

# NEW ZEALAND MERGERS & ACQUISITIONS



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## WHAT'S ON THE BLOCK

- Chemical manufacturer with global distribution
- Fast food restaurant chain
- SaaS Renewable energy purchasing platform
- Smart electricity meters business
- Rehabilitation health business
- Large retirement village with significant brownfield and greenfield developments
- Electricity distribution network business
- Housing maintenance business
- High growth legal tech software firm seeking VC investor

## FOREIGN INVESTMENT

**Amendment Bill (Forestry) Introduced:** Main reform is to remove “special treatment” for foreign investors looking to convert farm land to forestry.

**National Security and Public Order Notification Reminder:** The Overseas Investment Office circulated a reminder to advisers that even for investments under the NZ\$100 million threshold a notification may be MANDATORY.

## TAKEOVERS / CHANGES OF CONTROL TRANSACTIONS

**NZ Takeovers Panel Change Recommendations:** The Takeovers Panel has recommended a series of changes to the Takeovers Act and other capital markets legislation. The changes include:

- changes to the definition of “code company”;
- enhanced offer funding disclosures;
- specific provision for breach of payment obligation;
- updating unclaimed monies requirements;
- detailing that under schemes of arrangement unencumbered title to shares on completion is ensured.

**Penalty Fine:** The High Court made a declaration that a Code Company that breached the Takeovers Code was liable for a NZ\$1.5m penalty.

**Australian Proposed Changes to Corporate Control Transactions:** The Australian Government is currently consulting on expanding the role of the Australian Takeovers Panel, with the aim of reducing the time and cost of M&A in Australia. The proposed reforms include:

- increasing the Takeover Panel as “front-line” regulator of Schemes;
- introducing more prescriptive disclosure requirements for Schemes;
- replacing the Court for approving Schemes by giving that role to the Takeovers Panel.

## NZX CHANGES - CONSULTATION

**Closer Trans-Tasman Alignment:** The NZX has just released a consultation paper on a review of capital raising settings, post COVID. The proposals would more align the capital raising rules with the existing ASX thresholds and percentages. The consultation does also touch on the areas of the NXZ’s approach to SPACs and dual class shares.

## NEW INVESTOR MIGRANT VISA

The NZ Government has recently announced that from mid-September 2020 a new Active Investor Plus Visa category will be created to attract high-value investors.

The new Visa will replace existing investment visa categories. It is hoping to attract a more active investor, and away from previously passive investment in shares and bonds.

## TAX

**Aussie Yellow Card:** A federal court judge held that a major accounting firm had inappropriately used legal privilege to shield documents from the tax office. The rule is seen as having wider implications for Australia's, and potentially New Zealand's, professional services industry.

## FINANCIAL MARKETS

**Financial Advice About IPOs and Listed Equity Securities Guidance:** The Financial Markets Authority (FMA) has issued proposed guidance on what constitutes "reasonable grounds" for financial advice given to clients when considering investing in IPOs and listed equity securities. Submissions close on 5 August 2022.

**CCCFA Tweaks to "Responsible Lending Rules" Introduced:** Following controversial changes to consumer credit laws in late 2021, the New Zealand Government has announced further changes intended to make the rules more practicable.

**Advertising to Wholesale Investors:** The High Court upheld claims by the FMA relating to misleading and deceptive advertising where investors were restricted to wholesale investors.

**Conduct of Institutions Amendment Now Law:** The amendment introducing the "fair conduct principle" for certain financial institutions in respect of customer conduct is now operative.

**End of Dividend Restrictions:** The Reserve Bank on 1 July 2022 removed restrictions on New Zealand's registered trading banks setting dividend payments that were introduced earlier in the COVID pandemic.

## COMPETITION AND CONSUMER LAW DEVELOPMENTS

**Australia Experience:** First custodial sentences for cartel conduct in Australia.

**New Unfair Terms Restriction for Small Trade Contracts:** As from 16 August 2022 amendments to New Zealand's Fair Trading Act will prohibit "unfair contract terms" in standard form consumer contracts for "small trade" (i.e. certain B2B) contracts. **DO YOU NEED YOUR STANDARD TERMS & CONDITIONS UPDATED?**

## BENEFICIAL OWNERSHIP REGISTRATION RECOMMENDATION

The multilateral body, the Financial Action Taskforce, of which NZ is a member, has recommended to explicitly require that members establish centrally held registers of beneficial ownership. A Bill to implement such a register is expected to be introduced in New Zealand later this year.

## RECENT M&A TRANSACTIONS FOR QUIGG PARTNERS

Quigg Partners has recently advised on New Zealand law matters relating to:

- Advising overseas superfund in respect of a healthcare services investment.
- Advising overseas investor on submitting an "indicative non-binding" offer to NZX listed company.
- Advising on Australian transport company's sale of their NZ business.
- Advising two NZ software businesses on their respective sales to an ASX listed entity.
- Advising various overseas entities in respect of their establishment in New Zealand.
- Advising overseas entity in respect of global restructuring prior to divisional sale.
- Advising various overseas corporates in respect of NZ regulatory requirements (including in the areas of pharma/financial services/crypto/climate change).

## FURTHER INFORMATION

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