

Financial Markets Conduct (Kuaotunu Camp Ground (2008) Limited) Exemption Notice 2018

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 (Kuaotunu Camp Ground (2008) Limited) Exemption Notice 2018.

2 Commencement

This notice comes into force on 20 July 2018.

3 Revocation

This notice is revoked on the close of 21 July 2023.

4 Application

- (1) The exemptions granted by this notice applies to the following accounting periods of the exempt issuer:
- (a) an accounting period ending 31 March 2018; and
 - (b) subsequent accounting periods.

5 Interpretation

- (2) In this notice, unless the context otherwise requires—
Act means the Financial Markets Conduct Act 2013

exempt issuer means Kuaotunu Camp Ground (2008) Limited

specified equity securities means shares issued by the exempt issuer in accordance with its constitution for the principal purpose of providing shareholders with occupation rights to sites at the Kuaotunu Camp Ground

Regulations means the Financial Markets Conduct Regulations 2014

- (3) 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 given to it by the Act or the Regulations.

6 Exemption

The exempt issuer is exempted from Part 7 of the Act with respect to a particular accounting period if—

- (a) the exempt issuer is an FMC reporting entity only by virtue of specified equity securities issued by the exempt issuer being regulated products; and
- (b) the total revenue of the exempt issuer and its subsidiaries (if any) for that accounting period (as determined in accordance with GAAP) does not exceed \$2 million.

7 Condition of exemption

The exemption in clause 6 is subject to the condition that the exempt issuer must ensure that a statement in the following form is included, in a prominent position, at the front of every document provided to any shareholder that contains the exempt issuer's financial statements or summary financial statements for that accounting period:

"You hold shares in Kuaotunu Camp Ground (2008) Limited (**Kuaotunu**). The usual financial reporting and audit requirements under the Financial Markets Conduct Act 2013 (**Act**) do not apply to Kuaotunu for [*relevant accounting period*] because there is an individual exemption in place for Kuaotunu.

As a result, these shares may be subject to the financial reporting and audit requirements of the Companies Act 1993 and the information provided in this document may not contain all the financial information usually required to be provided to shareholders for [*relevant accounting period*].

If you would like any further information, please contact [*contact details*]."

Dated at Wellington this 19th day of July, 2018.



Garth Stanish
Director of Capital Markets
Financial Markets Authority

Statement of Reasons

This notice comes into force on 20 July 2018 and is revoked on the close of 21 July 2023. This notice exempts Kuaotunu Camp Ground (2008) Limited (the **exempt issuer**), a company whose

principal purpose is to provide its shareholders with occupancy to the Kuaotunu Camp Ground, from the financial reporting and auditing requirements under Part 7 of the Financial Markets Conduct Act (the **Act**) in relation to any accounting period, if:

- the revenue of the exempt issuer and any subsidiaries is \$2 million or less for that accounting period, and
- the exempt issuer is an FMC reporting entity only by virtue of its specified equity securities being regulated products. Specified equity securities are shares issued by the exempt issuer in accordance with its constitution for the principal purpose of providing shareholders with occupation rights to sites at the Kuaotunu Camp Ground.

The effect of the notice is that the exempt issuer will not be required to comply with financial reporting obligations under Part 7 of the Act (although financial reporting obligations may apply under other laws such as the Companies Act 1993).

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 this exemption because—

- there is no expectation of financial return from ownership of the specified equity securities. The exempt issuer's principal purpose in issuing specified equity securities is to provide holders with occupancy rights to sites in the Kuaotunu Camp Ground, which are not in the nature of typical equity returns and are irrespective of any profits made by the exempt issuer. The exemption therefore removes unnecessary compliance burdens by preventing the regulation by financial markets law of an activity that is not a financial product investment or financial markets activity:
- where the exempt issuer's revenue (plus the revenue of any subsidiaries) for a particular accounting period is \$2 million or less, the financial risk to shareholders is low, and the costs of complying with Part 7 of the Act would be disproportionately high and would outweigh any benefit to shareholders in specified equity securities:
- the financial reporting and auditing requirements of the Companies Act 1993 will continue to apply, which will require the exempt issuer to prepare financial statements in accordance with generally accepted accounting principles and have those statements audited unless shareholders agree otherwise:
- for these reasons, the FMA is satisfied that the exemption is necessary or desirable in order to promote the purposes of the Act, specifically by avoiding unnecessary compliance costs while continuing to ensure the provision of timely, accurate and understandable financial information to assist decision making by shareholders:
- the exemption only addresses the particular difficulties experienced by the exempt issuer. Given that the exemption is limited to financial reporting periods where the revenue of the exempt issuer (and any subsidiaries) is \$2 million or less, the FMA is satisfied that the exemptions are not broader than is reasonably necessary to address the matters that give rise to them.