

Financial Markets Conduct (QBE Group) Exemption Notice 2026

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 (QBE Group) Exemption Notice 2026.

2 Commencement

This notice comes into force on 16 March 2026.

3 Revocation

This notice is revoked on the close of 30 June 2030.

4 Application

- (1) An exemption granted by this notice applies to the following accounting periods of each exempt insurer:
 - (a) the accounting period ending 31 December 2025; and
 - (b) subsequent accounting periods, up to and including the accounting period ending 31 December 2029.
- (2) However, an exemption granted by this notice does not apply to an exempt insurer in respect of an accounting period if the exempt insurer is an FMC reporting entity in that accounting period because it is an issuer of a regulated product under section 451(a) of the Act.

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 law of Australia to give an opinion as to whether financial statements comply with Australian GAAP

Australian GAAP means Australian equivalents to International Financial Reporting Standards

exempt insurer means—

(a) QBE Insurance (Australia) Limited (company number 5838310); and

(b) QBE Lenders' Mortgage Insurance Limited (company number 593159),

each an "exempt insurer", both being a subsidiary of the holding company, and each a licensed insurer incorporated in Australia and registered as an overseas company in New Zealand under the Companies Act 1993

External Reporting Board means the independent Crown entity continued under section 11 of the Financial Reporting Act 2013

holding company means QBE Insurance Group Limited, a company incorporated in Australia

International Financial Reporting Standards means—

(a) International Financial Reporting Standards, International Accounting Standards, and Standing Interpretations Committee interpretations that have been issued, endorsed, or 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

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

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

Each exempt insurer is exempted from—

(a) subpart 3 of Part 7 of the Act to the extent that group financial statements that comply with generally accepted accounting practice are required to be prepared; and

(b) sections 455(1)(c), 461B, 461D, and 461G of the Act.

7 Conditions

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

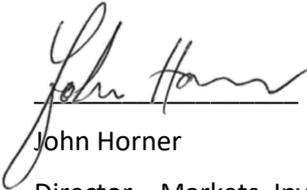
(a) each exempt insurer, in relation to its respective financial statements that are required to be prepared under subpart 3 of Part 7 of the Act, must complete financial statements that comply with the law and regulatory requirements of Australia that relate to the preparation, content, audit, and public filing of those statements and, in particular, each exempt insurer must ensure that—

(i) its respective financial statements comply with Australian GAAP; and

- (ii) those 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) each exempt insurer must ensure at all times accounting records are kept that will enable each exempt insurer to ensure that—
 - (i) the financial statements prepared under subpart 3 of Part 7 of the Act comply with paragraph (a)(i); and
 - (ii) its New Zealand business financial statements (if any) prepared under paragraph (c) comply with generally accepted accounting practice; and
- (c) financial statements for each exempt insurer’s respective New Zealand business (if any) must be prepared as if that business were conducted by a company formed and registered in New Zealand, and must comply with generally accepted accounting practice; and
- (d) the financial statements of each exempt insurer’s respective New Zealand business (if any) must be audited by a qualified auditor or an approved auditor; and
- (e) the qualified auditor or an approved auditor, in carrying out the audit on each exempt insurer’s respective New Zealand business financial statements under paragraph (d), and the auditor’s report on those financial statements, must comply with the requirements of all applicable auditing and assurance standards; and
- (f) if the auditor’s report from the qualified auditor or approved auditor indicates that the requirements of generally accepted accounting practice in respect of an exempt insurer’s New Zealand business financial statements under paragraph (d), or Australian GAAP in respect of its financial statements under paragraph (a), have not been complied with, that exempt insurer must, as soon as reasonably practicable, send a copy of the report, and a copy of the financial statements to which it relates, to—
 - (i) the FMA; and
 - (ii) the External Reporting Board; and
- (g) the financial statements of the exempt insurer that are delivered to the Registrar for lodgement under section 461H of the Act and must be accompanied by—
 - (i) the exempt insurer’s New Zealand business financial statements (if any) together with a copy of the auditor’s report on those financial statements; and
 - (ii) the holding company’s group financial statements together with a copy of the auditor’s report on those financial statements prepared and audited by an approved auditor in accordance with the law and regulatory requirements of Australia that relate to the preparation, content, audit, and public filing of those statements; and
 - (iii) written notification to the Registrar that the exempt insurer is relying on this notice in respect of the accounting period to which the statements relate; and
- (h) the exempt insurers are not required by Australian GAAP to prepare group financial statements and continue to satisfy any relevant conditions; and
- (i) the Australian Securities and Investment Commission continues to be a full signatory to the International Organization of Securities Commission’s Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information; and

- (j) the Memorandum of Understanding Concerning Co-operation in Banking and Insurance Supervision remains in place between the Reserve Bank of New Zealand and the Australian Prudential Regulation Authority.

Dated at Wellington this 13th day of March 2026.

A handwritten signature in black ink, appearing to read "John Horner", is written over a horizontal line.

John Horner

Director – Markets, Investors and Reporting

Financial Markets Authority

Statement of Reasons

This notice, which comes into force on 16 March 2026 and is revoked on 30 June 2030, applies to QBE Insurance (Australia) Limited and QBE Lenders' Mortgage Insurance Limited (each an **exempt insurer** or together "**exempt insurers**"). Each exempt insurer is an insurer licensed by the Reserve Bank of New Zealand (the **Reserve Bank**).

This notice exempts the exempt insurers from the following provisions of the Financial Markets Conduct Act 2013 (the **Act**):

- subpart 3 of Part 7 of the Act to the extent that the subpart requires an FMC reporting entity that has 1 or more subsidiaries to prepare:
 - group financial statements; and
 - to comply with New Zealand generally accepted accounting practice (**NZ GAAP**):
- section 455(1)(c) which requires accounting records to be kept that enable an FMC reporting entity to ensure that its financial statements comply with NZ GAAP:
- section 461B which relates to financial statements for the New Zealand business:
- sections 461D and 461G which require financial statements to be audited by a qualified auditor, as defined in the Act, and to receive an auditor's report in respect of those financial statements.

The exemptions are subject to a number of conditions including that each exempt insurer prepares financial statements that comply with the financial reporting requirements of Australia.

The main effects of the exemptions are as follows:

- the exempt insurers are licensed insurers, and so are FMC reporting entities. For this reason their financial statement preparation, audit and lodgement obligations are appropriately regulated by subpart 3 of Part 7 of the Act. This notice grants the exempt insurers an exemption from the usual requirement in this subpart to prepare group financial statements. Instead, each exempt insurer is required to prepare financial statements as individual entities. In appropriate recognition of the exempt insurer's status as FMC reporting entities, the conditions of the notice recognise that these alternative financial statements continue to be required under subpart 3 of Part 7 of the Act, such that the provisions of the Companies Act 1993 that apply to companies that are not FMC reporting entities do not apply:
- the financial statements that are prepared will comply with Australian equivalents to International Financial Reporting Standards (**Australian GAAP**) and will be completed in relation to the entity rather than the exempt insurer's group:
- the exempt insurer's financial statements will be audited by an approved auditor who is qualified under the laws of Australia to give an opinion as to whether the financial statements comply with Australian GAAP:
- the exempt insurer's financial statements will be accompanied by the exempt insurer's New Zealand business financial statements that comply with NZ GAAP and that are audited, in accordance with the applicable New Zealand auditing and assurance standards, by an approved auditor from Australia or a qualified auditor in New Zealand:
- the exempt insurer's financial statements will be accompanied by the group financial statements of the exempt insurer's holding company, QBE Insurance Group Limited, that comply with Australian GAAP and that are 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 exemption because—

- the Financial Markets Conduct (Overseas Registered Banks and Licensed Insurers) Exemption Notice 2020 (**class notice**) allows overseas registered banks and licensed insurers to prepare, have audited and lodge financial statements that comply with generally accepted accounting practice in their home jurisdictions rather than NZ GAAP. The class notice requires overseas registered banks and licensed insurers with 1 or more subsidiaries to prepare, audit and lodge group financial statements that comply with generally accepted accounting practice in their home jurisdictions. The exempt insurers cannot readily rely on the class notice because, under Australian GAAP, and Australian law and regulatory requirements, they are not required to produce group financial statements:
- the Reserve Bank assesses the financial reporting and audit requirements of the overseas jurisdiction of any overseas insurer seeking a licence in New Zealand. In this case the overseas jurisdiction of the exempt insurers is Australia. The FMA and the Reserve Bank are satisfied that the financial reporting and audit requirements of Australia will provide sufficient and appropriate information to the Reserve Bank for it to undertake prudential regulation of the exempt insurers and for investors and policy holders to make informed decisions:
- the exempt insurers are regulated in Australia by the Australian Securities and Investments Commission (**ASIC**) and supervised by the Australian Prudential Regulation Authority (**APRA**). ASIC is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information. APRA and the Reserve Bank have entered into a Memorandum of Understanding Concerning Co-operation in Banking and Insurance Supervision. This means that the FMA and the Reserve Bank will be able to obtain co-operation from ASIC and APRA if any compliance concerns arise in relation to the exempt insurers:
- the cost of preparing and auditing group financial statements under New Zealand requirements, in addition to costs associated with preparing and auditing financial statements in accordance with Australian requirements, would outweigh the benefits that investors and policy holders would gain by having access to financial statements that are prepared in accordance with NZ GAAP, rather than Australian GAAP. As such the granting of the exemptions is desirable in order to promote the purposes of the Act, by avoiding unnecessary compliance costs and promoting flexibility in the financial markets:
- the FMA is further satisfied that the extent of the exemptions are not broader than is reasonably necessary to address the matters that give rise to the exemptions, given that—
 - the exemptions only address particular issues experienced by the exempt insurers, that arise because they are not required to prepare group financial statements under Australian law and regulatory requirements, which means that they cannot readily rely on the class notice; and
 - the exemptions and conditions, consistent with the policy of the class notice, mean policy holders and investors will have access to financial statements lodged in New Zealand that meet the relevant financial reporting requirements and auditing and assurance standards; and
 - the exemptions will not apply if an exempt insurer becomes an FMC reporting entity because it is an issuer of a regulated product under section 451(a) of the Act in addition to being an FMC reporting entity due to the fact it is a licensed insurer.