

## Financial Markets Conduct (Futurity Investment Group Limited) Exemption Notice 2025

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 (Futurity Investment Group Limited) Exemption Notice 2025.

#### 2 Commencement

This notice comes into force on 30 June 2025.

#### 3 Revocation

This notice is revoked on the close of 29 June 2030.

#### 4 Interpretation

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

**Act** means the Financial Markets Conduct Act 2013

**approved benefit fund** means an approved benefit fund as defined in accordance with LPS 700

**APRA** means the Australian Prudential Regulation Authority

**Life Insurance Act** means the Life Insurance Act 1995 of the Commonwealth of Australia

**LPS 700** means Prudential Standard LPS 700 Friendly Society Benefit Funds as determined by APRA's Life insurance (prudential standard) determination No. 1 of 2019

**manager** means Futurity Investment Group Limited (ACN 087 648 879)

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

**specified application** means an application for, or in relation to, the closure or the termination of a specified fund made to APRA in accordance with section 16Q or section 53 of the Life Insurance Act and LPS 700

**specified funds** means the following funds, with each being a **specified fund**:

- (a) Children's Bursary Fund No. 1 (New Zealand);
- (b) Children's Bursary Fund No. 2 (New Zealand);
- (c) Children's Scholarship Fund No. 1 (New Zealand);
- (d) Children's Scholarship Fund No. 2 (New Zealand);
- (e) The Education Fund (New Zealand);
- (f) Supplementary Education Program (New Zealand); and
- (g) Pathway Education Fund (New Zealand);

**specified schemes** means the following registered schemes, with each being a **specified scheme**:

- (a) Children's Bursary Fund (New Zealand) (SCH11810);
- (b) Children's Scholarship Fund (New Zealand) (SCH11809);
- (c) The Education Fund (New Zealand) (SCH11346);
- (d) Supplementary Education Program (New Zealand) (SCH11347); and
- (e) Pathway Education Fund (New Zealand) (SCH12055);

**supervisor** means Covenant Trustee Services Limited or such other person appointed as the supervisor in relation to a specified scheme.

- (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

- (1) The supervisor and the manager are exempted, in respect of the specified schemes, from—
  - (a) section 212 of the Act; and
  - (b) section 213 of the Act.
- (2) The manager is exempted, in respect of each specified scheme and each specified fund that relates to the specified scheme, from sections 460, 461A(1) to (3), 461D and 461H(1A) of the Act with respect to the accounting period ending 30 June 2025 and any subsequent accounting periods of the specified scheme if—
  - (a) APRA has approved a specified application made by the manager to close or to terminate each specified fund that relates to the specified scheme; and
  - (b) neither the specified scheme nor any specified fund that relates to the specified scheme has assets at any time during that accounting period.
- (3) The manager is exempted, in respect of each specified fund that relates to a specified scheme, from regulation 56 of the Regulations with respect to a quarter (other than the quarter starting on 1 April 2025) of a disclosure year that starts after 31 March 2025 if—
  - (a) APRA has approved a specified application made by the manager to close or to terminate the specified fund that relates to the specified scheme; and

- (b) the specified fund that relates to the specified scheme has no assets at any time during that quarter of that disclosure year.
- (4) The manager is exempted, in respect of each specified scheme, from regulation 62 of the Regulations with respect to the accounting period ending 30 June 2026 and any subsequent accounting periods of the specified scheme if—
  - (a) APRA has approved a specified application made by the manager to close or to terminate each specified fund that relates to the specified scheme; and
  - (b) neither the specified scheme nor any specified fund that relates to the specified scheme has assets at any time during that accounting period.

## **6 Conditions of exemptions in clause 5**

The exemptions in clause 5, in respect of each specified scheme, are subject to the conditions that—

- (a) each specified fund that relates to the specified scheme is an approved benefit fund; and
- (b) the manager has made a specified application in respect of each specified fund that relates to the specified scheme; and
- (c) the manager complies with all requirements of the Life Insurance Act and LPS 700 relating to the closure or the termination of each specified fund that relates to the specified scheme including all requirements to give notices or other documents to members of each specified fund; and
- (d) the supervisor or the manager gives to the FMA within 10 working days of each specified application being made to APRA in respect of a specified fund that relates to the specified scheme—
  - (i) a copy of the specified application; and
  - (ii) all the associated documentation required to accompany the specified application prescribed by LPS 700; and
- (e) the supervisor or the manager gives to the FMA—
  - (i) within 10 working days of its completion, any report by an independent actuary requested by APRA in respect of a specified fund that relates to the specified scheme; and
  - (ii) within 10 working days after it is made, a copy of each resolution of the members (or of any class thereof) of the specified fund or of the directors of the manager:
    - (A) closing or terminating, or consenting to the closure or termination of, each specified fund that relates to the specified scheme; or
    - (B) adopting new benefit fund rules, or amending existing benefit fund rules, in relation to the closure or termination of each specified fund that relates to the specified scheme; and
- (f) where a specified fund that relates to the specified scheme has members and assets at the date of the specified application made in respect of that specified fund, the supervisor or the manager must—
  - (i) within 20 working days after their lodgment with APRA, send to the FMA and to every person who was a member of the specified fund at the time APRA granted its approval to the termination of a specified fund that relates to the specified scheme:

- (A) a copy of the audited accounts (required by LPS 700), or accounts in a form approved by APRA, for the specified fund up to the date on which the termination takes effect; and
  - (B) any statement of the distribution of assets of the specified fund (required by LPS 700) to be included in the accounts referred to in subparagraph (A); and
- (ii) if the accounts referred to in subparagraph (i)(A) do not include the following information, ensure that the accounts sent to the FMA and to every person who was a member of the specified fund at the time APRA granted its approval to the termination of the specified fund are accompanied by written advice as to the manner in which—
  - (A) the assets of the specified fund have been distributed since APRA granted its approval for the termination of the specified fund; and
  - (B) the remaining assets (if any) of the specified fund are to be distributed; and
- (iii) inform the FMA of the date on which the distribution of assets of each specified fund that relates to the specified scheme is completed; and
- (g) where a specified fund that relates to the specified scheme has no members and no assets at the date of the specified application made in respect of that specified fund, the supervisor or the manager must provide a statement to that effect to the FMA within 10 working days of the specified application being made to APRA; and
- (h) the supervisor or the manager gives to the FMA within 10 working days of it occurring notice that the specified scheme has been wound up or dissolved or has ceased to exist.

Dated at Wellington this 27th day of June 2025.



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John Horner  
Director, Markets Investors & Reporting  
Financial Markets Authority

## Statement of Reasons

This notice comes into force on 30 June 2025 and is revoked on the close of 29 June 2030. It applies to Futurity Investment Group Limited (ACN 087 648 879) (**manager**) as manager, and Covenant Trustee Services Limited (**supervisor**) as supervisor, of five registered schemes (**specified schemes**) and seven funds that relate to the specified schemes (**specified funds**). The specified funds are approved benefit funds (**approved benefit funds**) as defined in Prudential Standard LPS 700 Friendly Society Benefit Funds as determined by the Australian Prudential Regulation Authority (**APRA**) Life Insurance (prudential standard) determination No. 1 of 2019 (**LPS 700**).

The notice exempts:

- the manager and the supervisor, in respect of the specified schemes, from sections 212 and 213 of the Financial Markets Conduct Act 2013 (the **Act**) which require the supervisor or (if there is no supervisor) the manager to take initial steps in the winding up of a registered scheme and to ensure (among other things) that financial statements of the registered scheme are prepared in accordance with generally accepted accounting practice and audited; and
- the manager from sections 460, 461A(1) to (3), 461D and 461H(1A) of the Act and regulations 56 and 62 of the Financial Markets Conduct Regulations 2014 (the **Regulations**) which impose further financial reporting obligations including to prepare annual financial statements that comply with generally accepted accounting practice and are audited in relation to a registered scheme, to make publicly available quarterly a fund update for each specified fund in a registered scheme and to prepare an annual report on the affairs of a registered scheme (**continuous disclosure**).

Whilst the exemptions exempt the manager and the supervisor from the requirements under the Act and Regulations relating to the winding up of, and financial and other reporting on, the specified schemes and the specified funds, the exemptions are subject to conditions that require compliance with applicable Australian law requirements, specifically:

- the manager must comply with all requirements of the Life Insurance Act 1995 (Aust) (**Life Insurance Act**) and LPS 700 relating to the closure or termination of each specified fund; and
- the manager or the supervisor must give to the Financial Markets Authority (**FMA**) and, in certain cases, members of the specified fund, copies of the documents lodged with APRA relating to the closure or termination of each specified fund including copies of the application for termination or closure, each resolution closing or terminating, or consenting to the closure or termination of, each specified fund, the audited accounts, or accounts in a form approved by APRA, for the specified fund and additional information relating to the distribution of the assets of the specified fund.

The exemptions from financial reporting and continuous disclosure requirements only apply where neither the specified scheme nor any specified fund that relates to the specified scheme has assets during the relevant reporting period and only in respect of reporting periods in respect of which the FMA is permitted by the Act to grant exemptions.

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

- the exemptions will allow the manager to close or terminate the specified funds in accordance with Australian law under the supervision of APRA without being required to comply with additional conflicting or duplicative processes prescribed under the Act. The Life Insurance Act and LPS 700 require disclosure of information for members of the specified funds to an extent broadly equivalent with New Zealand financial markets conduct law:

- the conditions will ensure the FMA and members of the specified funds will receive appropriate information and, in the case of the members, protection by ensuring that, in addition to the information and documents prescribed by the Life Insurance Act and LPS 700, the FMA and the members of the specified funds will receive information similar to that required under the Act relating to the distribution of the assets of each specified fund and the winding up or dissolution of each specified scheme that may not otherwise be provided to them under the Australian law requirements:
- as such, the FMA is satisfied that the granting of the exemptions is desirable in order to promote the purposes of the Act, specifically to promote innovation and flexibility in the financial markets and to avoid unnecessary compliance costs:
- the FMA is also satisfied the extent of the exemptions is not broader than is reasonably necessary to address the matters that gave rise to the exemptions because the exemptions apply only to the winding up of five registered schemes and are subject to conditions that require compliance with applicable Australian law requirements and the provision to the FMA and members of the specified funds of documents and information similar to that required under the FMC Act.