

Financial Markets Conduct (IG Markets 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 (IG Markets Limited) Exemption Notice 2015.

2 Commencement

This notice comes into force on 25 September 2015.

3 Revocation

This notice is revoked on the close of 31 May 2016.

4 Application

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

5 Interpretation

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

Act means the Financial Markets Conduct Act 2013

approved auditor, in relation to the exempt issuer, means an accountant who is qualified under the law of England and Wales to give an opinion as to whether specified financial statements comply with EU IFRS

exempt issuer means IG Markets Limited

EU IFRS, in relation to the exempt issuer, means the International Financial Reporting Standards that have been adopted by the European Union

International Financial Reporting Standards means –

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

Regulations means the Financial Markets Conduct Regulations 2014

specified financial statements, in relation to the exempt issuer, means financial statements of the exempt issuer for the accounting period ended on 31 May 2015, prepared in accordance with the laws of England and Wales.

- (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 exempted from –

- (a) sections 455(1)(c), 461B, 461D and 461G of the Act.
- (b) section 461 of the Act to the extent that it requires the exempt issuer to ensure that its group financial statements comply with generally accepted accounting practice.
- (c) clause 29(a) of schedule 6 to the Regulations to the extent that the register entry is required to contain a link to financial statements that comply with generally accepted accounting practice that have been audited by a qualified auditor.

7 Conditions

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

- (a) the exempt issuer, in relation to its specified financial statements, must comply with the laws of England and Wales that relate to the preparation, content, audit, and public filing of those financial statements and, in particular, the exempt issuer must ensure that—
 - (i) the specified financial statements comply with EU IFRS; and
 - (ii) the specified financial statements are audited by an approved auditor; and
 - (iii) an audit report is prepared by the approved auditor in respect of that audit; and
- (b) the exempt issuer must ensure that there are kept at all times accounting records that will enable the issuer to ensure that—
 - (i) the specified financial statements comply with paragraph (a)(i); and
 - (ii) the financial statements under paragraph (c) comply with either generally accepted accounting practice or EU IFRS; and
- (c) the group financial statements of the exempt issuer must, when those statements are delivered for lodgement under section 461H of the Act, be accompanied by financial statements for the group's New Zealand business prepared in accordance with —
 - (i) generally accepted accounting practice; or

- (ii) EU IFRS ; and
- (d) the financial statements of the New Zealand business must be audited by a qualified auditor or an approved auditor; and
- (e) the financial statements that are delivered to the Registrar for lodgement under paragraph (c) are accompanied by written notification to the Registrar that the exempt issuer is relying on this notice in respect of the accounting period to which the specified financial statements relate; and
- (f) the register entry for any regulated offer of derivatives by the exempt issuer must contain a link to the most recently completed group financial statements of the exempt issuer that:
 - (i) comply with EU IFRS; and
 - (ii) have been audited by an approved auditor; and
- (g) the exempt issuer remains authorised and regulated by the United Kingdom's Financial Conduct Authority and holds an Australian Financial Service Licence issued by the Australian Securities and Investments Commission.

Dated at Wellington this 24th day of September 2015.


Kirsty Campbell
Acting Director of Regulation
Financial Markets Authority

Statement of reasons

This notice comes into force upon its notification in the Gazette and is revoked on the close of 31 May 2016. This notice applies to IG Markets Limited (**exempt issuer**), a licensed derivatives issuer.

The short timeframe that this notice is in effect reflects that the exemption is needed for only one accounting period. This notice applies to the period ended 31 May 2015 as the FMA is currently considering a class exemption to address future accounting periods.

This notice exempts the exempt issuer from the following provisions of the Financial Markets Conduct Act 2013 (the **Act**) to the extent that they require financial statements prepared in accordance with generally accepted accounting practice in New Zealand (**NZ GAAP**):—

- section 455(1)(c) (FMC reporting entity must keep accounting records that will enable it to ensure that financial statements comply with generally accepted accounting practice);
- section 461 (group financial statements);
- section 461B (financial statements for the New Zealand business);
- section 461D and 461G (audit of financial statements).

This notice exempts the exempt issuer from the following provision of the Financial Markets Conduct Regulations 2014 (the **Regulations**) to the extent that the register entry is required to contain a link to financial statements that comply with NZ GAAP that have been audited by a qualified auditor:—

- clause 29(a) of schedule 6 (register entry to contain link to financial statements).

The exemptions are subject to conditions that require the exempt issuer to prepare financial statements in accordance with the financial reporting requirements of England and Wales. The main effects of the exemptions are as follows:—

- the specified financial statements will comply with the international financial reporting standards adopted by the European Union (**EU IFRS**) rather than NZ GAAP;
- the specified financial statements will be audited by an approved auditor who is qualified under the laws of England and Wales to give an opinion as to whether the specified financial statements comply with EU IFRS;
- the specified financial statements will be accompanied by the exempt issuer's New Zealand business financial statements that comply with either NZ GAAP or EU IFRS and that are audited by an approved auditor in England and Wales or a qualified auditor in New Zealand;
- the register entry for an offer will contain a link to a copy of the specified financial statements that comply with EU IFRS and have been audited by an approved auditor.

The Financial Markets Authority (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 United Kingdom's Financial Conduct Authority (**FCA**) and the Australian Securities and Investment Commission (**ASIC**) are signatories to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information. This means that the FMA will be able to obtain co-operation from the FCA and ASIC if any compliance concerns arise in relation to the financial reporting requirements of the exempt issuer;
- the costs associated with the exempt issuer preparing and auditing financial statements in accordance with EU IFRS in addition to preparing financial statements under New Zealand requirements would outweigh the benefits to policy holders in receiving NZ GAAP rather than EU IFRS financial statements;
- the granting of the exemptions is desirable in order to promote the purposes of the Act, specifically by avoiding unnecessary compliance costs and by promoting flexibility in financial markets;
- given that financial statements are still required to be lodged in New Zealand, the exemptions are not broader than is reasonably necessary to address the matters to which they relate.