



Financial Reporting Act (Overseas Issuers) Exemption Amendment Notice 2010

Pursuant to section 35A of the Financial Reporting Act 1993, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

Contents

		Page
1	Title	1
2	Commencement	1
3	Principal notice amended	1
4	Exemptions for directors of exempt issuers	1
5	Schedule 1 amended	2

Notice

- 1 Title**
This notice is the Financial Reporting Act (Overseas Issuers) Exemption Amendment Notice 2010.
- 2 Commencement**
This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Principal notice amended**
This notice amends the Financial Reporting Act (Overseas Issuers) Exemption Notice 2009.
- 4 Exemptions for directors of exempt issuers**
(1) Clause 6(1)(a) is amended by inserting “15,” after “14.”

- (2) Clause 6(1)(c) is revoked.
- (3) Clause 6(2) is amended by omitting “Subclause (1)(c) and (d) do” and substituting “Subclause (1)(d) does”.

5 Schedule 1 amended

Schedule 1 is amended by adding the following item:

The Netherlands	Part 9 of Book 2 of the Civil Code of the Netherlands	International accounting standards (within the meaning of Regulation (EC) No 1606/2002)	Article 393 of Part 9 of Book 2 of the Civil Code of the Netherlands
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Dated at Wellington this 14th day of June 2010.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

David Mayhew,
Member.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette*, amends the Financial Reporting Act (Overseas Issuers) Exemption Notice 2009 (the **principal notice**).

The effect of the notice is to exempt—

- (a) the directors of certain issuers incorporated in the Netherlands from various provisions of the Financial Reporting Act 1993 (the **Act**) by enabling them to provide group financial state-

ments that they are required to prepare under Dutch financial reporting requirements; and

- (b) the directors of all issuers covered by the principal notice from section 15 of the Act in its entirety.

The Securities Commission (the **Commission**) considers it appropriate to grant the exemptions because—

- the Commission has had regard to the financial reporting and audit requirements that must be complied with by issuers incorporated in the Netherlands. Dutch issuers are permitted to publish audited financial statements prepared in accordance with international accounting standards (within the meaning of Regulation (EC) No 1606/2002). Dutch issuers relying on the exemption must prepare group financial statements in accordance with those standards. The Commission is satisfied that group financial statements prepared in accordance with those standards provide sufficient information for investors:
 - section 15 of the Act requires group financial statements to be audited by a person referred to in section 15(2). Dutch financial reporting requirements do not require financial statements to be prepared by such a person. (The exemption from section 15 was not previously necessary as auditors in the jurisdictions previously covered by the principal notice (the United Kingdom and the United States of America) are qualified for appointment under section 199 of the Companies Act 1993 (*see* section 15(2)(b) of the Act));
 - there is no detriment to investors as a result of the exemption from section 15 of the Act. Clause 7(d) of the principal notice makes it a condition of the exemption that the group financial statements are accompanied by a report by an auditor who is qualified under the law of the jurisdiction where the exempt issuer is incorporated. The Commission has had regard to the audit requirements of these jurisdictions.
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**Financial Reporting Act (Overseas Issuers)
Exemption Amendment Notice 2010**

2010/163

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 17 June 2010.

This notice is administered by the Securities Commission.
