

Financial Markets Conduct (Direct FX Limited) Exemption Notice 2015

Pursuant to section 556 of the Financial Markets Conduct Act 2013, the Financial Markets Authority, being satisfied of the matters set out in section 557 of that Act, gives the following notice.

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Notice

1 Title

This notice is the Financial Markets Conduct (Direct FX Limited) Exemption Notice 2015.

2 Commencement

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

3 Revocation

This notice is revoked on the close of 1 December 2015.

4 Application

An exemption granted by this notice applies to the accounting period of the exempt issuer that ends on 31 March 2015.

5 Interpretation

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

Act means the Financial Markets Conduct Act 2013

exempt issuer means Direct FX Limited

Regulations means the Financial Markets Conduct Regulations 2014.

- (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.

6 Exemptions

The exempt issuer is, —

- (a) exempted from section 460 of the Act to the extent the duties referred to in that section are required to be complied with within 4 months after the exempt issuer's balance date; and
- (b) exempted from section 461H of the Act to the extent that that section requires a copy of the financial statements of the exempt issuer, together with a copy of the auditor's report on those statements, to be delivered to the Registrar for lodgement within 4 months after the balance date of the exempt issuer.

7 Conditions

The exemptions in clause 6 are subject to the conditions that—

- (a) the duties referred to in section 460 of the Act are complied with by 30 November 2015; and
- (b) copies of the financial statements of the exempt issuer, together with a copy of the auditor's report on those statements, are delivered to the Registrar for lodgement by 30 November 2015.

Dated at Wellington this 25th day of July 2015.



Liam Mason
Director of Regulation
Financial Markets Authority

Statement of reasons

This notice comes into force on its notification in the Gazette and is revoked on the close of 1 December 2015. This notice applies to Direct FX Limited (**exempt issuer**), a licensed derivatives issuer.

This notice only applies to the accounting period ended 31 March 2015. The short timeframe that this notice is in effect reflects that the exemption is needed for only one accounting period.

This notice exempts the exempt issuer from the following provisions of the Financial Markets Conduct Act 2013 (the **Act**), to the extent that these provisions require financial statements to be prepared and lodged within 4 months of the exempt issuers balance date:—

- section 460 (financial statements must be prepared);
- section 461H (lodgement of financial statements).

The exemptions are subject to conditions that require the exempt issuer to—

- prepare financial statements for the accounting period ended 31 March 2015 by 30 November 2015; and
- lodge with the Registrar those statements together with a copy of the auditor's report on those statements by 30 November 2015.

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

- The exempt issuer engaged with the Financial Markets Authority in exploring the merits of whether broader relief from the financial reporting obligations under the Act may be required for certain derivatives issuers. The proposal for wider relief did not proceed and as a result of the engagement the exempt issuer requires further time in which to comply with the financial reporting obligations under that Act. Accordingly, the granting of this short-term transitional relief is desirable in order to promote the purposes of the Act, namely promoting the confident and informed participation of businesses, investors and consumers in the financial markets and promoting and facilitating the development of fair, efficient and transparent financial markets:
- The exemptions provide only a brief additional period to comply with the obligation to prepare financial statements and lodge those statements with the Registrar together with a copy of the auditor's report on those statements. Given that financial statements that comply with the Act are still required to be completed and lodged with the Registrar, the exemptions are not broader than is reasonably necessary to address the matters to which they relate.