

## Financial Markets Conduct (IG Markets Limited) Exemption Notice 2016

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.

### Contents

	Page
1 Title	1
2 Commencement	1
3 Revocation	1
4 Application	1
5 Interpretation	1
6 Exemptions	2
7 Conditions of exemption from clauses 6(a), (b) and (e)	2
8 Conditions of exemption from clauses 6(c) and (d)	3

### Notice

#### 1 Title

This notice is the Financial Markets Conduct (IG Markets Limited) Exemption Notice 2016.

#### 2 Commencement

This notice comes into force on 23 September 2016.

#### 3 Revocation

This notice is revoked on the close of 01 September 2021.

#### 4 Application

An exemption granted by this notice applies to the following accounting periods of an exempt issuer:

- (a) the accounting period that ended on 31 May 2016; and
- (b) subsequent accounting periods.

#### 5 Interpretation

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

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

**approved auditor** means an accountant who is qualified under the laws of Australia to give an opinion as to whether the financial statements of the New Zealand business of the exempt

issuer comply with generally accepted accounting practice and is entitled to act as an auditor for the exempt issuer

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

**exempt issuer** means IG Markets Limited

**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

**overseas auditor** means an auditor who is registered or licensed under the laws of England and Wales to give a report, prepared on a reasonable assurance engagement, on the exempt issuer's processes, procedures and controls and is entitled to act as an auditor for the exempt issuer

**qualified auditor** has the same meaning as in section 461E of the Act

**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 periods from 1 June 2016 to 31 May 2021, 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; and
- (b) section 460 of the Act to the extent that it requires the exempt issuer to ensure that its financial statements comply with generally accepted accounting practice; and
- (c) regulation 248(1) of the Regulations to the extent that it requires the exempt issuer to obtain an assurance engagement with a qualified auditor as defined by section 461E of the Act done in accordance with applicable auditing and assurance standards; and
- (d) regulation 249 of the Regulations to the extent that it requires a qualified auditors opinion on the derivatives issuer's processes, procedures and controls; and
- (e) clause 29(a) of schedule 6 to the Regulations to the extent that the register entry is required to contain financial statements that comply with generally accepted accounting practice and have been audited by a qualified auditor.

## 7 Conditions of exemption from clauses 6(a), (b) and (e)

The exemptions in clauses 6(a), (b) and (e) are subject to the conditions that—

- (a) the exempt issuer, in relation to its specified financial statements for each accounting period, 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 the overseas auditor; and
  - (iii) an audit report is prepared by the overseas 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 exempt issuer to ensure that—
- (i) the specified financial statements comply with paragraph (a)(i); and
  - (ii) the financial statements for the New Zealand business under paragraph (c) comply with generally accepted accounting practice; and
- (c) the specified 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 New Zealand business prepared in accordance with generally accepted accounting practice; and—
- (i) the financial statements of the New Zealand business must be audited by the approved auditor; and
- (d) the financial statements that are delivered to the Registrar for lodgment under paragraph (c) must be 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
- (e) 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 the overseas auditor; and
- (f) the exempt issuer must remain authorised and regulated by the United Kingdom's Financial Conduct Authority and hold an Australian Financial Service Licence issued by the Australian Securities and Investments Commission.

## **8 Conditions of exemption from clauses 6(c) and (d)**

The exemptions in clauses 6(c) and (d) are subject to the conditions that:—

- (a) the exempt issuer must obtain an assurance engagement with the overseas auditor as stated in regulation 248(1) of the Regulations done in accordance with regulation 249 of the Regulations; and
- (b) the assurance report must include an opinion by the overseas auditor on the derivatives issuer's processes, procedures and controls, as stated in regulation 249 of the Regulations.

Dated at Wellington this 15<sup>th</sup> day of September 2016.



Nick Kynoch  
General Counsel  
Financial Markets Authority

### Statement of reasons

This notice comes into force upon its notification in the Gazette and is revoked on the close of 01 September 2021. This notice applies to IG Markets Limited (**exempt issuer**), a licensed derivatives issuer.

This notice exempts the exempt issuer from the following provisions of the Financial Markets Conducts Act 2013 (the **Act**) and the Financial Markets Conduct Regulations 2014 (the **Regulations**):

- section 455(1)(c) of the Act (FMC reporting entity must keep accounting records that will enable it to ensure that financial statements comply with generally accepted accounting practice):
- section 460 of the Act (financial statements must be prepared) to the extent that it requires the exempt issuer to ensure that its financial statements comply with generally accepted accounting practice:
- section 461B of the Act (financial statements for the New Zealand business):
- sections 461D and 461G of the Act (audit of financial statements):
- regulation 248(1) of the Regulations (a derivatives issuer who holds derivatives investor money or derivatives investor property must, within 4 months after the issuers balance date, obtain an assurance engagement with a qualified auditor done in accordance with applicable auditing and assurance standards) to the extent that it requires the exempt issuer to obtain an assurance engagement with a qualified auditor as defined by section 461E of the Act done in accordance with applicable auditing and assurance standards:
- regulation 249(1) of the Regulations (assurance engagement report) to the extent that it requires a qualified auditor's opinion on the derivatives issuer's processes, procedures and controls:
- clause 29(a) of schedule 6 of the Regulations (documents to be lodged or referred to on register entry).

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 FMA is satisfied that the financial reporting requirements, and the nature and extent of regulatory oversight, for the exempt issuer and its auditor are of a high quality and at least equivalent to those that exist in New Zealand. As such, investors in the exempt issuer will have access to broadly similar, and equivalent information to the information that they would otherwise receive:
- 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, audit and assurance engagement requirements of the exempt issuer:

- the costs associated with a requirement for the exempt issuer to provide an assurance report prepared by a qualified auditor in addition to already preparing their International Standard Assurance Engagement controls report and preparing financial statements that comply with generally accepted accounting practice and have those statements audited by a New Zealand licensed auditor would outweigh the benefits to investors:
- 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 innovation and flexibility in the financial markets:
- given that an assurance report is still required to be provided in New Zealand and the financial statements will be subject to audit oversight broadly equivalent to New Zealand we are satisfied that the exemptions are not broader than is reasonably necessary to address the matters to which they relate.