

NEW ZEALAND MERGERS & ACQUISITIONS



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OPPORTUNITIES FOR PURCHASE/INVESTMENT IN NEW ZEALAND

- New Zealand-wide hotel chain
- Airline share buyback
- Life insurance business
- Major New Zealand port
- Major New Zealand airport
- Kiwifruit orchards
- Oil exploration and production operations
- Capital raise for construction and infrastructure business
- Capital raise for major airport
- Capital raise for red meat co-operative
- Capital raise for retail bank
- Capital raise for fuel terminal operator

FOREIGN DIRECT INVESTMENT (FDI)

Major Overhaul of FDI Rules to Streamline Consent: The New Zealand Government has announced the first major overhaul of New Zealand's foreign investment laws in over 20 years. In short, the reforms are expected to result in a new 15 day fast-track consent process for all investments aside from residential land, farmland and fishing quota.

Revamped Investor Visa Settings: From 1 April 2025 the "Active Investor Plus" Visa will have two new and simplified investment categories: (i) a "growth category" which requires a minimum eligible investment of NZD5 million over a 36 month period; and (ii) a "balanced category" which requires a minimum eligible investment of NZD10 million over a period of 60 months.

FDI Consent for Solar and Wind Farms: The Overseas Investment Office has recently issued guidance stating that land rights for large-scale solar farms which are documented as easements may require FDI consent. However, they have also confirmed that land rights for large-scale wind farms which are documented as easements may not require FDI consent.

TAKEOVERS / CHANGES OF CONTROL TRANSACTIONS

No Further Action on Synlait Complaint: The former CEO and board chair of New Zealand stock exchange-listed Synlait complained that Synlait's two major shareholders Bright Dairy and a2 Milk should not be allowed to vote on a NZ\$218 million capital raising. New Zealand Stock Exchange's regulatory arm and the Takeovers Panel have confirmed that no further action is being taken in relation to the complaint.

Takeover of Millennium & Copthorne Hotels NZ: CDL Hotels Holdings New Zealand, owned by Singapore-listed City Developments Limited (CDL), has offered to acquire the remaining 24.1% of the New Zealand stock exchange-listed hotel owner and operator Millennium & Copthorne Hotels (MCK). The offer continues a recent trend of New Zealand publicly-listed companies being taken private.

Takeover Panel Awards Costs for Withdrawn Offer: NZX-listed telecommunications company has successfully sought reimbursement of costs against failed partial takeover bidder Empire Technology Limited.

FINANCIAL MARKETS AND SERVICES

De-banking Laws Under Consideration: There is no legislative or common law requirement in New Zealand for banks to provide basic transactional accounts for natural persons, and this was confirmed in a recent Court of Appeal decision involving a Christian community that had been involved in human rights abuses. A Member of Parliament has since introduced a Bill which, if enacted, would impose a new duty on banks to provide financial services to all customers subject to limited exceptions.

Climate-Related Disclosures: Consultation has been released on changes to the climate-related disclosures regime under the Financial Markets Conduct Act 2013 (FMCA) to ensure its appropriateness in the New Zealand context and prevent it from being a barrier to listing on the NZX.

KiwiSaver Investment in Private Assets: Consultation has been released on changes to the New Zealand retirement savings scheme “KiwiSaver” to make it easier for KiwiSaver providers to invest in private assets. These changes are intended to enable greater capital funding for productive domestic projects.

PRIVACY LAWS

Biometrics Privacy Code: In December 2024, the New Zealand Privacy Commissioner announced a proposed Biometrics Privacy Code that would require privacy safeguards to minimize risks to individuals, such as obtaining informed consent, allowing opt-outs, ensuring biometric systems are secure, and providing oversight in system training. New Zealand does not currently have specific privacy rules for the collection and use of biometric information.

Customer and Product Data Bill: The Economic Development, Science and Innovation Committee has released its report on the Customer and Product Data Bill, which will establish what is commonly referred to as a ‘consumer data right’ in New Zealand. The Report outlines various suggested changes to the Bill that address feedback received from interested parties, including the need to provide adequate privacy protections while ensuring strong adoption of the framework, safeguarding data holders from potential liability, and streamlining the development of sector-specific standards.

NEW ZEALAND COURTS

First Chief Executive to be Convicted of Health and Safety Breaches: In November 2024, Tony Gibson, the former CEO of Ports of Auckland Limited, was found guilty of health and safety breaches, and is awaiting sentencing. The conviction relates to the death of a stevedore on 30 August 2020. The case is a warning to officers of large companies that they can face significant personal liability.

First Criminal Cartel Sentencing: In December 2024, Auckland construction company MaxBuild Limited and its director were sentenced in New Zealand’s first-ever criminal prosecution for cartel conduct under the Commerce Act 1986. The High Court imposed a \$500,000 fine on MaxBuild and sentenced its director to six months of community detention and 200 hours of community service.

COMPETITION AND CONSUMER LAW DEVELOPMENTS

Overhaul of Insurance Contracts Law: The Contracts of Insurance Act 2024 became law late last year, but may not come into force until 2027. The legislation more closely aligns New Zealand’s insurance legislation with that in the United Kingdom and Australia, and has a particular focus on consumer protection. It is expected that insurers and insurance intermediaries will have to make wide-ranging changes to their processes and procedures.

Review of Merger-related Anti-trust Laws: The Government has commenced a review of the New Zealand anti-trust legislation with a focus on merger related provisions. Notably, the Government stated that New Zealand’s current voluntary merger clearance regime is working well, and that a mandatory and suspensory regime is not required. The Government is also considering amendments to give the regulator a ‘call in’ power for non-notified mergers and to allow the regulator to accept behavioural undertakings as a condition to granting clearance of mergers.

RECENT M&A TRANSACTIONS FOR QUIGG PARTNERS

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

- Advising an Australian-acquirer on the purchase of a national heavy equipment business.
- Advising various overseas entities in respect of their establishment in New Zealand including entity formation.
- 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/tech).

FURTHER INFORMATION

M&A Corporate

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