally).

*Trigger events*

5

**7 What are trigger events and how they are resolved**

- (1) Trigger events only occur for an overseas investment in relation to key individuals who are overseas persons (each, an **OP**) at the date of consent.
- (2) In the following table,—
- (a) the first column defines each trigger event in relation to an OP; and
- (b) the second column alongside sets out how the trigger event is resolved.

10

<b>Trigger event</b>	<b>How trigger event is resolved</b>	
1	<p><del>OP is absent from New Zealand for more than 183 days in any 12-month period beginning on the date of consent or its anniversary in any year, without a waiver. On an anniversary date, OP has been absent from New Zealand for more than 183 days in total in the immediately preceding 12 months without a waiver</del></p>	<ul style="list-style-type: none"> <li>• OP is present in New Zealand for at least 183 days in the 12-month period beginning on the date that the trigger event occurs in total in the 12-month period beginning on the anniversary date; or</li> <li>• A waiver is applied for and granted (<i>see</i> <b>clause 8</b>); or</li> <li>• A prescribed resolution applies; or</li> <li>• The trigger event regime ceases for OP (<i>see</i> <b>subclause (3)</b>)</li> </ul>
2	<p>OP ceases to hold a residence class visa granted under the Immigration Act 2009</p>	<ul style="list-style-type: none"> <li>• OP becomes the holder of a residence class visa granted under the Immigration Act 2009; or</li> <li>• OP becomes a person of a type that is specified in regulations made under <b>section 61(1)(ic)</b>; or</li> <li>• A prescribed resolution applies; or</li> <li>• The trigger event regime ceases for OP (<i>see</i> <b>subclause (3)</b>)</li> </ul>



Trigger event	How trigger event is resolved
3 OP ceases to be a person of a type that is specified in regulations made under <b>section 61(1)(ic)</b>	<ul style="list-style-type: none"> <li>• OP becomes a person of a type that is specified in regulations made under <b>section 61(1)(ic)</b>; or</li> <li>• OP becomes the holder of a residence class visa granted under the Immigration Act 2009; or</li> <li>• A prescribed resolution applies; or</li> <li>• The trigger event regime ceases for OP (<i>see subclause (3)</i>)</li> </ul>
<i>When does trigger event regime cease for OP</i>	
(3) No further trigger events can occur for an OP—	
(a) who becomes a New Zealand citizen or ordinarily resident in New Zealand; or	
(b) whose spouse or partner becomes a New Zealand citizen or ordinarily resident in New Zealand, but <del>only if the residential land is relationship property of the OP and the OP's spouse or partner</del> but only if <b>clause 4(4)(b)</b> applies.	5
(4) <b>Subclause (3)</b> applies regardless of whether the OP (or the OP's spouse or partner, as relevant) again becomes an overseas person.	10
<i>When does trigger event regime cease for overseas investment</i>	
(5) The trigger event regime ceases for the overseas investment when no further trigger events can occur in relation to any key individuals.	
<i>Interpretation</i>	
(6) For the purposes of this clause, a person who is present in New Zealand for part of a day is treated as present in New Zealand for a whole day.	15
(7) <del>In this clause, <b>prescribed</b> means prescribed by regulations made under <b>section 61(1)(ie)(ii)</b>.</del>	
(7) <u>In this clause, —</u> <b>anniversary date</b> means the anniversary of the date of consent in any year <b>prescribed</b> means prescribed by regulations made under <b>section 61(1)(ie)(ii)</b> .	20
<b>8 Waiver relating to trigger event</b>	
(1) <del>An application may be made, in respect of a person (an <b>OP</b>) who is, or will be, or has been, absent from New Zealand for more than 183 days in any 12-month period (the <b>trigger event</b>), for a waiver from the requirement to dispose of all relevant interests in the residential land as a consequence of the trigger event occurring.</del>	25
(1) <u>An application may be made, in respect of a person (an <b>OP</b>) in relation to whom a trigger event under item 1 of the table in <b>clause 7(2)</b> may or will</u>	30

	<u>occur, or has occurred, for a waiver from the requirement for the consent holder to dispose of all relevant interests in the residential land as a consequence of the trigger event occurring.</u>	
(2)	The relevant Ministers must grant the waiver if the relevant Ministers consider, in accordance with regulations made under <b>section 61(1)(ie)(i)</b> , that the OP remains committed to residing in New Zealand.	5
(3)	A waiver—	
	(a) may be general or may specify the 1 or more instances of the trigger event to which it applies:	
	(b) may be open-ended or granted for a period:	10
	(c) may be made subject to any conditions.	
(4)	A waiver may at any time be amended or revoked in the same way as it may be made.	
	<i>Exemption</i>	
<b>9</b>	<b>Exemption from definition of key individual</b>	15
	If, for an overseas investment in sensitive land being considered under the commitment to reside in New Zealand test, the relevant overseas person is not an individual, the relevant Ministers may determine that 1 or more of the individuals with control of the relevant overseas person is not a key individual for the overseas investment—	20
	(a) because of the circumstances relating to the particular relevant overseas person and the purpose of the overseas investment; and	
	(b) <u>only</u> if the relevant Ministers are satisfied of both of the following:	
	(i) that the individual will not have any beneficial interest in, or beneficial entitlement to, the relevant interest in the residential land; and	25
	(ii) if the relevant overseas person is a trust, that the individual is not a person who may (directly or indirectly) benefit under the trust at the discretion of the trustees and is not likely to become such a person.	30

### Part 3

## Increased housing, non-residential use, and incidental residential use tests

### *Availability of tests*

#### 10 For what land are tests in this Part available 5

The 3 tests in this Part are only available if the relevant land is residential (but not otherwise sensitive) land.

### *Increased housing test*

#### 11 How increased housing test is met

##### (1) The increased housing test is met if the relevant Ministers are satisfied that— 10

(a) 1 or more of the following outcomes (the **increased housing outcomes**) will, or are likely to, occur on the residential land:

(i) an increase in the number of residential dwellings constructed on the residential land (including an increase from 0):

(ii) construction of a long-term accommodation facility on the residential land, or an increase in the number of dwellings in a long-term accommodation facility that is on the residential land: 15

(iii) development works on the land to support the doing of things described in either or both of **subparagraphs (i) and (ii)**; and

(b) the following outcomes (as defined in **clause 17**) will, or are likely to, occur: 20

(i) the on-sale outcome (unless exempt from this outcome under **subclause (2)**); and

(ii) the non-occupation outcome.

##### (2) **Subclause (1)(b)(i)** does not apply,— 25

(a) if the increased housing outcome is as described in **subclause (1)(a)(ii)** and the relevant Ministers are satisfied that the long-term accommodation facility will, or is likely to, operate from the residential land within a specified period, to the extent that the relevant Ministers are satisfied that the land will, or is likely to, be used for those operations; or 30

(b) if an exemption under **clause 20** (exemption for large developments with shared equity, rent-to-buy, and rental arrangements) applies.

##### (3) The increased housing outcomes are measured by comparing the expected result of the overseas investment against the state of the residential land before the transaction takes effect. 35

##### (4) In this clause (and in **clause 19**), **development works**—

- (a) includes the construction, alteration, demolition, or removal of a building or infrastructure; and
- (b) includes siteworks (including earthworks) that are preparatory to, or associated with, the matters set out in **paragraph (a)**; but
- (c) does not include subdivision of land without other development works. 5
- (5) *See also clause 18* (which sets out certain conditions to be imposed on consents that rely on meeting this test).
- Non-residential use test and incidental residential use test*
- 12 What is the relevant business**
- (1) This clause applies if an overseas investment is being considered under the non-residential use test or the incidental residential use test. 10
- (2) The relevant Ministers may determine which 1 or more of the following is the **relevant business**:
- (a) a business of the relevant overseas person (**A**):
- (b) a business of a person (**B**) if A owns or controls the relevant interest in the residential land primarily for B to use the residential land in that business. 15
- (3) However, in making that determination, the relevant Ministers must be satisfied that the business is likely to continue for a reasonable period of time, given the circumstances and nature of the business. 20
- 13 How non-residential use test is met**
- (1) The non-residential use test is met if the relevant Ministers are satisfied that the residential land will be, or is likely to be (or will, or is likely to, continue to be)—
- (a) used for non-residential purposes in the ordinary course of business for the relevant business; and 25
- (b) not used, ~~or~~ nor held for future use, for any residential purposes.
- (2) In any case where the relevant Ministers are not satisfied that the matters in **subclause (1)(a) and (b)** (the **non-residential use outcome**) will, or are likely to, occur within a short period after the overseas investment is given effect under the transaction, they may determine that the non-residential use test is met if— 30
- (a) either—
- (i) the relevant Ministers are satisfied that the non-occupation outcome (as defined in **clause 17**) will, or is likely to, occur; or 35
- (ii) the incidental residential use test is applied for and met in respect of the residential land; and

- (b) the relevant Ministers are satisfied that, within a specified period, the non-residential use outcome will be, or is likely to be, met.
- (3) **Subclause (4)** applies if the relevant Ministers determine that the non-residential use test is met only in respect of part of the residential land and no other test is applied for and met in respect of the remaining part of the residential land. 5
- (4) The relevant Ministers may determine that the non-residential use test is met if they are satisfied that the on-sale outcome (as defined in **clause 17**) will, or is likely to, occur for the remaining part of the residential land.
- (5) *See also clause 18* (which sets out certain conditions to be imposed on consents that rely on meeting this test). 10
- 14 How incidental residential use test is met**
- (1) The incidental residential use test is met if the relevant Ministers are satisfied that—
- (a) the residential land will be, or is likely to be (or will, or is likely to, continue to be) used for residential purposes but only in support of the relevant business, where the relevant business is not (or is only exceptionally) in the business of using land for residential purposes (the **incidental residential use outcome**); and 15
- (b) having regard to that use of the residential land, the relevant interest in the residential land will be, or is likely to be, acquired in the ordinary course of the business of the relevant overseas person. 20
- (2) In considering whether the incidental residential use test is met, the relevant Ministers may have regard to all or any of the following:
- (a) whether any reasonable alternative exists to the acquisition of the relevant interest in the residential land: 25
- (b) the proximity of the residential land to the premises or operations of the relevant business:
- (c) whether the use of the residential land for residential purposes is (without limitation) as accommodation for staff engaged in the relevant business: 30
- (d) any other factors that seem to the relevant Ministers to be relevant in the circumstances.
- (3) **Subclause (4)** applies if the relevant Ministers determine that the incidental residential use test is met only in respect of part of the residential land and no other test is applied for and met in respect of the remaining part of the residential land. 35
- (4) The relevant Ministers may determine that the incidental residential use test is met if they are satisfied that the on-sale outcome (as defined in **clause 17**)

would, or would likely, will, or is likely to, occur for the remaining part of the residential land.

- (5) *See also clause 18* (which sets out certain conditions to be imposed on consents that rely on meeting this test).

## Part 4

5

### How transaction meets more than 1 test in this schedule

#### 15 How transaction meets more than 1 test in this schedule

For the purposes of **section 16(1)(b)(i)**, different tests in this schedule can be met in respect of different parts of the residential land that is, or is included in, the relevant land so long as at least 1 test is met in respect of each part of the residential land.

10

#### Example

A is an overseas person who wishes to buy a company. The company owns land that is residential (but not otherwise sensitive) land and has no other direct or indirect interest in land that is sensitive land. The land contains a house that A wants to live in and part of the land is undeveloped land on which A wants to build houses for on-sale.

15

A applies for consent on the basis of the commitment to reside in New Zealand test and the increased housing test.

## Part 5

20

### Conditions attached to outcomes for residential land

#### *Conditions*

#### 16 Conditions attached to outcomes for residential land

- (1) This Part sets out conditions to be imposed on consents that are granted for overseas investments in sensitive land on the basis that—

25

- (a) 1 or more of the tests in **Part 3** are met; or  
 (b) the benefit to New Zealand test is met, the relevant land is or includes residential land, and **section 16F** applies.

- (2) *See also—*

- (a) **clause 6** (for conditions to be imposed on certain consents that are granted on the basis that the commitment to reside in New Zealand test is met);  
 (b) **sections 25A and 25B** in relation to the imposition of conditions generally.

30

- 17 What is are on-sale outcome and non-occupation outcome**
- (1) This clause defines the on-sale outcome and the non-occupation outcome for the purposes of various conditions and related tests.
- (2) The **on-sale outcome** is that, within a specified period, the relevant overseas person disposes of all relevant interests in the residential land. 5
- (3) The **non-occupation outcome** is that, for so long as the relevant overseas person has a relevant interest in the residential land, none of the following occupy the land:
- (a) the relevant overseas person (**A**):
- (b) any overseas person (**B**) who has a 25% or more ownership or control interest in A: 10
- (c) any overseas person (**C**) who occupies the land otherwise than on arm's-length terms (for example, a relative who occupies rent-free), where **arm's-length terms** mean terms that—
- (i) would be reasonable in the circumstances if the owner of the land (including their property agent) and C (including their associates) were connected or related only by the transaction in question, each acting independently, and each acting in its own best interests; or 15
- (ii) are less favourable to C than the terms referred to in **subparagraph (i)**: 20
- (d) any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the residential land:
- (e) if A is a trust, a person who may (directly or indirectly) benefit under the trust at the discretion of the trustees. 25
- (4) However, **subclause (3)(c) to (e)** do not apply to a person who is entitled to occupy the land under any consent or any exemption in this Act or the regulations (for example, a person who has consent on the basis of the commitment to reside in New Zealand test may be entitled to lease a new dwelling in respect of which the developer is subject to a non-occupation outcome under the increased housing test). 30
- 18 Conditions for consent if 1 or more tests in Part 3 are met**
- (1) This clause applies if consent is to be granted for an overseas investment on the basis that 1 or more of the tests in **Part 3** are met.
- (2) For each test (as set out in the first column of the following table) that is met,— 35
- (a) the second column sets out the conditions that must be imposed on the consent in relation to the residential land in respect of which the test is met; but

- (b) if any circumstances set out in the third column relating to a condition apply, the condition need not be imposed.

	<b>If consent is granted on the basis of the following test</b>	<b>... conditions that require the following must be imposed on the consent in relation to the residential land</b>	<b>... except in the following circumstances</b>
1	Increased housing test	<p>1 or more increased housing outcomes (as defined in <b>clause 11</b>)</p> <p>The on-sale outcome (as defined in <b>clause 17</b>)</p>	<p><b>Clause 11(2)(a)</b> applies (which relates to the operation of a long-term accommodation facility) to the extent that that clause applies</p> <p>Or an exemption under <b>clause 20</b> applies (which relates to large developments with shared equity, rent-to-buy, and rental arrangements) (<i>but see clause 20(3)</i>)</p>
2	Non-residential use test	<p>The non-occupation outcome (as defined in <b>clause 17</b>)</p> <p>The non-residential use outcome (as defined in <b>clause 13</b>)</p> <p>If <b>clause 13(2)</b> applies, the non-occupation outcome (as defined in <b>clause 17</b>)</p> <p>If <b>clause 13(4)</b> applies, the on-sale outcome (as defined in <b>clause 17</b>) (but only in relation to the remaining part of the residential land)</p>	<p>The incidental residential use test is applied for and met</p>
3	Incidental residential use test	<p>The incidental residential use outcome (as defined in <b>clause 14</b>)</p> <p>If <b>clause 14(4)</b> applies, the on-sale outcome (as defined in <b>clause 17</b>) (but only in relation to the remaining part of the residential land)</p>	

**19 Conditions for consent if benefit to New Zealand test is met and residential land is involved**

- (1) This clause applies for the purposes of **sections 16E(1)(c) and 16F** and the grant of a consent for an overseas investment on the basis that the benefit to New Zealand test is met and the relevant land is or includes residential land.
- (2) In the following table,—

5



- (a) the first column lists a residential land outcome; and
- (b) the second column describes the set of conditions for the residential land outcome; and
- (c) the third column describes the circumstances (if any) when an exemption may apply.

5

If residential land outcome is	... conditions that require the following must be imposed on the consent in relation to the residential land	... except in the following circumstances
1 On-sale	The on-sale outcome (as defined in <b>clause 17</b> )	
2 Use for non-residential purposes	The residential land is not used, <del>or held</del> nor held for future use, for residential dwellings or long-term accommodation facilities	
3 Operation of a long-term accommodation facility on the residential land ( <del>whether or not the facility is new or is proposed</del> whether the facility is existing or is being or proposed to be constructed)	Operation of the long-term accommodation facility The non-occupation outcome (as defined in <b>clause 17</b> )	
4 Increased residential dwellings	Either or both of the following: (a) an increase in the number of residential dwellings constructed on the residential land (including an increase from 0); (b) development works on the land to support the doing of things described in <b>paragraph (a)</b>	An exemption under <b>clause 20</b> (which relates to large developments with shared equity, rent-to-buy, and rental arrangements) applies (but <i>see</i> <b>clause 20(3)</b> ) Or an exemption under <b>clause 21</b> (which relates to indirect and minority interests) applies (but <i>see</i> <b>clause 21(3)</b> )
	The on-sale outcome (as defined in <b>clause 17</b> )	

If residential land outcome is	... conditions that require the following must be imposed on the consent in relation to the residential land	... except in the following circumstances
5 Residential purposes incidental to a relevant business	The non-occupation outcome (as defined in <b>clause 17</b> )	
6 Occupation as main home or residence (but this outcome is only available to the extent that the commitment to reside in New Zealand test is met)	The incidental residential use outcome (as defined in <b>clause 14</b> )	No key individuals are overseas persons
7 Operation of existing shared equity, rent-to-buy, or rental arrangements (as defined in <b>subclause (3)</b> ) in a development of 20 or more residential dwellings (but this outcome is only available if the consent holder ( <b>OP</b> ) is in the business of providing residential dwellings by 1 or more of those arrangements)	The occupation requirement (as defined in <b>clause 6</b> ) The disposal requirement (as defined in <b>clause 6</b> )  All of the residential dwellings in the development are dealt with <u>by OP</u> under 1 or more of the arrangements referred to in <b>clause 20(2)(a)</b>	No key individuals are overseas persons
8 Any other case	The non-occupation outcome (as defined in <b>clause 17</b> )	
(3) In item 7 of the table in <b>subclause (2)</b> , <b>shared equity, rent-to-buy, or rental arrangements</b> , in relation to an existing development, means arrangements corresponding to those referred to in <b>clause 20(2)(a)</b> .		
<i>Exemptions from on-sale outcome and condition</i>		
<b>20 Exemption for large developments with shared equity, rent-to-buy, and rental arrangements</b>		5
(1) The relevant Ministers may decide not to impose a condition requiring the on-sale outcome if—		
(a) a person ( <b>OP</b> ) has applied for consent under either of the following:		
(i) the increased housing test in respect of residential (but not otherwise sensitive) land:		10
(ii) the benefit to New Zealand test in respect of land that is or includes residential land; and		

- (b) the relevant Ministers are satisfied that the relevant land is intended to be used for the construction of 1 or more buildings that, taken together, will consist of 20 or more new residential dwellings (the **large development**).
- (2) The exemption in **subclause (1)** applies if the relevant Ministers are satisfied that— 5
- (a) all of the new residential dwellings in the large development will be dealt with under 1 or more of the following arrangements that are satisfactory to the relevant Ministers:
- (i) OP will jointly own the new residential dwelling with an occupier (for example, an arrangement commonly referred to as a shared equity arrangement): 10
- (ii) OP will divest ownership of the new residential dwelling to the occupier over a period of time (for example, an arrangement commonly referred to as a rent-to-buy arrangement): 15
- (iii) OP will lease the new residential dwelling to an occupier:
- (iv) OP will divest ownership of the new residential dwelling; and
- (b) there is no reason to believe that the large development will not be dealt with according to those arrangements; and
- (c) OP is in the business of providing new residential dwellings by 1 or more of those arrangements. 20
- (3) The exemption is subject to the following conditions:
- (a) all of the new residential dwellings in the large development are dealt with under 1 or more of the arrangements referred to in **subclause (2)(a)**; and 25
- (b) OP meets the non-occupation outcome.
- 21 Exemption for indirect or minority interests in overseas persons that own or control land**
- (1) The relevant Ministers may decide not to impose a condition requiring the on-sale outcome if— 30
- (a) a person (**OP**) has applied for consent under the benefit to New Zealand test in respect of an acquisition of rights or interests in securities referred to in section 12(b); and
- (b) as a result of that acquisition, OP will have an indirect interest or a minority interest in an overseas person (**A**) that directly owns or controls an interest in residential land described in section 12(a) (the **relevant land**). 35
- (2) The exemption applies if the relevant Ministers are satisfied that, by reason of the circumstances relating to OP and the degree of control that OP will have in

- A, OP and its associates would not have, or would be unlikely to exercise or control the exercise of, any substantial influence over the relevant land.
- (3) The exemption is subject to the conditions that—
- (a) OP does not increase their ownership or control interest such that this clause would not apply; and 5
  - (b) OP meets the non-occupation outcome.
- (4) In this clause, OP has an **indirect interest** in A if the relevant Ministers are satisfied that OP is an upstream party that has no direct ownership interest in A.
- (5) In this clause, OP has a **minority interest** in A if the relevant Ministers are satisfied that OP has a less than 50% ownership or control interest in A. 10
- (6) In this Act, a person (**OP**) has a 50% or more ownership or control interest in another person (**A**) if OP has—
- (a) a beneficial entitlement to, or a beneficial interest in, 50% or more of A's securities; or 15
  - (b) the power to control the composition of 50% or more of the governing body of A; or
  - (c) the right to exercise or control the exercise of 50% or more of the voting power at a meeting of A.

**Schedule 3**  
**New Schedule 3 inserted**

s 19D

**Schedule 3**  
**Exemptions from requirement for consent**

5

s 11A

**Contents**

Page

	<i>Exemptions in respect of overseas investments in sensitive land</i>	
1	Māori freehold land	65
	<i>Exemptions in respect of overseas investments in sensitive land that is residential land</i>	
2	Periodic lease	66
	<i>Exemptions in respect of overseas investments in sensitive land that is residential (but not otherwise sensitive) land</i>	
3	Residential tenancy for less than 5 years	66
4	Dwellings in large apartment developments that are purchased off plans	66
5	Hotel units acquired and leased back for hotel use	68
	<i>Exemptions in respect of overseas investments in sensitive land involving forestry rights</i>	
6	Area of forestry right less than 1 000 hectares	69
7	Crown forestry licence converted into forestry right	70
8	Replacement of forestry right with new forestry right	71
	<i>Exemptions in respect of overseas investments in sensitive land involving regulated profits à prendre that are not forestry rights</i>	
9	Area of regulated profit à prendre less than 5 hectares	74
	<i>Other exemptions</i>	
10	Other exemptions	75
	<i>Exemptions in respect of overseas investments in sensitive land</i>	
1	<b>Māori freehold land</b>	
	A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land by a Māori person where the relevant land is Māori freehold land for which the per-	10

son is a member of the preferred classes of alienees (where those terms have the same meaning as in Te Ture Whenua Maori Act 1993).

*Exemptions in respect of overseas investments in sensitive land that is residential land*

- 2 Periodic lease** 5
- (1) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land if—
- (a) the interest in land described in section 12(a) is a periodic lease; and
  - (b) the relevant land is residential land.
- (2) In this clause, **periodic lease** means a lease that— 10
- (a) is terminable at will, whether by the grantor or the grantee (including a periodic tenancy within the meaning of section 2(1) of the Residential Tenancies Act 1986); and
  - (b) offers no certainty of term of 3 years or more (including rights of renewal, whether of the grantor or the grantee). 15

*Exemptions in respect of overseas investments in sensitive land that is residential (but not otherwise sensitive) land*

- 3 Residential tenancy for less than 5 years**
- (1) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land if— 20
- (a) the interest in land described in section 12(a) is a residential tenancy for a term of less than 5 years (including rights of renewal, whether of the grantor or grantee); and
  - (b) the relevant land is residential (but not otherwise sensitive) land.
- (2) In this clause, **residential tenancy** means a tenancy to which the Residential Tenancies Act 1986 applies (including a periodic tenancy within the meaning of section 2(1) of that Act). 25
- 4 Dwellings in large apartment developments that are purchased off plans**
- (1) This clause applies in respect of land that is being used, or intended to be used, for 1 (or more) of the following (a **development**): 30
- (a) in the construction of 1 or more multi-storey buildings as 1 development, where each building consists, or will consist, of at least 20 residential dwellings; or
  - (b) to increase the number of residential dwellings in 1 or more multi-storey buildings, where the number of residential dwellings in each building will be increased by 20 or more. 35

*Exemption certificates*

- (2) A person involved in the development (the **developer**) may apply for an exemption certificate if regulations are in force under **section 61(1)(if)**.
- (3) The relevant Minister or Ministers may grant an exemption certificate if they are satisfied that the development is likely to be completed, having regard to factors such as— 5
- (a) whether the development has appropriate resource consent, building consent, and any other relevant authorisations; and
  - (b) the developer's financial strength; and
  - (c) the previous activity of the developer (or its associates or individuals with control) regarding use of residential land; and 10
  - (d) the previous record of the developer (or its associates or individuals with control) in complying with consent conditions or applying for consent conditions to be varied.
- (4) An exemption certificate may be applied to up to the maximum percentage, as prescribed in the regulations made under **section 61(1)(if)**, of the residential dwellings in the development. 15

*Exemptions for dwellings to which exemption certificate applies*

- (5) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land in respect of a residential dwelling in the development if— 20
- (a) the relevant land is residential (but not otherwise sensitive) land; and
  - (b) an exemption certificate applies to the dwelling under **subclause (4)**; and
  - (c) the person (the **purchaser**) makes the investment before the construction of the dwelling is complete. 25

**Example**

OP1 buys off the plans an apartment to which an exemption certificate applies, using the exemption in **subclause (5)**. So the on-sale outcome does not apply to OP1 (but see **subclause (6)(b)** for the non-occupation outcome). 30

OP2 later buys a different apartment to which the exemption certificate does not apply. OP2 must apply for consent (but see **section 16(3)(b)** for an exemption from the investor test if OP2 applies for consent under the increased housing test.) OP2 must comply with the conditions of that consent as to the on-sale outcome and the non-occupation outcome. 35

*Other provisions*

- (6) The relevant Ministers may grant an exemption certificate subject to the conditions that they think appropriate, and must impose conditions as follows:
- (a) conditions that enable the regulator to identify and monitor the dwellings to which the certificate is applied; and 40

- (b) conditions that impose the non-occupation outcome on purchasers who rely on the exemption certificate under **subclause (5)**; and
- (c) conditions that enable the non-occupation outcome to be monitored by the regulator.
- (7) Those conditions may be conditions— 5
- (a) that apply to either the developer (as a condition of the exemption certificate) or the purchaser (as a condition of the exemption in **subclause (5)**), or both; and
- (b) that require both the developer and the purchaser to provide the regulator with the name, contact details, and other details of dwellings to which the certificate is applied and the purchasers of those dwellings. 10
- 5 Hotel units acquired and leased back for hotel use**
- (1) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land if—
- (a) the relevant land is residential (but not otherwise sensitive) land; and 15
- (b) the relevant land is being used, or is intended to be used,—
- (i) in the construction of a hotel that has 20 or more units, or to increase by 20 or more the number of units in a hotel; or
- (ii) for the operation of a hotel that has 20 or more units; and
- (c) the interest in land described in section 12(a) is either— 20
- (i) an interest in 1 (or more) of those units that is acquired by a person (a **purchaser**) and that is immediately subject to a lease-back to the hotel company; or
- (ii) a lease of 1 (or more) of those units by the purchaser to the hotel company (a **lease-back**). 25
- (2) The exemption is subject to the following conditions:
- (a) the lease-back must meet the following requirements at all times on and after the acquisition of the purchaser's interest:
- (i) the purchaser cannot occupy, reserve, or use the unit for more than 30 days in each year; and 30
- (ii) for the rest of the year, the unit must be managed and used for the general purposes of operating the hotel; and
- (b) when the lease-back period ends, the purchaser must either, within 12 months of that period ending,—
- (i) grant to the hotel company a new lease-back of the unit that complies with the matters in **paragraph (a)**; or 35
- (ii) dispose of its interest in the unit; and



- (c) the purchaser must not occupy, reserve, or use the unit while it is not leased back to a hotel company.
- (3) In this clause,—
- hotel** means premises used, or intended to be used, in the course of business principally for providing temporary lodging to the public 5
- hotel company** means—
- (a) the person (**HotelCo**) that operates the hotel or that will operate the hotel after the hotel is completed; or
- (b) any person involved in the development of the hotel (the **developer**), provided that the developer has assigned its interest in the land to HotelCo, or will assign it to HotelCo immediately after the hotel is completed to the extent that it relates to the relevant unit. 10
- Exemptions in respect of overseas investments in sensitive land involving forestry rights*
- 6 Area of forestry right less than 1 000 hectares** 15
- (1) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land (the **relevant forestry investment**) if—
- (a) the relevant forestry investment is the acquisition of a forestry right (the **relevant forestry right**); and 20
- (b) the area of the relevant forestry right is less than 1 000 hectares.
- (2) **Subclause (3)** applies to a transaction that will result in an overseas investment in sensitive land (the **relevant forestry investment**) if—
- (a) the relevant forestry investment is the acquisition of rights or interests in securities of a person who owns or controls (directly or indirectly) a forestry right that is an interest in land described in section 12(a) (the **relevant forestry right**); and 25
- (b) the area of the relevant forestry right is less than 1 000 hectares.
- (3) To the extent that the transaction will result in the relevant forestry investment, it does not require consent for the purposes of section 10(1)(a) in relation to the relevant forestry right. 30
- (4) **Subclause (1) or (3)** (as the case may be) does not apply if, immediately after the relevant forestry investment is given effect to, the sum of the following areas is 1 000 hectares or more:
- (a) the area of the relevant forestry right: 35
- (b) the combined area of all other forestry rights—

- (i) that related forestry investors acquire (or are treated as acquiring) in the same calendar year as that in which the relevant forestry investment is given effect to; and
- (ii) that are for a term of 3 years or more (including rights of renewal, whether of the grantor or grantee). 5
- (5) For the purposes of **subclause (4)(b)(i)**,—
- (a) **related forestry investor** means—
- (i) the person who makes the relevant forestry investment; or
- (ii) any associate of that person; or
- (iii) a body corporate related to that person or to any associate of that person (as determined in accordance with section 12(2) of the Financial Markets Conduct Act 2013); and 10
- (b) a related forestry investor (**B**) is treated as acquiring a forestry right if—
- (i) B acquires rights or interests in securities of a person (**C**) who owns or controls (directly or indirectly) the forestry right and, as a result of the acquisition, B has (either alone or together with B's associates) a 25% or more ownership or control interest in C; or 15
- (ii) the forestry right comes under the ownership or control (direct or indirect) of a person in whom B has (either alone or together with B's associates) a 25% or more ownership or control interest; and 20
- (c) it does not matter if a forestry right is acquired (or treated as acquired) by a related forestry investor before the relevant forestry investment is given effect to.
- (6) In this clause, **area**, in relation to a forestry right, means the area of land covered by the forestry right (including any right, whether of the grantor or grantee, to have the original area increased). 25
- 7 Crown forestry licence converted into forestry right**
- (1) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land if—
- (a) the overseas investment is the acquisition of a forestry right; and 30
- (b) immediately before the forestry right is acquired, the area of land covered by the forestry right (the **covered land**)—
- (i) is fully covered by a Crown forestry licence granted under section 14 of the Crown Forest Assets Act 1989 (whether or not the covered land is the only area of land covered by the Crown forestry licence); but 35
- (ii) is no longer regarded as Crown forest land; and

- (c) the person who acquires the forestry right is the licensee of the Crown forestry licence immediately before the acquisition of the forestry right or is a person who is related to that licensee; and
- (d) the term of the forestry right (including rights of renewal, whether of the grantor or grantee) expires no later than 35 years after the date on which the covered land ceased to be regarded as Crown forest land. 5
- (2) For the purposes of **subclause (1)(c)**, a person (A) is **related** to the licensee if—
- (a) A is a body corporate and the licensee directly or indirectly owns at least 95% of A; or 10
- (b) the licensee is a body corporate and A directly or indirectly owns at least 95% of the licensee; or
- (c) the licensee and A are bodies corporate and a third person directly or indirectly owns at least 95% of each of them.
- (2) For the purposes of **subclause (1)(c)**, a person (A) is **related** to the licensee if— 15
- (a) the licensee owns and controls 95% of A; or
- (b) A owns and controls 95% of the licensee; or
- (c) a third person owns and controls 95% of the licensee and of A.
- (3) For the purposes of **subclause (2)**, a person (X) **owns and controls 95% of** another person (Y) if X has— 20
- (a) a beneficial entitlement to, or a beneficial interest in, 95% or more of Y's securities; and
- (b) the power to control the composition of 95% or more of the governing body of Y; and 25
- (c) the right to exercise, or control the exercise of, 95% or more of the voting power at a meeting of Y.
- 8 Replacement of forestry right with new forestry right**
- Application*
- (1) This clause applies if a person (the **original forestry investor**) acquired a forestry right (the **original forestry right**) as a result of a transaction (the **original transaction**) and— 30
- (a) the acquisition of the original forestry right was an overseas investment in sensitive land and—
- (i) consent was given for the original transaction to the extent that it resulted in the acquisition of the original forestry right (whether or not the consent was also given in relation to other results of the original transaction); or 35

- (ii) because of the exemption given by **clause 7**, consent was not required for the original transaction to the extent that it resulted in the acquisition of the original forestry right; or
- (b) consent for the original transaction was not required as referred to in **paragraph (a)(i)** because the original transaction was entered into at a time before commencement when forestry rights were exempted interests. 5
- (2) This clause also applies if—
- (a) a person (the **original forestry investor**) acquired a forestry right (the **original forestry right**); and 10
- (b) subsequently, another person acquired rights or interests in securities of the original forestry investor as a result of a transaction (the **securities transaction**) and—
- (i) the acquisition of the rights or interests in securities of the original forestry investor was an overseas investment in sensitive land and, in relation to the original forestry right, consent was given for the securities transaction to the extent that it resulted in that acquisition; or 15
- (ii) consent for the securities transaction was not required as referred to in **subparagraph (i)** because the securities transaction was entered into at a time before commencement when forestry rights were exempted interests. 20
- (3) Despite **clause 1 of Schedule 1AA**, **subclauses (1) and (2)** apply to acquisitions of forestry rights, or of rights or interests in securities, whether given effect to before, on, or after commencement. 25
- (4) **Clause 1(4) and (4A) of Schedule 1AA** applies for the purposes of **subclauses (1)(b) and (2)(b)(ii)**.
- (5) In **subclauses (1) to (3)**, **commencement** means the commencement of **clause 1 of Schedule 1AA**. 30
- Exemption*
- (6) A transaction does not require consent to the extent that it will result in an overseas investment in sensitive land if—
- (a) the overseas investment is the acquisition of a forestry right (the **new forestry right**) by the original forestry investor or a person related to the original forestry investor; and 35
- (b) immediately before the new forestry right is acquired,—
- (i) the area of land covered by the new forestry right is fully covered by the original forestry right (whether or not it is the only area of land covered by the original forestry right); and

- (ii) the original forestry right is held by the original forestry investor or a person related to the original forestry investor; and
- (e) the term of the new forestry right (including rights of renewal, whether of the grantor or grantee) expires no later than 3 years after the end of the term of the original forestry right (*see subclause (7)*); and 5
- (d) the requirements of **subclause (8)** are met (if applicable).
- (7) For the purposes of **subclause (6)(c)**, the term of the original forestry right must be determined as at the time of its acquisition by the original forestry investor, but including rights of renewal, whether of the grantor or grantee, existing at that time. 10
- (8) If this clause applies by virtue of **subclause (1)(a)(i) or (2)(b)(i)**, the rights conferred by the new forestry right—
- (a) must be sufficient to enable the conditions of the consent to be complied with in accordance with **subclauses (11) to (13)**;
- (b) must not include any right that was not conferred by the original forestry right, if the absence of that right from the original forestry right was the basis (wholly or partly)—
- (i) on which the relevant Ministers, when they granted the consent, did not apply or modified a requirement under **section 16E(8)**; or 20
- (ii) if the consent was a standing consent under **clause 3 of Schedule 4**, on which the relevant Ministers varied the conditions of the consent under **clause 3(10)** of that schedule in relation to a requirement set out in regulations made for the purposes of **section 16E(4)(d)**. 25
- Reapplication of exemption*
- (9) **Subclause (10)** applies if—
- (a) the exemption given by **subclause (6)** is applied to the acquisition of a forestry right (including in a case where the exemption is applied by virtue of **subclause (10)**); and 30
- (b) the original forestry investor, or a person related to the original forestry investor, makes a subsequent acquisition of a forestry right.
- (10) The exemption given by **subclause (6)** may be applied to the subsequent acquisition by reading references in **subclause (6)(b)(i) and (ii)** to the original forestry right as references to the forestry right referred to in **subclause (9)(a)**. 35
- Conditions of original consent to continue*
- (11) **Subclauses (12) and (13)** apply if—
- (a) this clause applies by virtue of **subclause (1)(a)(i) or (2)(b)(i)**; and

- (b) the consent (the **original consent**) was subject to conditions that applied in relation to the original forestry right; and
- (c) the exemption given by **subclause (6)** is applied to the acquisition of a forestry right (the **exempted forestry right**) (including in a case where the exemption is applied by virtue of **subclause (10)**); 5
- (12) The conditions of the original consent apply in relation to the exempted forestry right as they applied in relation to the original forestry right (except to the extent that any area of land covered by the original forestry right is not covered by the exempted forestry right); 10
- (13) The person who acquires the exempted forestry right must comply with the conditions accordingly as if— 10
- (a) the original consent applied to the acquisition of the exempted forestry right; and
- (b) that person were the holder of the original consent (if that is not the case anyway); 15
- Meaning of related*
- (14) For the purposes of this clause, a person (A) is **related** to the original forestry investor if— 15
- (a) A is a body corporate and the original forestry investor directly or indirectly owns at least 95% of A; or 20
- (b) the original forestry investor is a body corporate and A directly or indirectly owns at least 95% of the original forestry investor; or
- (c) the original forestry investor and A are bodies corporate and a third person directly or indirectly owns at least 95% of each of them.
- Exemptions in respect of overseas investments in sensitive land involving regulated profits à prendre that are not forestry rights* 25
- 9 Area of regulated profit à prendre less than 5 hectares**
- (1) A transaction does not require consent for the purposes of section 10(1)(a) to the extent that it will result in an overseas investment in sensitive land (the **relevant profit investment**) if— 30
- (a) the relevant *profit* investment is the acquisition of a regulated *profit à prendre* that is not a forestry right (the **relevant profit**); and
- (b) the area of the relevant *profit* is less than 5 hectares.
- (2) **Subclause (3)** applies to a transaction that will result in an overseas investment in sensitive land (the **relevant profit investment**) if— 35
- (a) the relevant *profit* investment is the acquisition of rights or interests in securities of a person who owns or controls (directly or indirectly) a regulated *profit à prendre* that is an interest in land described in section 12(a) but is not a forestry right (the **relevant profit**); and

	(b) the area of the relevant <i>profit</i> is less than 5 hectares.	
(3)	To the extent that the transaction will result in the relevant <i>profit</i> investment, it does not require consent <u>for the purposes of section 10(1)(a)</u> in relation to the relevant <i>profit</i> .	
(4)	<b>Subclause (1) or (3)</b> (as the case may be) does not apply if, immediately after the relevant <i>profit</i> investment is given effect to, the sum of the following areas is 5 hectares or more:	5
	(a) the area of the relevant <i>profit</i> :	
	(b) the combined area of all other regulated <i>profits à prendre</i> —	
	(i) that are not forestry rights; and	10
	(ii) that are held ( <u>or treated as held</u> ) by related <i>profit</i> investors; and	
	(iii) the areas of which adjoin the area of the relevant <i>profit</i> ; and	
	(iv) that are for a term of 3 years or more (including rights of renewal, whether of the grantor or grantee).	
(5)	For the purposes of <b>subclause (4)(b)(ii)</b> ,—	15
	(a) <b>related <i>profit</i> investor</b> means—	
	(i) the person who makes the relevant <i>profit</i> investment; or	
	(ii) any associate of that person; or	
	(iii) a body corporate related to that person or to any associate of that person (as determined in accordance with section 12(2) of the Financial Markets Conduct Act 2013); and	20
	(b) <b>held</b> includes owned or in the possession of by any means; and	
	(c) a related <i>profit</i> investor ( <b>B</b> ) is treated as holding a regulated <i>profit à prendre</i> if the regulated <i>profit à prendre</i> is under the ownership or control (direct or indirect) of a person in whom B has (either alone or together with B's associates) a 25% or more ownership or control interest; and	25
	(d) it does not matter if a regulated <i>profit à prendre</i> is first held ( <u>or treated as first held</u> ) by a related <i>profit</i> investor before the relevant <i>profit</i> investment is given effect to.	30
(4)	In this clause, <b>area</b> , in relation to a regulated <i>profit à prendre</i> , means the area of land covered by the regulated <i>profit à prendre</i> (including any right, whether of the grantor or grantee, to have the original area increased).	
	<i>Other exemptions</i>	
<b>10</b>	<b>Other exemptions</b>	35
	<i>See the regulations for other exemptions.</i>	

**Schedule 4**  
**New Schedule 4 inserted**

s 19E

**Schedule 4**  
**Standing consents**

5

s 23A

**Contents**

Page

*Different types of standing consents*

1	Residential land: commitment to reside in New Zealand standing consents	76
2	Residential land: other types of standing consents	77
3	Forestry activities	78

*Provisions applying to all standing consents*

4	Revocation or variation of standing consents	81
5	Process before revocation or variation of standing consents	81
6	Effect of revocation or variation of standing consents	81
7	Schedule does not limit other provisions	81

*Different types of standing consents*

**1 Residential land: commitment to reside in New Zealand standing consents**

*Application*

- |     |   |    |
|-----|---|----|
| (1) | A person who applies for consent under the commitment to reside in New Zealand test may apply for a standing consent. | 10 |
|-----|---|----|

*Criteria for grant of standing consent*

- |     |   |    |
|-----|---|----|
| (2) | The relevant Ministers may, despite section 14(1), grant a standing consent if the relevant Ministers are satisfied—  |    |
| (a) | that the investor test is met, if the transaction for which consent is sought may include residential land that is also sensitive for some other reason under Part 1 of Schedule 1; and | 15 |
| (b) | that the commitment to reside in New Zealand test is met.   |    |

*Conditions*

- |     |   |    |
|-----|---|----|
| (3) | The standing consent must be granted subject to the following conditions:                     | 20 |
| (a) | conditions that ensure that the commitment to reside in New Zealand test continues to be met: |    |



- (b) the conditions that must be imposed under **clause 6 of Schedule 2** on consents granted on the basis of the commitment to reside in New Zealand test:
- (c) a condition that the regulator must be notified of the transaction to which the consent will apply, at the time, and in the manner, specified in the consent. 5
- (4) The standing consent may be granted subject to additional conditions.  
*Use-by date*
- (5) The standing consent has a use-by date that is the earliest of the following: 10
- (a) the date on which the consent holder makes an overseas investment in sensitive land in respect of 1 residential dwelling or dwelling in a long-term accommodation facility:
- (b) the date on which a trigger event (as defined in **clause 7 of Schedule 2**) occurs:
- (c) any date that may be specified in the consent as its use-by date. 15
- 2 Residential land: other types of standing consents**
- Application*
- (1) A person may apply for a standing consent in respect of residential (but not otherwise sensitive) land if the person applies under the following tests: 20
- (a) the increased housing test; or
- (b) the non-residential use test; or
- (c) the incidental residential use test.
- Criteria for grant of standing consent*
- (2) The relevant Ministers may, despite section 14(1), grant a standing consent if the relevant Ministers are satisfied— 25
- (a) that the investor test is met (unless that test does not apply); and
- (b) that the conditions referred to in **subclauses (3) and (4)** will be, or are likely to be, met, after having regard to factors such as—
- (i) the applicant's financial strength; and
- (ii) the previous activity of the applicant (or associates or individuals with control of the relevant overseas person) regarding use of residential land; and 30
- (iii) the previous record of the applicant (or associates or individuals with control of the relevant overseas person) in complying with consent conditions or applying for consent conditions to be varied. 35
- Conditions*
- (3) The standing consent must be granted subject to the following conditions:

<ul style="list-style-type: none"> <li>(a) conditions for the purpose of ensuring that the relevant test in <b>sub-clause (1)</b> is met for each overseas investment to which the consent will apply:</li> <li>(b) the conditions that must be imposed under <b>Part 5 of Schedule 2</b> on consents that are granted on the basis of the relevant test:</li> <li>(c) a condition that the regulator must be notified of the transaction, or each transaction, to which the consent will apply at the time, and in the manner, specified in the consent.</li> </ul>	5
<p>(4) The standing consent may be granted subject to additional conditions, which may include—</p> <ul style="list-style-type: none"> <li>(a) conditions about the residential land (for example, limits by total land area, location of land, and geographic type of land); and</li> <li>(b) conditions about outcomes (for example, time frames for completing developments); and</li> <li>(c) limits on the number of overseas investments for which the standing consent can be relied on.</li> </ul>	10  15
<i>Use-by date</i>	
<p>(5) The standing consent may specify a use-by date.</p>	
<b>3 Forestry activities</b>	
<i>Application</i>	
<p>(1) A person may apply for a standing consent for transactions in respect of overseas investments in sensitive land for which the benefit to New Zealand test will be met in accordance with <b>section 16E(4)</b>.</p>	20
<i>Criteria for grant of standing consent</i>	
<p>(2) The relevant Ministers may, despite section 14(1), grant a standing consent if the relevant Ministers are satisfied—</p> <ul style="list-style-type: none"> <li>(a) that the investor test is met; and</li> <li>(b) that the conditions referred to in <b>subclauses (3) and (4)</b> will be, or are likely to be, met; and</li> <li>(c) without limiting <b>paragraph (b)</b>, that the applicant has, and will continue to have, adequate processes in place for meeting, at all relevant times, the requirements set out in regulations made for the purposes of <b>section 16E(4)(d)</b>; and</li> <li>(d) without limiting <b>paragraph (b)</b>, that the applicant has a strong record of 1 or both of the following or of the following taken together: <ul style="list-style-type: none"> <li>(i) compliance with this Act and with conditions and other requirements imposed under it (including providing the regulator with complete and accurate information):</li> </ul> </li> </ul>	25  30  35

- (ii) compliance with corresponding laws, and with conditions and other requirements imposed under corresponding laws, in territories other than New Zealand (including providing regulators with complete and accurate information).
- Conditions* 5
- (3) The standing consent must be granted subject to the following conditions:
- (a) conditions for the purpose of ensuring that the benefit to New Zealand test is met in accordance with **section 16E(4)** for each overseas investment to which the consent will apply (subject to **subclauses (5) and (6)**): 10
- (b) for an overseas investment where the relevant land is or includes farm land, a condition that effect must not be given to the overseas investment in reliance on the consent unless the criterion in section 16(1)(f) has been met:
- (c) a condition— 15
- (i) that at the time, and in the manner, specified in the consent, the regulator must be notified—
- (A) of each transaction to which the consent will apply; and
- (B) in relation to each such transaction, of how the requirements set out in regulations made for the purposes of **section 16E(4)(d)** will be met for each overseas investment resulting from the transaction; and 20
- (ii) that the notification of a transaction must include any other information required by the regulator in relation to the transaction.
- (4) The standing consent may be granted subject to additional conditions, which may include— 25
- (a) conditions about the land in relation to which the consent may apply (for example, limits by total land area, location of land, and geographic type of land); and
- (b) limits on the number of overseas investments for which the standing consent can be relied on. 30
- (5) For an overseas investment that involves a forestry right, the conditions of the standing consent may provide that, to the extent set out in the conditions, the requirement in **section 16E(4)(e)** does not have to be met in relation to a crop of trees that is harvested under the forestry right if the forestry right expires— 35
- (a) upon the completion of the harvesting; or
- (b) after a short period (as determined in accordance with the conditions) following the completion of the harvesting.
- (6) For the purposes of **subclause (5)**, an overseas investment **involves** a forestry right if the overseas investment is the acquisition of— 40

- (a) the forestry right; or
- (b) rights or interests in securities of a person who owns or controls (directly or indirectly) the forestry right.
- Variation of conditions following notification of transaction*
- (7) After the regulator is notified of a transaction as referred to in **subclause (3)(c)**, the relevant Ministers may, in relation to an overseas investment that results (or will result) from the transaction, vary the conditions of the standing consent to reflect any information provided as referred to in **subclause (3)(c)(i)(B)**. 5
- Variation of conditions on ground that consent holder does not have sufficient ownership or control of relevant land* 10
- (8) The holder of the standing consent may, before an overseas investment is given effect to in reliance on the consent, apply to the relevant Ministers for a variation of the conditions of the standing consent in relation to the overseas investment. 15
- (9) The application may be made only on the ground that the holder of the standing consent (together with the holder's associates) will not have sufficient ownership or control (direct or indirect) of rights in respect of the relevant land to ensure—
- (a) that a requirement set out in regulations made for the purposes of **section 16E(4)(d)** will be met; or 20
- (b) that the requirement set out in **section 16E(4)(e)** will be met.
- (10) If satisfied of that ground, the relevant Ministers may, in relation to the overseas investment, vary the conditions of the standing consent in a way that is consistent with their power under **section 16E(7) or (8)**. 25
- Variation of conditions to reflect new regulations, etc*
- (11) **Subclause (12)** applies if, after the standing consent is granted, there comes come into force any new regulations, or any amendment or revocation of any regulations, that make any provision referred to in **section 16E(4)**.
- (12) The relevant Ministers may vary the conditions of the standing consent to reflect the new regulations or the amendment or revocation. 30
- (13) *See also clause 6*, which applies in relation to a variation under **subclause (12)**.
- Meaning of vary*
- (14) In **subclauses (7) to (13)**, **vary**, in relation to the conditions of the standing consent, includes to add or revoke 1 or more conditions. 35
- Use-by date*
- (15) The standing consent may specify a use-by date.

*Provisions applying to all standing consents*

- 4 Revocation or variation of standing consents**
- The relevant Ministers may revoke or vary a standing consent (including by varying, adding to, or revoking the conditions of a standing consent) at any time if the relevant Ministers are not satisfied that—
- (a) the criteria for the grant of the standing consent were met or are still met; or
- (b) the conditions of the standing consent have been complied with.
- 5 Process before revocation or variation of standing consents**
- (1) The relevant Ministers must provide the consent holder with an opportunity to comment before revoking or varying a standing consent under **clause 4**.
- (2) However, **subclause (1)** does not apply if the revocation or variation is at the consent holder's request or is done under subpart 2 of Part 2 of this Act.
- 6 Effect of revocation or variation of standing consents**
- (1) The revocation or variation of a standing consent under **clause 3(12) or 4** does not apply to any transaction entered into in reliance on the consent before the revocation or variation.
- (2) **Clause 1(4) and (4A) of Schedule 1AA** applies with any necessary modifications when deciding when a transaction is entered into.
- 7 Schedule does not limit other provisions**
- This schedule does not limit other provisions of this Act (for example, subpart 2 of Part 2).

## Schedule 5

### Amendments to Overseas Investment Regulations 2005

s 19F

**1 New regulations and cross-heading inserted**

Before the cross-heading above regulation 36A, insert:

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*Exemptions from requirement for consent in respect of overseas investments in residential land*

**36AE Exemptions for network utility operators**

A transaction does not require consent for the purposes of section 10(1)(a) of the Act to the extent that it will result in an overseas investment in sensitive land if the relevant land—

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- (a) is residential (but not otherwise sensitive) land; and
- (b) is acquired by 1 or more of the following:
  - (i) an electricity operator or electricity distributor for the purposes of providing line function services (where those terms have the meanings set out in section 2 of the Electricity Act 1992):
  - (ii) a gas distributor or a gas producer for the purposes of providing line function services (where those terms have the meanings set out in section 2 of the Gas Act 1992):
  - (iii) a network operator for the purposes of providing telecommunications services (where those terms have the meanings set out in section 5 of the Telecommunications Act 2001).

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**36AF Exemptions relating to relationship property where spouse or partner granted consent under commitment to reside in New Zealand test**

- (1) This regulation applies if—
  - (a) a transaction will result in an overseas person acquiring any interest in residential land, or any right or interest in securities of a person who owns or controls (directly or indirectly) an interest in residential land (**relevant interest**); and
  - (b) consent has been, or will be, granted to the transaction on the basis that a person (**A**) is a key individual and the commitment to reside in New Zealand test has been, or will be, met; and
  - (c) the relevant interest is, or will be as a result of the acquisition, relationship property of A and A's spouse or partner.
- (2) The acquisition by A's spouse or partner does not require ~~consent under consent for the purposes of~~ section 10(1)(a) of the Act.
- (3) In this regulation,—

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**relationship property** means relationship property as defined in section 8 of the Property (Relationships) Act 1976

**spouse or partner** means spouse, civil union partner, or de facto partner.

- 2 Regulation 37** 5  
Revoke regulation 37.
- 3 Regulation 38**  
In regulation 38(1), replace “An application for an exemption under regulation 37(1)” with “An application for an exemption under **section 61C** of the Act (Minister may grant individual exemptions)”.
- 4 Schedule 2** 10  
In Schedule 2, replace “For each exemption under regulation 37” with “For each exemption under **section 61C** of the Act (Minister may grant individual exemptions)” in each place.

#### Legislative history

14 December 2017	Introduction (Bill 5–1)
19 December 2017	First reading and referral to Finance and Expenditure Committee
18 June 2018	Reported from Finance and Expenditure Committee (Bill 5–2)
19 June 2018	Reprinted following ruling of Speaker (Bill 5–3)
26 June 2018	Second reading
14 August 2018	Committee of the whole House (Bill 5–4)