

## **Financial Markets Conduct (Product Disclosure Statements in Te Reo Māori and English) Exemption Notice 2023**

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

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### **Notice**

#### **1 Title**

This notice is the Financial Markets Conduct (Product Disclosure Statements in Te Reo Māori and English) Exemption Notice 2023.

#### **2 Commencement**

This notice comes into force on 1 November 2023.

#### **3 Revocation**

This notice is revoked on the close of 31 October 2028.

#### **4 Interpretation**

- (1) In this notice, unless the context otherwise requires,—  
**Act** means the Financial Markets Conduct Act 2013

**application form** has the meaning given in regulation 36(4) of the Regulations

**certified translator** means a person who, in accordance with Schedule 6 of te Ture mō Te Reo Māori 2016/the Māori Language Act 2016, holds a certificate of competency in—

- (a) translating the Māori language; or
- (b) interpreting and translating the Māori language

**dual-language PDS** means a PDS that contains all required information, and any permitted information that is included in the PDS, in both te reo Māori and English

**permitted information**,—

- (a) in relation to a KIS, means the information that is permitted to be contained in the KIS by the Regulations or an exemption (including this exemption):
- (b) in relation to a PDS, means the information that is permitted to be contained in the PDS by the Act, the Regulations, an exemption (including this exemption), or any other Act

**Regulations** means the Financial Markets Conduct Regulations 2014

**relevant section** has the meaning given in regulation 34(4) of the Regulations

**required information**,—

- (a) in relation to a KIS, means the information that is required to be contained in the KIS by the Regulations or an exemption (including this exemption):
- (b) in relation to a PDS, means the information that is required to be contained in the PDS by the Act, the Regulations, an exemption (including this exemption), or any other Act

**required warning**, in relation to a PDS, means a warning that is required to be contained in the PDS under an order made under section 49 of the Financial Markets Authority Act 2011.

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

## **5 Exemptions for dual-language PDS**

An issuer that prepares and lodges a dual-language PDS is exempted from the following provisions of the Regulations:

- (a) regulation 21:
- (b) regulation 22(3), 23(2), 24(2) and (4), or 25(2):
- (c) regulation 29(1)(a) and (2):
- (d) regulation 34:

- (e) regulation 49C (to the extent that that regulation applies regulations 22(3), 23(2), 24(4), and 29(2));
- (f) any provision to the extent that the provision prevents or restricts a te reo Māori version of English text in a PDS from being—
  - (i) interposed among the corresponding English text;
  - (ii) included before, after, or alongside the corresponding English text;
- (g) any provision to the extent that the provision requires a statement to be included in a PDS in a specified form or using prescribed wording.

**6 Conditions of exemptions in clause 5: te reo Māori**

- (1) The exemptions in clause 5 are subject to the conditions that—
  - (a) any information that is—
    - (i) required information in relation to the PDS must be contained in the PDS in te reo Māori and in English; and
    - (ii) permitted information that is included in the PDS in either te reo Māori or English must also be included in the PDS in the other language; and
    - (iii) required information in relation to the KIS must be contained in the KIS in te reo Māori and in English; and
    - (iv) permitted information that is included in the KIS in either te reo Māori or English must also be included in the KIS in the other language; and
    - (v) additional information that is included in the PDS in either te reo Māori or English must also be included in the PDS in the other language; and
  - (b) the English and te reo Māori text in the PDS must, in all material respects, have the same meaning; and
  - (c) the issuer must obtain written confirmation from a certified translator that the condition set out in paragraph (b) is met; and
  - (d) the issuer must provide the confirmation to the FMA as soon as practicable upon request by the FMA.
- (2) Subclause (1) does not apply to any information that is incorporated by reference in the PDS.
- (3) Subclause (1)(a) does not apply to information contained in the English text of the PDS that, in te reo Māori, would be rendered using the same words (for example, because the information contained in the English text is in te reo Māori or because the information contained in the English text is a proper noun, an address, or an Internet site address).

## **7 Conditions of exemptions in clause 5: format**

- (1) The exemptions in clause 5 are subject to the conditions that—
  - (a) te reo Māori text must be included in the PDS in the place and in the manner that the issuer reasonably considers is most appropriate in terms of the PDS being presented in a clear, concise, and effective manner; and
  - (b) the information required by regulation 20(1) of the Regulations, by paragraph (e) of this subclause, or by an exemption, and any information permitted by regulation 20(2) or by an exemption that is included at the start of the PDS, and te reo Māori text containing that information, must be—
    - (i) on a separate cover page; or
    - (ii) on the same page as, and before, the start of the KIS; and
  - (c) if a provision of the Regulations or this exemption requires a statement to be included in a PDS in a specified form or using prescribed wording, the statement must be included in the PDS in the specified form or using the prescribed wording; and
  - (d) if a provision of the Regulations or this exemption requires a warning statement to be provided, the statement must be provided as required; and
  - (e) the PDS must contain, immediately after the statement required by regulation 20(1)(e) of the Regulations, a statement in the following form:

“All information in this document is provided in English and te reo Māori. The English text and te reo Māori text contain the same information in all material respects. Further information or correspondence about this product may not be provided in both languages.”
- (2) For the purpose of subclause (1)(c) and (d), a statement is not invalid just because it contains differences from the requirements prescribed by the Regulations or by this exemption notice if—
  - (a) the differences are necessary—
    - (i) to enable a more comprehensible te reo Māori version of the statement; or
    - (ii) for any of the reasons specified in regulation 9(2)(a) of the Regulations; and
  - (b) the issuer reasonably considers that the differences are not broader than is reasonably necessary to address the matters referred to in paragraph (a)(i) or in regulation 9(2)(a) of the Regulations.

## **8 Conditions of exemptions in clause 5: length limit**

- (1) The exemptions in clause 5 are subject to the conditions that—
  - (a) the English text of the PDS must not exceed,—

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- (i) in the case of an offer of debt securities (whether under regulation 22(1) or (2) of the Regulations), 15,000 words:
  - (ii) in the case of an offer of equity securities, 30,000 words:
  - (iii) in the case of an offer of managed investment products in a managed fund, 6,000 words:
  - (iv) in the case of an offer of managed investment products in a scheme other than a managed fund, 30,000 words:
  - (v) in the case of an offer of derivatives, 15,000 words:
  - (vi) in the case of an offer of convertibles,—
    - (A) if the convertibles are debt securities, 15,000 words:
    - (B) if the convertibles are equity securities, 30,000 words:
    - (C) if the convertibles are managed investment products, 30,000 words:
- (b) the English text of the KIS must not exceed,—
- (i) in the case of an offer of debt securities, 1,500 words:
  - (ii) in the case of an offer of equity securities, 2,000 words:
  - (iii) in the case of an offer of managed investment products in a managed fund, 1,000 words:
  - (iv) in the case of an offer of managed investment products in a scheme other than a managed fund, 2,000 words:
  - (v) in the case of an offer of derivatives, 1,000 words:
  - (vi) in the case of an offer of convertibles,—
    - (A) if the convertibles are debt securities, 1,500 words:
    - (B) if the convertibles are equity securities, 2,000 words:
    - (C) if the convertibles are managed investment products, 2,000 words.
- (2) However, in the case of an offer of convertibles that are debt securities where the new products are equity securities or managed investment products,—
- (a) the English text of the PDS must not exceed 30,000 words:
  - (b) the English text of the KIS must not exceed 2,000 words.
- (3) For the purposes of subclauses (1) and (2),—
- (a) a required warning must be disregarded when determining whether the KIS or PDS complies with the length restrictions that apply under subclauses (1) and (2); and
  - (b) if the cover page contains no information other than the information required or permitted by regulation 20 or by an exemption (including this exemption), the cover page must be disregarded when determining

- whether the PDS complies with the length restrictions that apply under subclauses (1) and (2); and
- (c) an application form must be disregarded when determining whether the PDS complies with the length restrictions that apply under subclauses (1) and (2); and
  - (d) any English words used in te reo Māori text contained in the KIS or PDS (for example, loanwords or proper nouns) must be disregarded when determining whether the KIS or PDS complies with the length restrictions that apply under subclauses (1) and (2).
- (4) Subclause (3)(c) does not apply if the application form contains information that is not directly related to an application for the financial products (for example, information that promotes the offer).

**9 Condition of exemptions in clause 5: additional information**

- (1) The exemptions in clause 5 are subject to the condition that the PDS must not contain any information in addition to the required or permitted information unless—
- (a) the PDS meets the length restrictions that apply under clause 8; and
  - (b) either—
    - (i) the additional information is included after the relevant section of the PDS; or
    - (ii) the additional information does not detract from the prominence of the information that is required to be included in the PDS by the Act, the Regulations, or an exemption (including this exemption).
- (2) The condition specified in subclause (1) does not limit any other permission to include additional information in the PDS.

Dated at Auckland this 13th day of October 2023.



General Counsel,  
Financial Markets Authority.

**Statement of reasons**

This notice comes into force on 1 November 2023 and is revoked on the close of 31 October 2028. It will replace, on substantially the same terms, the Financial Markets Conduct (Product Disclosure Statements in Te Reo Māori and English) Exemption Notice 2018, which is revoked on the close of 31 October 2023.

The exemptions are granted to facilitate product disclosure statements (**PDSs**) in both te reo Māori and English in full (**dual-language PDSs**).

The effect is that a dual-language PDS is exempt from certain requirements in the Financial Markets Conduct Regulations 2014 (the **Regulations**) including—

- the requirement that information at the front of the PDS must be on a separate cover page or before the key information summary (the **KIS**):
- the PDS length restrictions:
- the KIS length restrictions:
- any provision in the Regulations to the extent that the provision prevents or restricts a te reo Māori version of English text in a PDS from being interposed among the corresponding English text, or included before, after, or alongside the corresponding English text:
- any provision of the Regulations to the extent that the provision requires a statement to be included in a PDS in a specified form or using prescribed wording.

The exemptions are subject to conditions requiring all information in the PDS to be provided in te reo Māori and English. The English and te reo Māori text must have the same meaning in all material respects, and a certified translator must confirm to the FMA this condition is met. The requirement to include information in te reo Māori includes the prescribed statements in the Regulations; however, the statements may differ from the Regulations to the extent necessary to enable a more comprehensible te reo Māori version of the statement, provided the issuer reasonably considers that the differences are not broader than reasonably necessary. The conditions require that the English text of the PDS and the KIS must comply with the same word limits that are provided in the Regulations with some flexibility for English words used in te reo Māori text.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 557 of the Financial Markets Conduct Act 2013 (the **FMC Act**), considers it appropriate to grant the exemptions because—

- the exemptions enable PDSs to be provided in a way that can better assist decision making by investors who are more engaged and have a better understanding when information is provided in both te reo Māori and English; and
- the exemptions promote the confident and informed participation of investors in financial markets who are more confident engaging with information provided in both te reo Māori and English; and
- the exemptions are consistent with the purpose of te Ture mō Te Reo Māori 2016/the Māori Language Act 2016 to provide means to support and revitalise te reo Māori, and affirm the status of te reo Māori as the indigenous language of New Zealand and an official language of New Zealand.

For these reasons, the FMA is satisfied that the exemptions are desirable in order to promote the purposes of the FMC Act. Specifically, to promote the confident and

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informed participation of businesses, investors, and consumers in the financial markets and to provide for timely, accurate, and understandable information to be provided to persons to assist those persons to make decisions relating to financial products.

The FMA is further satisfied that the exemptions are not broader than is reasonably necessary to address the matters that gave rise to them, as the exemptions have only been granted to the extent required to enable a PDS to be provided in full in both te reo Māori and English and to provide flexibility to enable issuers to provide the information in a clear, concise, and effective way.

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*:

This notice is administered by the Financial Markets Authority.