

Reprint
as at 1 June 2015



**Financial Reporting Act (American International
Assurance Company (Bermuda) Limited) Exemption
Notice 2010**
(SR 2010/129)

Financial Reporting Act (American International Assurance Company (Bermuda) Limited) Exemption Notice 2010: expired, on 1 June 2015, by clause 3.

Pursuant to section 35A of the Financial Reporting Act 1993, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

1 Title

This notice is the Financial Reporting Act (American International Assurance Company (Bermuda) Limited) Exemption Notice 2010.

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

This notice is administered by the Financial Markets Authority.

2 Commencement

This notice comes into force on its notification in the *Gazette*.

3 Expiry

This notice expires on the close of 31 May 2015.

4 Application

The exemptions granted by this notice apply to the following accounting periods of AIAB:

- (a) the accounting period ended on 30 November 2009;
- (b) any subsequent accounting period in respect of which, pursuant to a direction of the Bermuda Monetary Authority, sections 15 to 18 of the Insurance Act 1978 of Bermuda do not apply to AIAB on condition that AIAB files specified financial statements that relate to that accounting period with the Authority.

5 Interpretation

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

Act means the Financial Reporting Act 1993

AIAB means American International Assurance Company (Bermuda) Limited, a company incorporated in Bermuda

IFRS means—

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

security has the same meaning as in section 2D of the Securities Act 1978 (which, to avoid doubt, excludes certain life insurance policies)

specified financial statements means the audited financial statements prepared in respect of AIAB that comply with the requirements of the laws of Hong Kong.

- (2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

6 Exemptions from sections 10(1), 11, 13 to 15, and 18 of Act for directors of AIAB

Every director of AIAB is exempted from sections 10(1), 11, 13 to 15, and 18 of the Act in respect of AIAB.

7 Conditions of exemptions

The exemptions are subject to the conditions that—

- (a) AIAB complies with the requirements of the laws of Hong Kong that relate to the preparation, content, auditing, and public filing of specified financial statements that relate to the accounting periods referred to in clause 4; and
- (b) the specified financial statements comply with IFRS; and
- (c) if, in complying with IFRS, the specified financial statements do not give a true and fair view of the matters to which they relate, the directors of AIAB add information and explanations that will give a true and fair view of those matters; and
- (d) the specified financial statements are delivered to the Registrar for registration annually, and on or before the time that the financial statements and group financial statements would, but for the exemptions, be required to be delivered for registration; and
- (e) the directors of AIAB comply with all the requirements of the Act in relation to financial statements required by section 8(2) of the Act for the New Zealand business of AIAB; and
- (f) AIAB no longer offers securities to the public in New Zealand; and
- (g) the only securities offered to the public in New Zealand that remain on issue are life insurance policies as defined in the Securities Act 1978; and
- (h) AIAB is the only person liable to meet the payment obligations arising under the securities issued by it and there are no other guarantors of those obligations.

8 Revocation

The Financial Reporting Act (American International Assurance Company (Bermuda) Limited) Exemption Notice 2009 (SR 2009/153) is revoked.

Dated at Wellington this 25th day of May 2010.

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

[Seal]

N O Todd,
Member.

Statement of reasons

This notice, which comes into force on its notification in the *Gazette* and expires on 31 May 2015, exempts the directors of American International Assurance Company (Bermuda) Limited (**AIAB**) from various provisions of the Financial Reporting Act 1993 (the **Act**).

AIAB is incorporated in Bermuda. The Bermuda Monetary Authority currently allows AIAB to file accounts prepared and audited in accordance with the provisions of Hong Kong law in place of those usually required under the Insurance Act 1978 of Bermuda. The exemptions apply only if this continues to be the case.

The effect of the exemptions is to provide relief to the directors of AIAB from the preparation, content, auditing, and filing requirements of the Act. The exemptions are granted on condition that AIAB prepares and publicly files financial statements that it is required to prepare under the financial reporting requirements of Hong Kong.

This notice replaces, with amendments, the Financial Reporting Act (American International Assurance Company (Bermuda) Limited) Exemption Notice 2009. The principal differences between financial statements provided in reliance on this notice and financial statements provided in reliance on that 2009 notice are that—

- the specified financial statements will be stand-alone entity financial statements and will not contain AIAB's consolidated financial statements;
- the specified financial statements of AIAB will comply with International Financial Reporting Standards issued by the International Accounting Standards Board rather than with the Hong Kong equivalent of the International Financial Reporting Standards.

The conditions of the exemptions now provide that AIAB is not to issue further securities to the public for the purposes of the Securities Act 1978, that AIAB is the sole entity responsible for meeting payment obligations under the existing securities issued by AIAB, that those obligations are not guaranteed, and that the securities issued by AIAB are life insurance policies historically issued by AIAB in New Zealand.

The Securities Commission (the **Commission**) considers that it is appropriate to grant the exemptions because—

- the effect is to allow AIAB to provide the financial statements that it is required to prepare under the financial reporting requirements of Hong Kong;
- AIAB's assets make up the great majority of the assets of the group;
- the Commission has had regard to the financial reporting and audit requirements of Hong Kong that AIAB must comply with;
- AIAB publishes audited financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the laws of Hong Kong;

- the Commission is satisfied that the registration of stand-alone entity financial statements required to be prepared under Hong Kong financial reporting laws provides sufficient information to avoid any detriment to investors:
- the Bermuda Monetary Authority allows AIAB to file accounts prepared in accordance with Hong Kong law in place of those usually required under the law of Bermuda:
- the exemptions address the particular difficulties experienced by AIAB in having issued securities in New Zealand. The exemptions are not broader than is reasonably necessary to address these difficulties and still require that financial statements be filed in New Zealand.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 27 May 2010.

Reprints notes

1 *General*

This is a reprint of the Financial Reporting Act (American International Assurance Company (Bermuda) Limited) Exemption Notice 2010 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Financial Reporting Act (American International Assurance Company (Bermuda) Limited) Exemption Notice 2010 (SR 2010/129): clause 3