SIMPSON GRIERSON

Investing in Aotearoa New Zealand

September 2026

Contents

A practical guide for overseas investors and businesses

This guide provides an overview of New Zealand's business, legal and regulatory environment for overseas investors and businesses looking to establish or expand their operations here. It highlights the matters that commonly need to be considered when acquiring a New Zealand business, establishing a local presence, investing in property or projects, raising capital, employing people or supplying goods and services in New Zealand.

The guide is intended as a practical starting point. The requirements that apply will depend on the investor, the proposed activity and the nature of the relevant assets or business. Early advice can help identify regulatory requirements, manage transaction timing and ensure the investment is structured appropriately from the outset.

The information in this guide is general and should not be relied on as legal advice or as the basis for making business or investment decisions. Laws, government policy and market conditions may change. Specific advice should be obtained before taking any action in relation to an investment or business activity in New Zealand.

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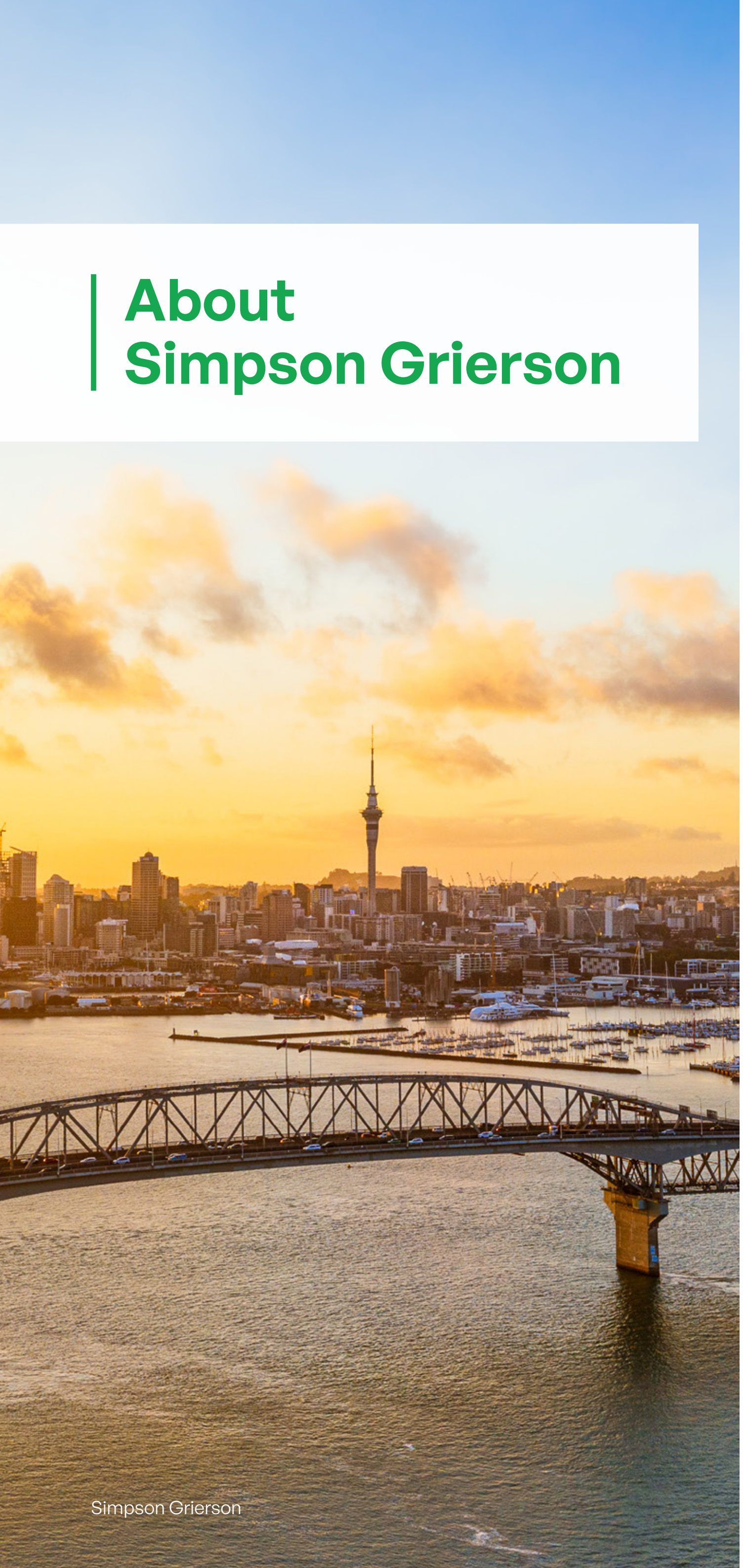


About Simpson Grierson

Simpson Grierson is one of New Zealand's leading full-service commercial law firms, with offices in Auckland, Wellington and Christchurch.

We have extensive experience helping overseas investors enter, invest and operate in New Zealand. We advise throughout the investment lifecycle, from assessing opportunities and choosing an appropriate structure through to acquisitions, regulatory approvals, establishment, financing, development, integration and ongoing operations.

Our multidisciplinary approach enables us to bring together the legal expertise required for each investment. This may include corporate and M&A, overseas investment, competition, tax, property, resource management, construction, employment, intellectual property, privacy and data, financial services, disputes and public law.

We regularly engage with the Overseas Investment Office and other New Zealand regulators. We also work closely with international counsel and with leading corporate finance, accounting, investment banking and other professional advisers, providing a coordinated New Zealand legal service.

Simpson Grierson is New Zealand's only member of Lex Mundi, the world's leading network of independent law firms. Through Lex Mundi and our wider international relationships, we can help clients coordinate cross-border transactions and legal work efficiently.

This guide provides a general overview. If you are considering an investment or establishing or expanding a business in New Zealand, we would be pleased to discuss the issues that are relevant to your plans.

> *One of Simpson Grierson's greatest strengths is that they have multiple partners who specialise in various areas, so when you have a particular issue arising during an M&A project, you have access to experienced partners who have in-depth knowledge of the problem area.*
>
> **Legal 500 Asia-Pacific 2026, Corporate and M&A**

New Zealand provides a stable and transparent environment for investment and business. Its legal system will be familiar to investors from other common law jurisdictions, but there are New Zealand-specific requirements that should be considered early.

Depending on the proposed investment, the key initial questions may include:

- whether consent or notification is required under the overseas investment regime;
- whether Commerce Commission clearance or another regulatory approval should be obtained;
- whether the investment should be made through an acquisition, joint venture, New Zealand subsidiary, branch, limited partnership or another structure;
- the New Zealand tax treatment of the proposed structure and financing arrangements;
- whether interests in land, leases, resource consents or other regulatory approvals are required;
- how employees, contractors and key personnel will be engaged or transferred;
- whether intellectual property, data, privacy or cybersecurity matters require specific attention;
- whether the business operates in a regulated industry;
- whether Māori rights, interests, relationships or consultation processes may be relevant; and
- how New Zealand law, dispute resolution and enforcement arrangements should be addressed in transaction and commercial documents.

Addressing these matters at the outset can reduce execution risk, avoid unnecessary delay and ensure the investment is structured to support the investor's wider commercial objectives.

Simpson Grierson can coordinate the New Zealand legal workstreams and work alongside the investor's internal team, international counsel and other advisers throughout the process.

Section 1 Introduction to Aotearoa New Zealand

Geography

Aotearoa New Zealand (New Zealand) is a Pacific archipelago, made up of two main islands (the North and South Islands), Stewart Island (at the bottom of the South Island), and many smaller islands.

The main centres are Auckland, Hamilton, Tauranga and Wellington in the North Island, and Christchurch, Dunedin and Queenstown in the South Island. Most of New Zealand's residents live in these main centres. Outside the main centres, the country is sparsely populated.

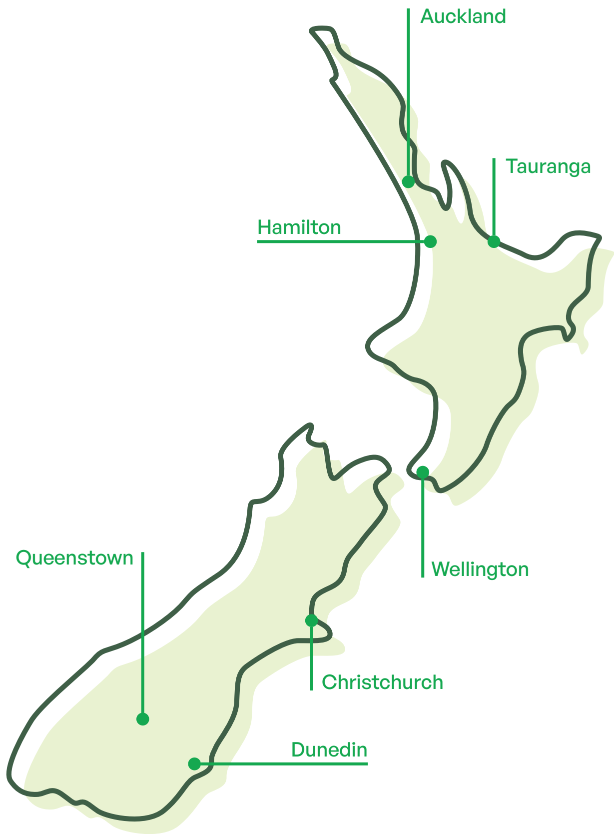
New Zealand Standard Time is 12 hours ahead of Coordinated Universal Time. Daylight saving applies during part of the year.

Population and culture

New Zealand has a population of approximately 5.4 million and is a culturally diverse nation. Traditionally, New Zealand culture has reflected a blend of New Zealand-European (descended from predominantly British settlers arriving from the 1800s onwards) and Māori – New Zealand's indigenous people. New Zealand is also home to large Pasifika, Chinese, Indian, English, South African and Korean communities. Nearly one third of the population was born overseas.

The official languages are English, Te Reo Māori (the Māori language) and New Zealand Sign Language. English is the principal spoken language. Te Reo Māori is spoken regularly in some local communities and has recently experienced a resurgence.

New Zealand has a culture of innovation and New Zealanders are famous for having a 'can-do' attitude. New Zealand has high levels of digital connectivity and technology adoption. New Zealanders generally enjoy a high standard of living.



Business landscape

New Zealand is regarded internationally as having low levels of public sector corruption and a transparent business and regulatory environment.

Auckland, Wellington and Christchurch are New Zealand's main business centres. Auckland is the country's largest city and commercial centre. Wellington is the seat of central government and is home to a significant professional services and public sector community. Christchurch is the principal business centre in the South Island and supports a broad range of industries, including agriculture, technology, manufacturing and construction.

New Zealand has a diverse economy with particular strengths in primary industries, food production, tourism, technology, financial and professional services, manufacturing and renewable energy. It also has an active innovation and investment community, including in agritech, biotechnology and other technology-led sectors.

New Zealand is a party to the Paris Agreement and has introduced legal and policy measures relating to emissions reduction, climate adaptation and climate-related reporting. These matters are discussed in Section 18.

International trade

New Zealand is a trading nation with significant economic relationships across the Asia-Pacific region and with Australia, China, India, the European Union, the United Kingdom and the United States.

New Zealand is a party to a broad network of bilateral, regional and multilateral trade agreements. These agreements can affect tariffs, market access, services, investment and the movement of business people. Their application will depend on matters such as the investor's home jurisdiction, the relevant goods or services, and applicable rules of origin.

The status and terms of trade agreements can change. Current advice should be obtained when an investment or trading decision may depend on a particular agreement.

Monetary policy

The New Zealand dollar is the unit of currency, freely floating against all major currencies.

The Reserve Bank of New Zealand is the central bank and is responsible for monetary policy and financial stability. Its policy settings and the Official Cash Rate are reviewed regularly and should be checked when an investment decision is made.

New Zealand generally does not impose exchange controls restricting the repatriation of capital or earnings. Profits, dividends, interest, royalties and management fees can generally be transferred into or out of New Zealand, subject to applicable tax, sanctions, anti-money laundering and other legal requirements.

Government

New Zealand is a parliamentary democracy and constitutional monarchy operating under a Westminster-style system. Central government is led by the Prime Minister, and general elections are ordinarily held every three years.

New Zealand has a unitary system of government. Central government makes national law and policy, while regional councils and territorial authorities perform functions delegated by legislation. Local authorities have important responsibilities for matters including planning, environmental management, infrastructure, local services and transport.

Overseas investors involved in property, infrastructure, regulated activities or public sector contracting may need to engage with both central and local government bodies.

Legal system and courts

New Zealand has an independent legal system based on common law principles. Its commercial laws will be broadly familiar to investors from jurisdictions such as Australia and the United Kingdom.

The general court hierarchy comprises the District Court, High Court, Court of Appeal and Supreme Court. Specialist courts and tribunals determine particular categories of dispute. Judges are appointed independently and are subject to established requirements intended to protect judicial independence.

New Zealand has a statutory Bill of Rights. Courts cannot invalidate legislation solely because it is inconsistent with that Act, although they may issue a declaration of inconsistency.

A distinctive feature of New Zealand's legal system is its no-fault accident compensation scheme. The scheme generally prevents civil claims for compensatory damages arising from personal injury covered by the scheme, subject to limited exceptions.

New Zealand also has a well-established arbitration regime. Cross-border contracts should address governing law, jurisdiction or arbitration, service requirements and the enforceability of judgments or awards. These matters should be considered when the relevant contract is prepared rather than after a dispute has arisen.

Section 2
Overseas investment regulation

It is important for every foreign investor to seek specialised advice before taking any active steps towards an investment in New Zealand.

Overseas investments in "sensitive" assets must have consent

The Overseas Investment Act 2005 (**Act**) regulates investments by overseas persons in sensitive land and/or significant business assets. It does this through a body called the Overseas Investment Office (**OIO**). If consent is required under the Act, then an application must be made to the OIO and consent must be granted before the investment can proceed.

There are four main investment pathways:

- primary consent (for investment in significant business assets and sensitive land other than residential land or farm land) which includes a production forestry pathway;
- residential land development (including for increasing housing and non-residential or incidental use of, residential land in the ordinary course of business);
- general benefit to New Zealand (for investment in sensitive land where the primary consent pathway is not available due to some but not all of the land being residential land);
- farm land benefit to New Zealand (for investment in farm land).

Some investments in non-sensitive assets are subject to notification requirements and call in powers where they relate to a strategically important business.

Process, timing and application fees

- The applicant must pay a filing fee with lower fees applying to Primary Consent and Production Forestry applications from 11 September 2026. Filing fees range between NZ$16,900 and NZ$146,200 depending on the type of application. An additional fee of NZ$61,800 applies where a national interest assessment is required for a non-New Zealand Government investor.
- The processing time for an application depends on the nature of the application. The streamlined primary consent pathway usually takes between 5 and 15 business days but national interests assessments take 55 business days and farm land applications around 100 business days.
- Consents are given subject to certain conditions, which the applicant must ensure are met and report on. Enforcement action may be taken for failure to comply.
- Penalties for non-compliance include fines of up to NZ$10 million for businesses and NZ$500,000 for individuals for proceeding with an overseas investment without obtaining the required consent. In cases of serious non-compliance, the OIO is able to seek court orders requiring an investor to dispose of assets.

Key terms

The tests for whether a particular investment requires consent are complex. An outline of key terms is below, but there is more detail that is relevant. Exemptions apply in some cases.

Overseas Persons

An overseas person includes:

- a natural person who is not a New Zealand citizen or ordinarily resident in New Zealand;
- a body corporate incorporated outside New Zealand;
- a New Zealand body corporate that is more than 25% owned by an overseas body corporate;
- a body corporate that is more than 25% owned or controlled by an overseas person (or persons); or
- unincorporated bodies (including partnerships, JVs, trusts and unit trusts) where certain (equivalent) overseas ownership or control thresholds are exceeded.

Associates of overseas persons are also captured.

Sensitive Land

Sensitive land includes freehold land, a leasehold interest in residential land of three years or more, a profit à prendre (including a forestry right) or leasehold interest in non-residential land of 10 years or more (including rights of renewal) including:

- non-urban land greater than five hectares;
- land which includes or adjoins marine and coastal areas or lakes, national or regional parks, conservation areas, areas of historic significance or land of significance to Māori; and
- land on certain specified islands.

Acquisition of 25% or more in an entity that holds an interest in sensitive land is also considered an acquisition of sensitive land, and requires consent.

Significant Business Assets

An acquisition of significant business assets includes:

- acquiring more than a 25% stake (or increasing an existing 25% or more stake) in a New Zealand business or assets for consideration exceeding NZ$100m;
- acquiring more than a 25% stake (or increasing an existing 25% or more stake) in any body corporate that has NZ assets valued at more than NZ$100m within its corporate group (including all entities in which a 25% or more stake is held);
- acquiring any property (including intangible assets) for more than NZ$100m; or
- establishing a business in New Zealand where the expenditure expected to be incurred exceeds NZ$100m.

The NZ$100m threshold is increased for some investors:

- NZ$676m for certain Australian non-government investors (subject to GDP adjustment each year); and
- NZ$200m for certain countries that have free trade agreements with New Zealand.

Residential land

An overseas person seeking to acquire residential land will need OIO consent to do so. Special consent pathways exist for persons looking to acquire residential property to live in and certain investor visa holders have rights to buy specific properties. Australian and Singaporean investors will not need OIO consent to acquire residential land, as long as that land is not sensitive for a different reason.

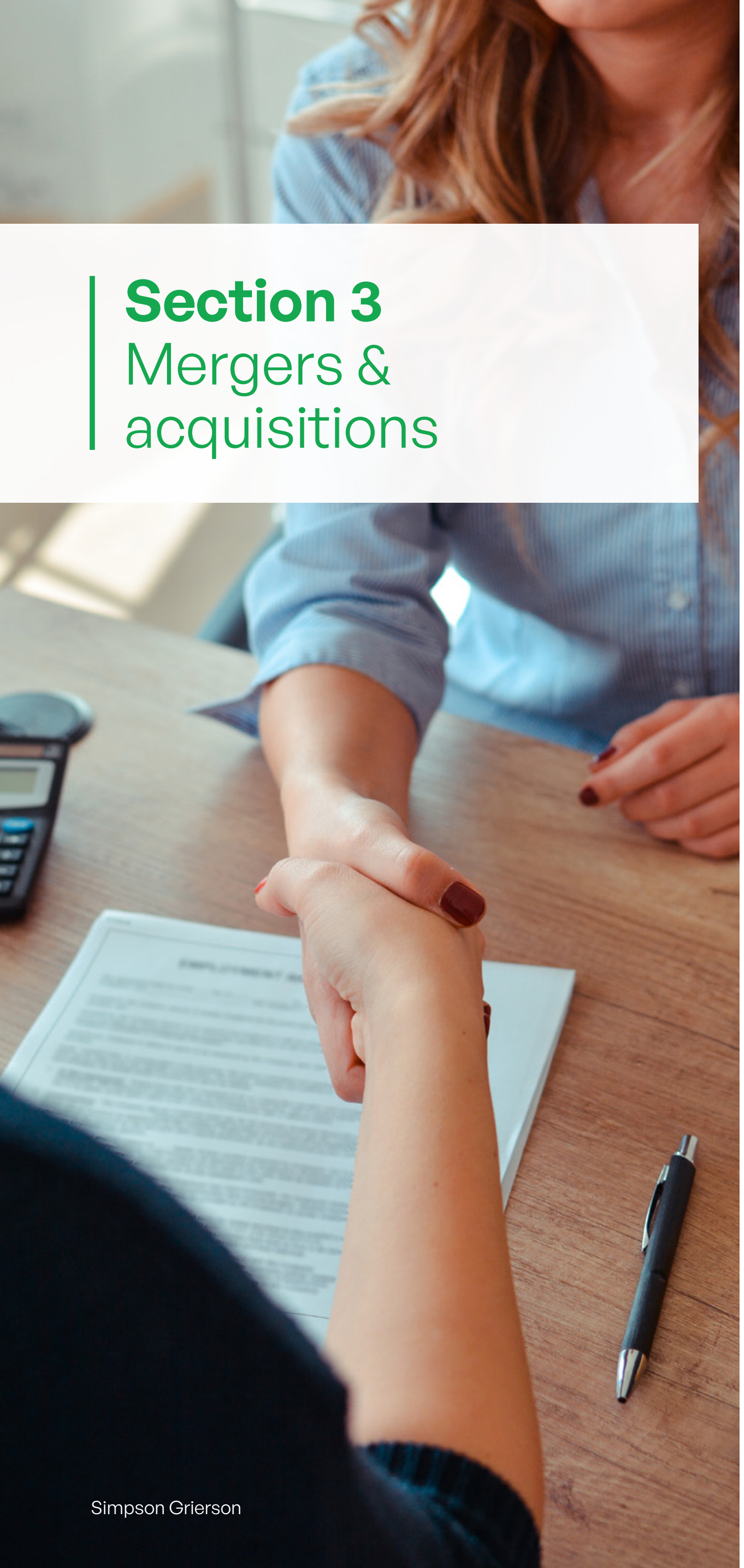
Forestry

Acquisition of forestry rights of more than 1,000 hectares in a calendar year is an acquisition of “sensitive land” requiring consent. This can be obtained under the streamlined primary consent pathway for production forestry.

Farm land

If an overseas person wishes to acquire farm land, or shares in a company that owns farm land, a contract to acquire that land cannot be entered into unless the land has first been advertised for sale on the open market in New Zealand, for no less than 30 business days.

More detailed information is available in our Overseas Investment Regulation in New Zealand summary guide.



Section 3 Mergers & acquisitions

Overview

There are a number of ways in which an overseas investor can acquire a New Zealand business or entity. The investor could acquire the company itself, or just the business assets. The acquisition structure will depend on various factors, such as whether the target is a private (closely held) or public entity; whether regulatory approvals are required; tax matters; and the accounting treatment of the acquisition.

The most common means of acquisition in New Zealand is by private treaty between vendor and purchaser. However, if the target is listed on the New Zealand Stock Exchange or is a private entity above a certain size and number of shareholders, then the acquisition must be done by way of a takeover offer, or through a scheme of arrangement.

Private treaty

If the Takeovers Code does not apply (see further below), the parties can agree by private treaty the terms on which a company's shares, or its business assets (as appropriate), will be bought and sold. The terms are usually set out in a sale agreement recording the assets being sold, the price – including how purchase price is calculated – and all other conditions of sale.

Overseas investors can generally expect the terms of a sale and purchase agreement in New Zealand, whether for shares or assets, to be similar to those of an equivalent transaction conducted in Australia or the UK. Use of warranty and indemnity insurance is not unusual.

Takeovers

If an investor wishes to acquire the shares of a company listed on the New Zealand Stock Exchange (see further below), or the shares of a company above a certain size, that acquisition must be done in accordance with New Zealand's takeovers regime, set out in the Takeovers Code.

The regime applies to any "code company", being a company that:

- is listed on a New Zealand stock exchange (or has been listed in the previous 12 months); or
- has 50 or more shareholders holding voting rights and 50 or more share parcels, and is at least "medium sized".

A company will be "medium sized" if, together with its subsidiaries, it has total assets of at least NZ$30 million and/or it has total annual revenue of at least NZ$15 million (including its subsidiaries) based on latest annual accounts.

The Takeovers Code's "fundamental rule" prohibits any person and its associates from acquiring more than 20% of the voting rights in a Code company, or increasing its shareholding beyond 20% of the voting rights.

There are some exceptions to the fundamental rule (set out in the Takeovers Code), including:

- a full or partial offer made in accordance with the provisions of the Takeovers Code;
- an acquisition or allotment approved by an ordinary resolution of shareholders of the code company in accordance with the provisions of the Takeovers Code; and
- an increase, of up to 5% a year, by a person holding between 50% and 90% of the voting rights in a code company.

Beyond 90% control, the Takeovers Code provides a right (and obligation at the option of outstanding holders) to acquire the remaining voting control in the target company compulsorily.

The Takeovers Code specifies the rights and obligations of both the bidder and the target entity in relation to an offer made in relation to a code company. Key timetable drivers will be how both bidder and target approach the offer and their respective strategies employed along the way, and whether the transaction requires approval from the Overseas Investment Office, or any other regulator.

Third party interests in New Zealand assets

A properly secured interest of a third party over shares or assets will be registered on the New Zealand Personal Property Securities Register (or, in respect of real property, on the title to that property). The basic rule is that a duly registered security interest has priority over an unregistered security interest, and priority between registered interests is determined by order of registration.

These security records are publicly available on electronic platforms, enabling overseas investors to obtain an early snapshot of interests registered against particular shares or assets. The New Zealand regime with regard to personal property is similar to that in Australia and Canada.

How we can help

We advise overseas corporates, private capital investors and other investors on acquisitions, disposals, joint ventures and strategic investments in New Zealand. We can:

- advise on transaction structure and regulatory requirements;
- undertake and coordinate legal due diligence;
- prepare and negotiate transaction documents;
- manage Overseas Investment Office, competition and other approval workstreams;
- work with international counsel and other advisers; and
- support completion, integration and ongoing New Zealand operations.

Schemes of arrangement

A scheme of arrangement is essentially a contract between the target company and its shareholders and/or creditors to reconstruct the company's share capital, assets or liabilities. This can include transferring the shares to a third party.

A scheme of arrangement occurs only by virtue of statute, and the process is strictly regulated by the Companies Act 1993. A scheme requires complete co-operation between bidder and target, as the target company involved must create the documents setting out the terms of the scheme, call a meeting of shareholders to vote on whether to approve the scheme, and ultimately to apply to the High Court to have the terms of the scheme approved. Transaction timelines can be affected by Court timetabling, and by whether the transaction requires approval from the Overseas Investment Office, or any other regulator.

Schemes of arrangement have become a popular alternative to conducting a takeover offer under the Takeovers Code. There are three general reasons for this:

Lower approval threshold: A resolution of shareholders approving a scheme will be passed if 75% of votes cast at the relevant scheme meeting vote in favour of it, so long as (in the case of a Code company) this also represents at least 50% of the total outstanding votes. This can make it easier to acquire 100% of a company, than achieving the required 90% acceptance required under a takeover offer to trigger the compulsory acquisition threshold.

Greater certainty of outcome: The outcome of a scheme of arrangement can be made more certain in that the offer is either accepted or rejected by shareholders (meaning the transaction either proceeds or it doesn't), and the timetable can be more certain.

Greater flexibility: There may be greater flexibility in a scheme of arrangement than would otherwise apply under the Takeovers Code – eg in relation to different forms of consideration, and differential treatment of shareholders.

Section 4 Competition and antitrust

The rules relating to when a transaction will or may substantially lessen competition in a New Zealand market are complex. It is essential for any investor considering a merger or collaboration with a competitor business to seek legal advice early in the process.

New Zealand's competition law regime

New Zealand's competition law regime is set out in the Commerce Act 1986. The Commerce Act prohibits conduct that restricts competition (restrictive trade practices) and any acquisition that leads to a substantial lessening of competition in the relevant New Zealand market.

Restrictive trade practices include:

- **cartel conduct –** where two or more competitors agree not to compete with each other by price fixing, restricting output or allocating markets. There are some exceptions to the prohibition on cartel conduct for legitimate commercial purposes such as "vertical supply contracts", "collaborative activities" or some "joint buying" arrangements;
- contracts, arrangements or understandings that have the purpose or likely effect of **substantially lessening competition** in a relevant market. Examples may include certain long-term exclusive supply contracts, depending on market conditions;
- **misuse of market power –** businesses with substantial market power are prohibited from engaging in conduct that has the purpose or effect of substantially lessening competition. This could include conduct designed to drive a competitor out of business or to prevent new competitors from starting up; and
- **resale price maintenance –** when a supplier of goods enforces, or tries to enforce, a minimum price at which the reseller must on-sell those goods.

A "contract, arrangement or understanding" does not need to be a formal, written contract in order to breach the Commerce Act. A "gentlemen's agreement" or "nod and a wink" may be sufficient.

The Commerce Commission is the regulator responsible for investigating and enforcing competition law breaches in New Zealand.

There are significant penalties for engaging in restrictive trade practices. Penalties for an individual can be up to NZ$500,000. Penalties for a company can be up to the greater of NZ$10 million, three times the value of any commercial gains resulting from the contravention or 10% of the turnover of the entity (and its group). Those who engage in cartel conduct commit a criminal offence carrying a prison term for individuals of up to 7 years and/or a fine of up to NZ$500,000.

Mergers or business acquisitions that substantially lessen competition

The Commerce Act prohibits mergers and acquisitions that would have, or would be likely to have, the effect of substantially lessening competition in a New Zealand market.

The Commerce Commission assesses mergers using the substantial lessening of competition test. This test asks whether a merger is likely to substantially lessen competition in a relevant market by comparing the likely state of competition in that market if the merger proceeds with the likely state of competition if the merger does not proceed.

Mergers between competitors are more likely to result in a substantial lessening of competition.

A merger between competing businesses could substantially lessen competition in a market if, for example:

- the merger removes a competitor that provided a competitive constraint, resulting in the ability for the merged firm to profitably increase prices; or
- the merger increases the potential for the merged firm and all or some of its remaining competitors to coordinate their behaviour so that output reduces and/or prices increase across the market.

A merger between firms that are not competitors is less likely to result in a substantial lessening of competition than a merger of competitors. However, a substantial lessening of competition is still possible if:

- the merger gives the merged firm a greater ability and/or incentive to engage in conduct that prevents or hinders rivals from competing effectively (for instance in upstream or downstream markets); or
- the merger increases the likelihood of coordinated behaviour among firms.

The Commerce Commission has adopted certain "concentration indicators" to give guidance as to whether a business acquisition is unlikely to substantially lessen competition in a market. These are where, post-merger, either:

- the three largest firms in the market have a combined market share of less than 70%, and the merged entity will have less than 40% of market share; or
- the three largest firms in the market have a combined market share of 70% or more, and the merged entity will have less than 20% of market share.

These "concentration indicators" are not hard and fast rules, and cannot be entirely relied on when assessing the competitive effects of a merger.

The relevant "market" is a market in New Zealand for the relevant goods and services, as well as other goods or services that, as a matter of fact and commercial common sense, are substitutable for them.

The prohibition on anti-competitive mergers applies to all mergers that affect a market in New Zealand. This includes a merger that takes place outside New Zealand involving non-New Zealand firms, provided the merger affects a market in New Zealand.

Voluntary notification regime for mergers and acquisitions

There is no mandatory requirement to notify the Commerce Commission of a proposed merger or acquisition.

However, if it is uncertain whether a merger would substantially lessen competition in a market, parties can apply for clearance or authorisation from the Commerce Commission.

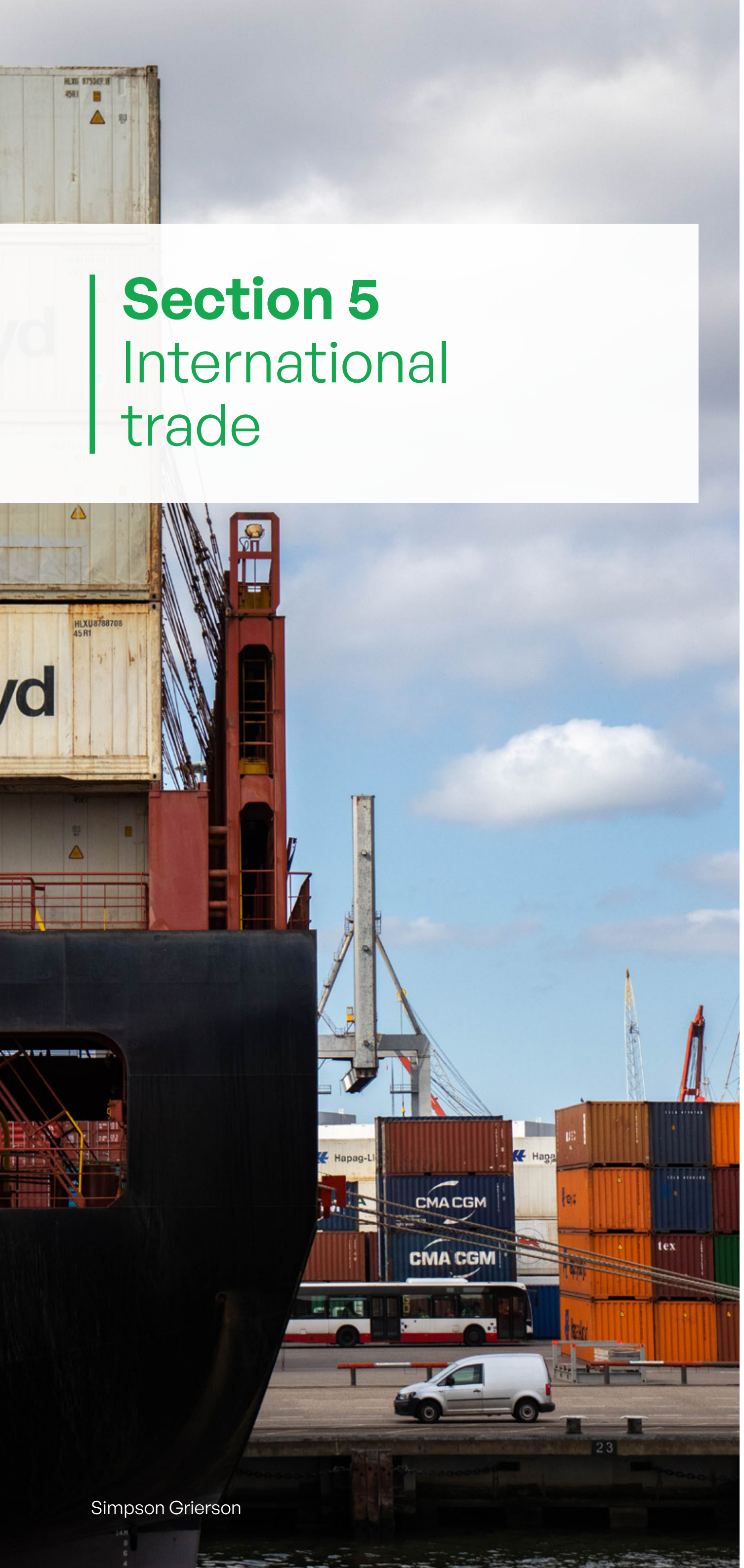
In relation to a clearance:

- The Commerce Commission must clear any mergers that it considers would not be likely to substantially lessen competition in a market.
- If the Commerce Commission grants a clearance, the merger is protected from legal action under New Zealand's competition laws. Conversely, if no clearance is sought and the Commission becomes aware of the acquisition, it can investigate and take action if it considers there is a substantial lessening of competition.
- Clearance for an international merger given by offshore anti-trust regulators does not protect the transaction in New Zealand.
- The clearance process requires the investor to submit an application in a prescribed form that sets out the key competition issues, the rationale for the merger and evidence that the merger will not breach the Commerce Act. Current filing fees for a clearance application are NZ$3,680.
- Businesses contemplating a merger should seek legal advice. The Commerce Commission encourages businesses to discuss their plans with it before they file for a clearance, and can provide guidance on potential areas of concern.
- Once an application is filed, the Commerce Commission has 40 working days to make its decision. This timeframe is often extended – typically it takes around three to four months from filing to obtain clearance, but longer in more complicated acquisitions.

The Commerce Commission can also authorise a merger that would result in a substantial lessening of competition, if the public benefits resulting from the merger are found to outweigh the competitive harm. Current filing fees for an authorisation application are NZ$36,800.

Clearance and authorisation applications can only be granted before a transaction is completed. It is quite common for acquisition agreements to be subject to a Commerce Act condition.

Proceeding with an anti-competitive merger without the necessary clearance or authorisation risks enforcement action, which can result in a lengthy investigation and significant penalties, or a Court reversing a merger by ordering divestment of assets or shares. The maximum penalties for companies are the greater of NZ$10 million, three times the value of any commercial gains resulting from the contravention or 10% of the turnover of the entity (and its group).



Section 5 International trade

Importing goods

Tariffs are New Zealand's main trade protection mechanism, and are imposed on a range of products. No import licences are required. Parallel imports of nearly all goods are permitted.

New Zealand is a party to the Agreement Establishing the World Trade Organisation.

Other than tariffs, no other charges (including import licences) apply exclusively to imported products. Goods and Services Tax (**GST**) (discussed further in Section 16), is generally charged on goods imported into New Zealand (but may be recoverable by business importers).

All goods imported into New Zealand (and intended for sale in New Zealand) must comply with relevant product labelling requirements. There are general requirements that product labelling is not misleading or deceptive. Specific labelling requirements apply in relation to food, food supplements, drugs and animal products (discussed further in Section 11).

The Trade (Anti-dumping and Countervailing Duties) Act 1988 regulates dumping of products on the New Zealand market, protecting domestic manufacturers from unfair competition by overseas suppliers.

International sale of goods

New Zealand is a party to the United Nations Convention on Contracts for the International Sale of Goods 1980 (**Convention**). The Convention regulates all aspects of international sales contracts and applies to contracts for the sale of certain goods when:

- both parties are from countries that are parties to the Convention; or
- the party contracting with a New Zealand entity is from a country that is not a party to the Convention, but the contract is governed by New Zealand law.

Parties can explicitly contract to exclude the Convention.

Sanctions

As a United Nations (**UN**) Member State, New Zealand is bound to implement sanctions imposed by the United Nations Security Council (**UNSC**). New Zealand currently maintains regulations implementing UN sanctions in respect of a number of countries, entities and individuals, including sanctions relating to North Korea, Iran and Haiti.

In addition to implementing the UN sanctions, New Zealand has standalone legislation enabling it to impose sanctions independently of the UNSC in response to military actions by Russia (and others) in Ukraine or any other country in circumstances where the UNSC is unlikely to act. Under the Russia Sanctions Act 2022, New Zealand has imposed a range of sanctions in connection with Russia's invasion of Ukraine, including sanctions targeting certain Russian and Belarusian individuals and entities.

New Zealand may also impose other measures, such as travel bans on entry into New Zealand. Examples include travel bans imposed on individuals associated with the Lukashenko regime in Belarus following the 2020 presidential election, and on Myanmar's military leaders following the 2021 coup.

New Zealand’s trading relationships

Australia

CER (1983)
The Australia and New Zealand Closer Economic Relations trade agreement (**CER**) established a single economic market between New Zealand and Australia.

CER Investment Protocol (2013)
This Investment Protocol made it easier for Australians to undertake large-scale investments in New Zealand. The Protocol raised the consent threshold that would otherwise apply under New Zealand’s overseas investment regime (in Section 2), setting the regulatory consent threshold for acquisition by an “Australian non-government investor” of “significant business assets” at NZ$676 million (as at 1 January 2026).

Trans-Tasman Mutual Standards
The Trans-Tasman Mutual Recognition Arrangement allows a product produced in, or imported into, and legally sold in Australia to be sold in New Zealand and vice versa, subject to specified exemptions and exceptions. The regime applies also to offers of securities. The Joint Food Standards (2002) allows most food products to be manufactured in Australia or New Zealand to a single standard.

Other Bilateral Agreements

New Zealand also has bilateral agreements with the European Union, China, Hong Kong, Malaysia, Singapore, South Korea, Taiwan, Thailand, UAE and the United Kingdom. New Zealand has signed free trade agreements with the Gulf Cooperation Council (awaiting ratification by the GCC member states) and India (awaiting New Zealand parliamentary approval).

Multi-Lateral Agreements

New Zealand also is a party to the following multilateral agreements:

AANZFTA
With Australia, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

TPSEP
With Brunei, Chile and Singapore.

CPTPP
With Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore and Vietnam.

RCEP
With Australia, Brunei, Cambodia, China, Indonesia, Japan, South Korea, Laos, Myanmar, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

DEPA
With Chile and Singapore.

PACER
With Australia, the Cook Islands, Kiribati, Nauru, Niue, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu.

Section 6
Financial services regulation

New Zealand has a well-developed financial services regulatory regime, that includes a comprehensive registration regime for financial service providers, alongside licensing and disclosure requirements for systemically important institutions such as banks and insurers, and higher risk activities connected to financial product offers and financial market services such as financial advice.

The principal elements of New Zealand's regulatory regime for financial service providers (each discussed further below) are:

Financial service providers register

Generally requires all "financial service providers" operating in New Zealand or with New Zealand clients to be registered on a central public register and, if they have retail clients, to belong to an approved dispute resolution service. Providers must meet minimum fit and proper requirements.

Prudential licensing and supervision

Applies to banks, non-bank deposit takers and insurers.

Financial markets regulation

Applies a disclosure regime to regulated offers of financial products, requires certain market services to be licensed, regulates financial product markets, and sets financial reporting and climate-related disclosure requirements. Applies a fair dealing regime to all financial services and financial product dealings.

Anti-money laundering and countering financing of terrorism regime

Applies to all banks, most other financial service providers, casinos and racing industry betting, and certain professions, such as trust and company service providers, lawyers, accountants, real estate agents and high value goods dealers.

Companies registration and financial reporting

Requires overseas companies carrying on business in New Zealand to be registered and, if "large", to prepare and register audited financial statements. All New Zealand incorporated companies also have financial reporting obligations.

Financial service providers register

Anyone in the business of providing a "financial service" to clients in New Zealand must generally, in addition to any other registration or licensing requirements, be registered as a "financial service provider" (**FSP**) on the Financial Service Providers Register (**FSPR**). Registration is intended to enable the public to search the register and find out basic information about any given provider. If financial services are provided to a retail client, the provider must also join an approved dispute resolution scheme.

There are limited exceptions to the registration requirement, including for providers with no place of business in New Zealand and wholesale clients only, and for some providers who operate below a minimum business threshold. All entities that require a licence or which are financial institution reporting entities under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 must register.

Registration on the FSPR does not amount to a 'licence to operate' or any endorsement by the Financial Markets Authority (**FMA**). There are also certain limitations on FSPs promoting their registration on the FSPR (eg in an advertisement or on their website), which may require the FSP to provide a prescribed disclaimer that explains it is not licensed by the FMA to provide the financial service, and its registration on the FSPR does not mean it is subject to active regulation or oversight by the FMA.

Banks, insurers and non-bank deposit takers

Registered banks

Subject to limited exceptions for overseas banks with wholesale clients only and no place of business in New Zealand, any bank operating in New Zealand must be registered (under the Banking (Prudential Supervision) Act 1989). There are over 25 registered banks operating in New Zealand, most of which are overseas owned.

Registered banks are subject to full regulatory oversight, and prudential supervision, by the Reserve Bank of New Zealand (**RBNZ**). Any financial institution wishing to become registered as a bank in New Zealand must meet all prescribed criteria including demonstrating an ability to carry on business in a prudent manner, and having appropriate standing or repute. Any overseas bank wishing to be registered in New Zealand must have the approval of its home supervisor to do so, and comply with all of its home supervisor's prudential requirements.

Registered banks must comply with ongoing obligations, including minimum capital and solvency requirements, disclosure of financial and risk information (including through publicly available disclosure statements), corporate governance requirements, and compliance with any conditions of registration imposed by the RBNZ.

Any financial institution carrying on any activity in New Zealand with a name or title that includes "bank", "banker" or "banking" cannot currently do so (lawfully) without either registering as a bank, or being separately authorised by the RBNZ to do so. From 1 December 2028, when the Deposit Takers Act 2023 comes fully into force, all licensed deposit takers, including entities currently licensed as non-bank deposit takers, will be able to call themselves banks.

Insurers

Any entity carrying on an insurance or reinsurance business in New Zealand must be licensed to do so by the RBNZ. Only an entity carrying on a licensed insurance business in New Zealand may include "insurance", "assurance", "underwriter" or "re-insurance" (or similar words) in its name, unless it provides certain insurance-connected services or has a specific exemption from the RBNZ.

Entities seeking a licence to conduct insurance business in New Zealand (including overseas insurers) must meet all prescribed criteria. Once licensed, the entity must be able to meet on-going obligations (including maintaining solvency, having an appointed actuary, maintaining and disclosing financial strength ratings from an approved rating agency, and maintaining and complying with 'fit and proper' policies for directors and senior officers).

The RBNZ is responsible for prudential regulation and oversight of all licensed insurers, and is empowered to investigate insurers and take action to manage insurers in financial distress.

Non-bank deposit takers

A "non-bank deposit taker" (**NBDT**) is someone who takes deposits or offers debt securities to retail investors in New Zealand and carries on the business of borrowing and lending money, and/or is in the business of providing financial services. NBDTs include finance companies, building societies and credit unions.

NBDTs must be licensed by the RBNZ, and are subject to on-going governance, disclosure and liquidity requirements.

Financial institution licence for banks, licensed insurers and licensed non-bank deposit takers

In addition to the relevant licence issued by the RBNZ as discussed above, registered banks, licensed insurers and licensed non-bank deposit takers in the business of providing one or more relevant services will need to hold a "financial institution" licence to continue operating, if that service is received by a consumer in New Zealand. Relevant services are, in summary:

- acting as an insurer;
- providing consumer credit; and
- most other financial services provided to retail clients by the institution.

To qualify for the licence, institutions will need to have a fair conduct programme and institute measures to ensure a fair conduct principle is observed when dealing with consumers across the product lifecycle.

Financial market services with licensing and/or conduct obligations

The following providers of financial market services generally require a licence from the FMA when they have retail clients:

- consumer credit contract providers;
- financial advice providers;
- providers of discretionary investment management services;
- fund managers;
- derivatives issuers;
- supervisors of registered schemes and trustees of regulated debt securities;
- crowd funding providers;
- peer to peer lenders; and
- financial product market operators.

Brokers and custodians do not require a licence, but are subject to conduct obligations.

Offering investments in financial products

Anyone seeking to create, promote and sell financial products in New Zealand must do so in accordance with the Financial Markets Conduct Act 2013. Financial products include four categories: debt securities, equity securities, managed investment products and derivatives.

The principal obligations include:

- **disclosure rules** when making a "regulated offer" of financial products in New Zealand – generally any offer for issue of a financial product that does not fall within exclusions (such as wholesale investor exclusions) and certain offers for resale of financial products (see further in Section 10).
- **fair dealing rules** prohibiting conduct that is likely to mislead or deceive. These rules apply whether the financial products are being offered to wholesale or retail investors. These rules also apply to the promotion, and/or supply of financial services.
- **registration and governance** requirements in relation to regulated debt securities and managed investment schemes (including KiwiSaver schemes).

Financial reporting under the financial markets regime

FMC reporting entities are required to prepare and register audited financial statements under the Financial Markets Conduct Act 2013. FMC reporting entities include issuers of regulated financial products, most licensed financial service providers, listed issuers, registered banks, licensed insurers and certain other licensed entities.

Anti-money laundering and countering financing of terrorism regime

Money laundering and financing terrorism are illegal in New Zealand. The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (**AML/CFT Act**) sits alongside the Terrorism Suppression Act 2002, the United Nations and Russia sanctions regimes, and Criminal Proceeds (Recovery) Act 2009, which together respond to money laundering, terrorism financing and sanctions evasion carried out through the financial system.

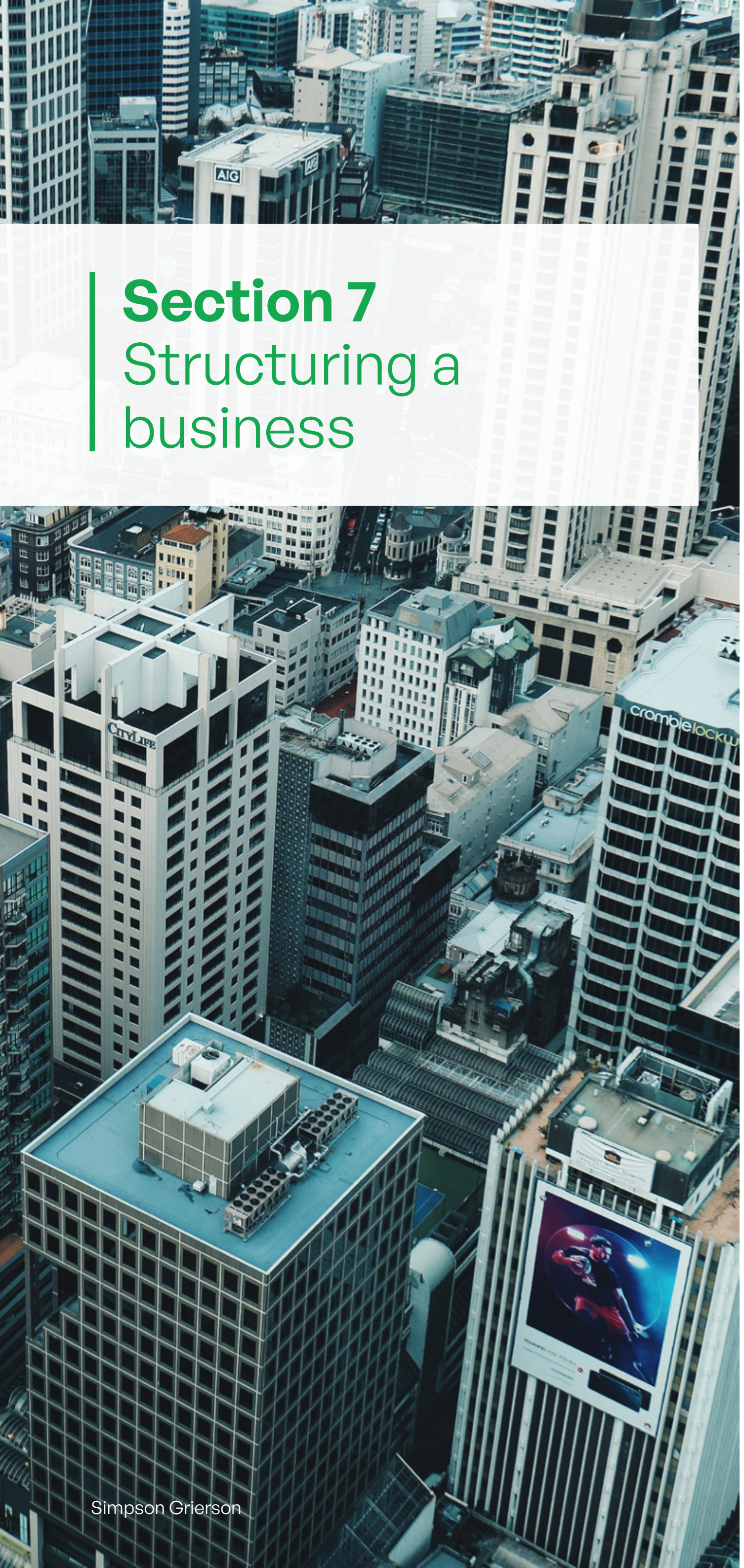
The AML/CFT Act applies to financial institutions (broadly defined) and also to casinos, accountants, lawyers and conveyancing practitioners, trust or company service providers, real estate agents and high value dealers (eg auctioneers and bullion dealers). It also applies to the racing industry.

The AML/CFT regime includes customer due diligence, reporting and record-keeping duties, and wide surveillance and enforcement powers. AML/CFT Act reporting entities also have reporting obligations relating to Russia sanctions.

Supervision and enforcement

Responsibility for oversight and enforcement of the financial services sector in New Zealand is shared between various regulators.

The RBNZ regulates and supervises registered banks, licensed insurers and NBDTs. The FMA regulates the financial services sector generally, including the conduct obligations of banks, licensed insurers and NBDTs. NZX Ltd, as operator of the New Zealand Stock Exchange also has a regulatory and supervisory role in relation to certain on-market matters, and the Takeovers Panel is responsible for oversight and enforcement of the Takeovers Code (each discussed in more detail in Section 3). The Department of Internal Affairs supervises AML/CFT Act compliance for reporting entities.



Section 7
Structuring a business

When acquiring a business in New Zealand or creating a new business to be run in New Zealand, investors will need to determine how best to structure the business.

Common New Zealand business structures

Offshore entities commonly conduct business in New Zealand through:

- local subsidiary companies;
- branches of overseas companies;
- limited partnerships (**LP**); or
- agency arrangements.

Each of these common structures is outlined briefly below.

Establishing a local subsidiary company

Incorporating a company in New Zealand is generally a quick and simple process. It can be completed online, through the New Zealand Companies Office website: www.companies.govt.nz (**Companies Office**).

Once a name has been reserved and appropriate documents are lodged, incorporation can be confirmed within a matter of hours. This process may be delayed if a proposed director and/or shareholder is based overseas – see further below.

Incorporation requirements

- The registered office and address for service must be in New Zealand. Simpson Grierson can provide a registered office and address for service where appropriate. The registered office requirements do not necessarily require the company to maintain a separate operational office in New Zealand.
- The company must have at least one shareholder, and at least one director who lives in New Zealand, or who lives in Australia and is a director of a company registered in Australia. Every director and each initial shareholder must give written consent (in a prescribed form).
- The date, place of birth and residential address of each proposed director, and details of the proposed company's ultimate holding company (if any), must be provided to the Companies Office. The full name and residential address of each director is available publicly on the Companies Office register.
- If a proposed director and/or shareholder is based overseas, the Companies Office may require additional evidence to verify identity and to confirm consent to own and manage the company.
- There is no need for a formal constitution (New Zealand's equivalent to articles of association or corporate bylaws). The rights and obligations set out in the Companies Act apply by default. A company is free to adopt a constitution modifying certain rules that would otherwise apply. Having a well-drafted constitution is generally advisable as it allows the company to carry out actions that would not otherwise be allowed under the Companies Act.

Annual compliance requirements - New Zealand registered company

New Zealand registered companies must satisfy annual compliance requirements (eg filing annual returns, confirming basic company details, and holding annual meetings of shareholders).

Certain, generally larger, companies must also prepare audited financial statements and may have to file them with the Companies Office.

Directors and officers of a New Zealand company must comply with New Zealand company law requirements, including the directors' duties in the Companies Act. Directors and officers must also comply with any relevant requirements under the Financial Markets Conduct Act.

The tax rules that apply to New Zealand-registered companies are explained in Section 16.

Establishing a New Zealand branch of an overseas entity

Rather than incorporating a local subsidiary, an overseas entity can conduct business in New Zealand through a branch.

A branch is established by registering with the Companies Office as an "overseas company", which is required once the company is "carrying on business" in New Zealand. Registration brings with it the compliance requirements that apply to overseas companies under the Companies Act (see further below).

There is no "bright line test" for whether an overseas company is carrying on business in New Zealand. In every case the question will be decided on the facts, in light of all the surrounding circumstances. Relevant factors include:

- having a physical place of business in New Zealand;
- having employees in New Zealand;
- maintaining bank accounts in New Zealand;
- having a degree of regular involvement in transactions in New Zealand; or
- having some other form of "permanence" in New Zealand.

The existence of one of these factors alone may not be determinative, but the more factors that exist, the more likely it is that a business is being carried on in New Zealand.

There is no requirement for an overseas company carrying on business in New Zealand to have a New Zealand resident director. It must however have a principal place of business in New Zealand and a person authorised to accept service on its behalf in New Zealand. Simpson Grierson can act as the branch's principal place of business in New Zealand for this purpose.

Annual compliance requirements – overseas company

An overseas company carrying on business in New Zealand must file an annual return with the Companies Office confirming certain company particulars.

Certain, generally larger, entities must prepare and file audited financial statements with the Companies Office. If audited financial statements are required, they must be audited by a "qualified auditor" and comply with New Zealand generally accepted accounting practice (**GAAP**). These financial statements must also include separate financial statements for any large NZ branch. An overseas company may file financial statements prepared in accordance with the financial reporting requirements of its country of incorporation, if the Companies Office is satisfied that:

- the statements comply with the requirements of the law in force in the country where the overseas company is incorporated; and
- those requirements are substantially the same as those in New Zealand.

The tax rules applicable to overseas companies which operate a branch in New Zealand are explained in Section 16.

Establishing a limited partnership

New Zealand's limited partnership regime is based on the limited partnership regime operating in the US (Delaware Model). It is governed by the Limited Partnerships Act 2008 (**Limited Partnerships Act**).

Key features of a limited partnership

A limited partnership:

- enjoys separate legal personality;
- must have at least one general partner and one limited partner (who cannot be the same person at the same time);
- must have at least one general partner who lives in New Zealand (and, if the general partner is a New Zealand company, then the company must have at least one director who lives in New Zealand, or lives in Australia and is a director of a company registered in Australia);
- the general partner is responsible for the day-to-day management of the LP, and is liable for all of the LP's debts and liabilities, to the extent the LP cannot pay those debts and liabilities;
- each limited partner (generally a "silent" investor) is liable only to the extent of its capital contribution to the LP;
- limited partners (who wish to preserve their limited liability status) must not be involved in the management of the LP, although there are certain specified activities in the Limited Partnerships Act, in which the limited partners may participate and still retain their limited liability protection;
- can have an indefinite lifespan (if desired); and
- has "flow-through" income tax treatment, so that LP profits and losses are attributed directly to the partners and taxed accordingly (rather than being taxed at LP level).

An LP is created upon registration with the Companies Office. It must have, and will be governed by, a partnership agreement (which does not need to be filed publicly) and by the Limited Partnerships Act.

Annual compliance requirements – limited partnership

An LP must file an annual return to the Companies Office confirming certain particulars. Larger LPs (or those that "opt in" voluntarily) must also prepare audited financial statements and distribute them to each general partner and limited partner within five months after balance date. If, as is usually the case, the general partner is a New Zealand registered company, it must meet the compliance requirements for a New Zealand registered company.

Agency arrangements

An entity that conducts only a small amount of business in New Zealand may wish to appoint a local agent rather than establishing a branch, subsidiary company or limited partnership.

Agency appointments can be informal or can be recorded in a more comprehensive written agreement between the parties, and in either case are capable of termination at short notice. New Zealand agency law (the principles of which are largely similar to the UK and Australia) will typically govern the relationship unless the parties agree otherwise.

A local agent may be considered an employee depending on the nature of the relationship and the terms of the appointment. Care is required to ensure that any agency arrangement does not, over time, result in the relevant principal being deemed to be carrying on business in New Zealand (in which case the requirement to register in New Zealand would be triggered). Potential New Zealand tax implications also need to be considered.

Section 8
Buying, selling and leasing property

Purchasing land in New Zealand

There is no restriction on who can own land in New Zealand, subject to any requirement for consent under New Zealand's overseas investment regime (discussed in Section 2).

Residential land is "sensitive land" under the overseas investment regime, which means that 'overseas persons' wishing to purchase residential land in New Zealand need consent to buy or build a home to live in. Overseas buyers can also obtain consent to buy residential land with the intention of developing and selling housing on that land. Since March 2026, some overseas investors on New Zealand's higher-value investor visas can also get consent to buy or build one home worth more than NZ$5 million.

Foreign individuals and companies can purchase land without a local partner.

Land ownership based on registration

Land ownership in New Zealand is based on a centralised and electronic land registration system. Central to this system is a publicly searchable register that records all material facts about any given land title, including ownership, registered mortgages, caveats and easements. The register is held by Land Information New Zealand (**LINZ**). Registration is quick (and for title transfers, it is same day).

Once information is accepted by LINZ for registration against a land title, the validity of information appearing on that register is guaranteed. A purchaser of land in New Zealand is therefore able to rely on the information recorded on the public register.

Registration of a property transfer requires the purchaser to provide a taxpayer identification number (called an IRD number). The process for applying for, and obtaining, an IRD number can take some time and should be started well before the proposed date for transferring ownership.

Leasing

Leases of land in New Zealand must be in writing and signed by the parties to the leasing arrangement. As a matter of practice in New Zealand, leases are not typically registered, although they can be.

Generally, the express terms of the lease will govern the relationship between the parties. Tenants do not have statutory rights to prolong the terms of a lease beyond the term provided for in the lease (including any renewals). Further, tenants are not entitled to compensation at the end of a lease term unless that is provided for expressly in the terms of the lease – and such a term would be unusual in the New Zealand market.

Sale of land

Purchasing land in New Zealand is fairly straightforward. Many agreements to sell land are recorded on standard form documentation.

The general law of contract applies once a sale and purchase agreement has been entered into. Once the parties enter into an agreement to sell and purchase land, that agreement becomes legally binding between the parties. The seller cannot (without breaching the contract) then accept a higher offer from another purchaser. However, conditions for the benefit of either party can be included in an agreement.

No stamp duty is payable on the transfer of land in New Zealand.

Taxation of gains on disposal

New Zealand does not have a general capital gains tax.

However, gains on the sale of land that is held, or deemed to be held, on revenue account may be taxed under New Zealand's land disposal income tax rules.

In addition to catching property dealers, developers and the like, New Zealand's land disposal income tax rules include a specific rule for residential land known as the "bright-line test". Since 1 July 2024, this rule taxes any profit made on selling residential land within two years of buying it, subject to certain exclusions (eg in relation to selling your main home).

Residential land withholding tax (**RLWT**) may also apply where an offshore individual or entity is selling or disposing of residential land within the applicable prescribed period after its acquisition, unless the offshore person obtains an RLWT certificate of exemption.

Tax matters are discussed further in Section 16.

Compulsory acquisition

The government and local authorities in New Zealand have a right to compulsorily acquire property from private owners in certain circumstances.

If a property, or portion of a property, is required for certain public works (eg roads, public transport, schools and critical infrastructure), the Public Works Act 1981 gives the Crown (acting through the relevant Government department and local authorities) the right to acquire that property. The acquiring authority will usually seek to negotiate the terms on which the land will be acquired, including the price. If no such agreement can be reached, the local authority has the power to take steps to compulsorily acquire the property. The owner of the property is entitled to "full compensation" for the property being acquired.

Section 9 Use and development of property

Land use regime in New Zealand

The use to which land in New Zealand can be put, and the extent to which it can be developed, will depend on the environmental laws and planning instruments that apply to the land in question.

The Resource Management Act 1991 (**RMA**) is currently the primary environmental and planning legislation in New Zealand.

The Government has introduced the Planning Bill and the Natural Environment Bill to replace the RMA with a new resource management system. The Bills remain before Parliament. Investors should seek current advice on the progress of the legislation and the applicable transition arrangements when considering any property acquisition or development. The RMA is largely implemented by two tiers of local authorities, each responsible for making the subordinate planning documents applicable to their respective function and geographic area. Generally, environmental matters affecting discharge to air, land and water, and taking and using water, are controlled by Regional Councils (through their regional plans). Land use and subdivision is controlled by City and District Councils (through their district plans). Some activities may be carried out as of right (as a "permitted activity") and any other activities will require approval (by way of a resource consent) whether from the Regional Council, or City or District Council.

Any construction or alteration of a building must comply with the Building Act 2004 and the associated Building Code.

Zoning and land use regulation

Land use and subdivision of land is controlled by the zoning and associated planning rules set out in the relevant district plan.

Each district plan divides the relevant district into certain zones (eg Industrial, Residential, Mixed Use), with different land use, planning and subdivision rules applicable to each zone. Zoning rules will determine matters such as site size, site coverage, building density, height requirements and certain minimum building ratios. Any proposed use of the land or subdivision that goes outside the rules applicable to the relevant zone can only proceed with a resource consent from the relevant City or District Council.

Environmental controls

A range of environmental matters are controlled, under the RMA, by the relevant regional plan including:

- discharge of contaminants to air, land or water;
- water quality and quantity, including taking and using water;
- soil conservation;
- natural hazards;
- aquatic ecosystems; and
- biodiversity.

Regional plans include rules relating to matters such as those above (and other matters), which apply across the region affected by the relevant regional plan.

No person may use land, water, air or the coastal marine area in a manner that contravenes a rule in a regional plan without holding a resource consent.

Resource consents

Under the relevant regional and district plans, activities are either “permitted”, or classified into a hierarchy of activity types for which the assessment of a resource consent application becomes increasingly stringent: “controlled”, “restricted discretionary”, “discretionary” and “non-complying”.

Resource consents can take the form of land use consents, subdivision consents, water permits, coastal permits, and discharge permits, depending on the nature of the proposed activity.

Consents are granted by the relevant local authority, either the District Council (for land use and subdivision matters) or the Regional Council (for environmental matters).

Whether or not a consent is granted is a matter for the relevant local authority to determine, at its discretion. The level of discretion that the local authority may exercise, and the stringency of the tests an applicant must meet to obtain consent, depends on the nature of the consent sought. The relevant local authority also has wide powers to impose conditions on any resource consent it grants.

There are a range of different time frames for different parts of the consenting process, and for different types of consents depending on their complexity. Applications can take months and sometimes (in contested situations) more than one year to conclude.

The consenting process starts with an application to the relevant local authority (in the required form and with all necessary supporting information). The local authority will then decide whether the owners of adjacent land should be notified of the application, and whether the general public should be notified also. The RMA guides the local authority on how to make these decisions. Any person who is served a copy, or notified, of the application may make submissions in respect of that application.

An applicant for a resource consent, and anyone who has made a submission in respect of an application, has a right of appeal to the Environment Court from a local authority’s decision on a resource consent application. Alternatively, an applicant may request that an application proceeds directly to the Environment Court.

Fast-track Approvals Act 2024

The Fast-track Approvals Act 2024 provides a streamlined consenting process for regionally or nationally significant projects.

Access to the Fast-track regime is through a referral application to the Minister of Infrastructure. If the referral application is granted, a substantive application for a suite of environment approvals, including resource consents, can be made.

Substantive applications are referred to an expert panel that is required to determine the application within a time frame set by the panel convener. The time frames are typically between two and six months. The expert panel can decline a Fast-track application in only specified circumstances, and appeal rights are limited.

Penalties for breach of RMA

A person who breaches the RMA (eg by undertaking an activity not permitted by the relevant planning document and without a resource consent) commits an offence.

Non-compliance with the RMA is a strict liability offence. A person, if convicted of an offence, can be subject to a maximum fine of NZ$1,000,000 plus NZ$10,000 per day for continuing offences, and a prison term of no more than 18 months. A company, if convicted of an offence, can be subject to a maximum fine of NZ$10,000,000 plus NZ$10,000 per day for continuing offences. These penalties were substantially increased with effect from 21 August 2025 (from previous maximums of NZ$300,000 for individuals and NZ$600,000 for companies).

Liability is not limited to the party that actually commits the offence. The RMA extends liability to any party who allows the offence to take place. Therefore, if a body corporate, trust, company employee, or contractor is convicted of an offence against the RMA, a director, trustee, or any person concerned in the management of that party can also be held liable for that offence.

Building regulations

Regulation of the construction of buildings and other structures in New Zealand is provided for in the Building Act 2004 and the associated Building Code. The Building Code deals with, among other things, requirements for buildings to be earthquake resilient to certain levels.

Any proposed construction of or alteration to any building or structure in New Zealand must be carried out in accordance with a building consent, issued by the relevant local authority (in accordance with the Building Act 2004). Buildings or alterations, once completed, must be confirmed as compliant with the building consent and the Building Code by issue (by the local authority) of a Code Compliance Certificate.

Earthquake-prone buildings

New Zealand sits across several active fault lines and a significant proportion of the country falls within areas of moderate to high seismic risk. The Building Act 2004 contains a specific regime for earthquake-prone buildings, under which territorial authorities identify buildings that pose a risk of collapse in a moderate earthquake and, having done so, issue notices requiring the owner to carry out seismic strengthening work (or, in some cases, demolition) within a specified deadline. Owners of buildings identified as “earthquake-prone” face compliance costs that can be substantial, and non-compliance can expose owners to enforcement action and penalties.

The current regime is under active reform. The Building (Earthquake-prone Buildings) Amendment Bill, which is expected to come into force on 1 July 2027, proposes a more proportionate, risk-based system. Buildings in low seismic zones, including Auckland, Northland and the Chatham Islands, would no longer be classified as earthquake-prone.

Section 10
Fund raising and capital markets

Private equity and venture capital

New Zealand has an active private equity market. There are several New Zealand-based private equity funds seeking investment opportunities, plus a number of Australian and other offshore funds who also regularly look for investments in New Zealand. There is also a growing number of venture capital funds (both New Zealand-based and offshore) looking for quality early stage investment opportunities, and an active "angel" investment market.

The New Zealand government actively supports the private equity and venture capital industry by co-investing with private investors through New Zealand Growth Capital Partners.

More information about the New Zealand private equity and venture capital market is available from the New Zealand Private Capital website here.

Offering securities in New Zealand

Offers of securities (and other financial products) in New Zealand are regulated by the Financial Markets Conduct Act (**FMC Act**), and overseen (and enforced) by the FMA. The term "financial products" extends to debt securities, equity securities, managed investment products and derivatives.

The basic rule is that any securities (or any other financial product) can only be offered to the public in New Zealand if the issuer of the securities has prepared a Product Disclosure Statement (or PDS) that complies with the requirements of the FMC Act and associated regulations.

A security will be treated as being "offered" in New Zealand if the offer is received by a person in New Zealand, unless the issuer took reasonable steps to ensure that persons in New Zealand cannot accept the offer. The disclosure rules will therefore apply to any applicable offer of financial products, whether made by a New Zealand or offshore-based entity.

A PDS, if required, must include certain prescribed information about the products being offered and the issuer. The rules stipulating the contents of a PDS are strict and detailed. There are also restrictions on the length, content and format of a PDS. A business seeking to issue debt securities or managed investment products must comply with additional requirements in relation to external governance and licensing.

There are a number of exclusions to the disclosure requirements, depending on the nature of the investor being targeted, and/or the type of offer being made. An offer to which an exclusion applies can either be made without disclosure documentation, or with a reduced level of disclosure.

Common disclosure exemptions provided by the FMC Act

- Offers to wholesale investors, including:
  - a person whose principal business is the business of investment;
  - a person who meets certain investment criteria relating to portfolio or trading size;
  - persons who invest in offers with a minimum NZ$750,000 subscription requirement; or
  - a person who is "large" (net assets exceeding NZ$5 million or total consolidated turnover exceeding NZ$50 million in the two most recently completed financial years).
- Offers to close business associates.
- Small offers of debt or equity securities to no more than 20 investors in a 12-month period, raising less than NZ$2 million in total.
- Offers to employees under certain employee share schemes.
- Offers to existing shareholders under a rights issue or other entitlement offer, or under a dividend reinvestment plan.
- Offers made as part of a takeover bid (made under the Takeovers Code) or a court-approved scheme of arrangement.
- The FMA is also able to grant individual exemptions from the requirements of the FMC Act.

If securities are offered or allotted in breach of the FMC Act, the issuer may be required to pay compensation or face pecuniary penalties. In some instances there can be criminal liability.

Mutual recognition arrangements

New Zealand and Australia have a mutual recognition regime for the offering of financial products. An issuer is able to offer certain specified financial products (including equity securities and managed investment products) in both countries using one disclosure document prepared in accordance with the regulations of its home jurisdiction.

New Zealand is also a member of the Asia Region Funds Passport (**ARFP**) scheme, with Australia, Japan and Thailand. This regime seeks to reduce regulatory duplication for operators of eligible collective investment schemes ('passport funds') by establishing a standardised set of requirements across each of the member countries. A passport fund established and regulated in the home economy can be offered to investors in all other member economies without the need to go through a full regulatory approval process.

Listing on the New Zealand stock exchange

An entity seeking to raise capital through an issue of securities in New Zealand may also wish to list on New Zealand's stock exchange (referred to as 'NZX'), operated by NZX Ltd. Equity and debt securities, and interests in funds, can be traded on the NZX Main Board in accordance with the NZX Listing Rules.

A company can list on the NZX in two ways:

- A "primary listing" – designed for companies that intend to be listed on the NZX and comply with the NZX Listing Rules.
- A "foreign exempt listing" – allows companies already listed on certain recognised overseas exchanges (as their home exchange) to list on an NZX market, without needing to comply with the majority of the NZX Listing Rules.

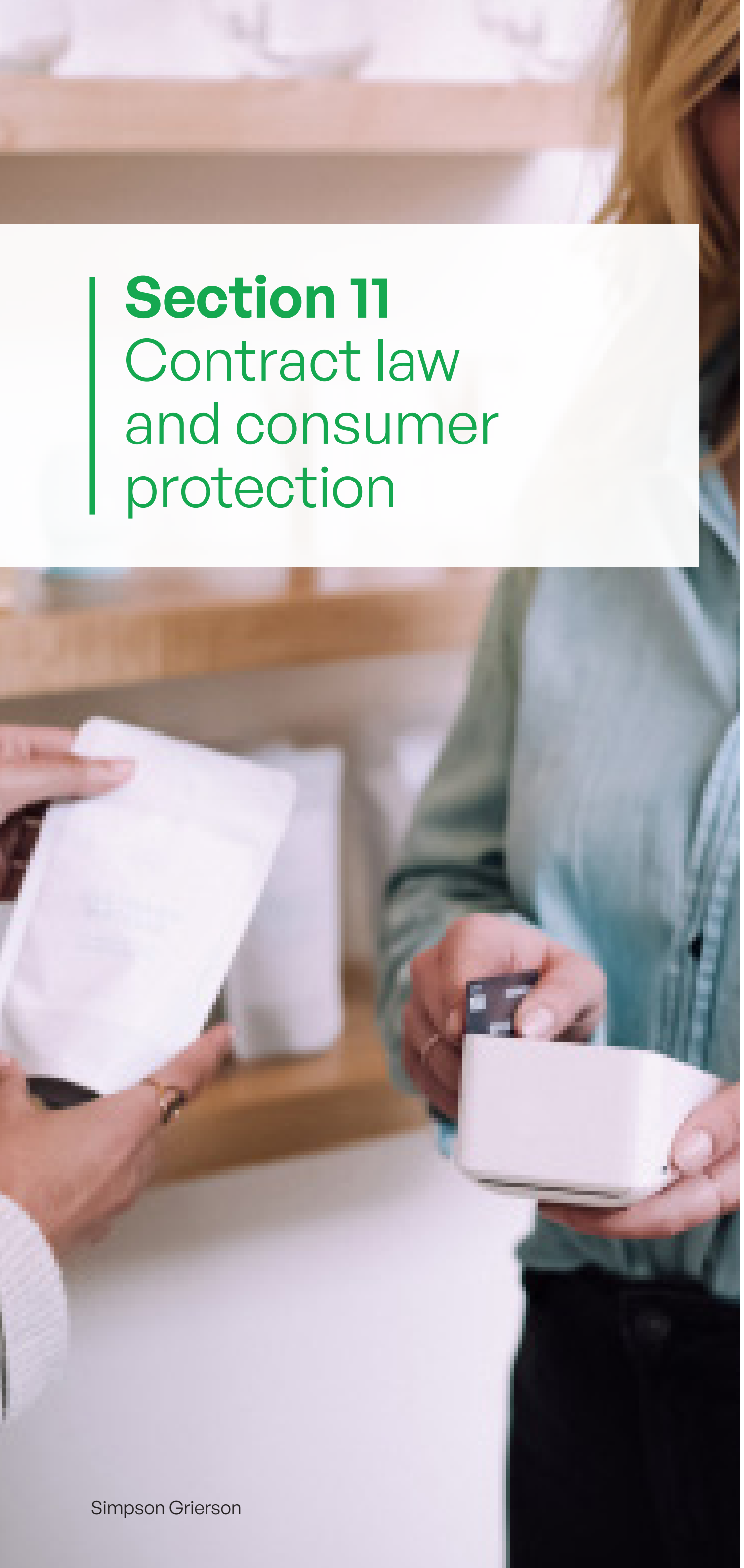
The listing process is fairly straightforward. Generally, the document used to provide the required disclosure for fundraising purposes can also be used for listing purposes. There are certain market capitalisation and spread requirements, and timetabling requirements.

Once listed, an issuer must comply with ongoing corporate governance, disclosure and reporting requirements, set out in the NZX Listing Rules (or equivalent rules in its home jurisdiction) and, in relation to financial reporting, the FMC Act.

Market conduct rules

New Zealand law prohibits insider trading and market manipulation. New Zealand law also prohibits issuers of financial products and others from engaging in conduct or making statements in relation to financial products that are misleading or deceptive (or likely to mislead or deceive).

The market conduct rules are set out in the FMC Act. Breach of these rules carries civil and, in some instances, criminal liability.



Section 11
Contract law and consumer protection

Contract law

There is relatively little regulation of contracting in New Zealand.

New Zealand contract law is based on English common law principles, subject to certain statutory parameters.

Parties are generally free to contract on their own terms, subject to the law applying to contracts generally and various mandatory statutory requirements applicable to supply of certain goods or services, or certain types of contracts.

These include:

- certain **trade practices requirements** irrespective of the terms of the contract (discussed further below);
- certain **consumer protection measures** also irrespective of the terms of the contract (discussed further below);
- **credit contracts with consumers** are regulated by the Credit Contracts and Consumer Finance Act 2003;
- mandatory **food labelling requirements**, and **minimum standards for certain foods**, and also for medicines, animal products and dietary supplements (discussed further below);
- **certain contracts must be in writing**, including those involving interests in land, employment, and mortgages; and
- the Contract and Commercial Law Act 2017 provides **default statutory remedies** in specific situations, largely codifying and replacing common law rules. For example:
  - allowing parties to **cancel a contract for misrepresentation** (in certain circumstances, and provided that the terms of the contract do not provide for their own cancellation regime), and gives the courts power to grant a wide variety of relief;
  - providing for certain consequences in relation to contracts that are **frustrated**;
  - allowing courts to grant relief in limited circumstances if a party can establish that it entered a contract due to a genuine **mistake**; and
  - stipulating that a contract is generally **unenforceable against a minor** (being a person under the age of 18 years), but enables the Court to enquire into the fairness and reasonableness of the contract entered into and make orders.

New Zealand contract law applies to overseas-owned entities in the same way it applies to New Zealand entities. While overseas-owned entities may be subject to certain additional regulatory requirements (including, in some circumstances, obtaining consent under New Zealand's overseas investment regime), there are generally no separate contract law requirements involving New Zealand entities that are foreign owned. The governing law of a contract between an overseas-owned entity and a New Zealand entity will be determined by the terms of the contract, interpreted in light of the usual common law "conflict of laws" principles.

Trade practices and consumer protection regime

New Zealand's trade practices and consumer protection regime is primarily reflected in three statutes:

- **Commerce Act 1986**, dealing with competition law matters.
- **Fair Trading Act 1986**, prohibiting (among other things) conduct that is misleading and deceptive.
- **Consumer Guarantees Act 1993**, setting out minimum statutory guarantees relating to supply of consumer goods and services.

There are also minimum standards that apply specifically to the content and labelling of food products, set out in the **Australia New Zealand Food Standards Code** (Food Standards Code). Similar standards and labelling requirements apply to food supplements, medicines and medical devices, and animal products.

The trade practices and consumer protection regime set out in the Fair Trading Act and Consumer Guarantees Act, and New Zealand's food standards and labelling regime are discussed more below. A brief discussion of New Zealand's competition laws (provided for in the Commerce Act) is in Section 4.

Fair Trading Act

The Fair Trading Act's principal requirements include:

- prohibiting conduct in trade that is misleading or deceptive or likely to mislead or deceive, and misleading representations in trade (whether the conduct was deliberate or accidental);
- requiring compulsory disclosure of consumer information relating to the supply of goods and services and product safety;
- prohibiting unsubstantiated claims about a product or service;
- prohibiting unfair contract terms in standard form consumer and trade contracts, and terms found to be unfair will not be enforceable (in the case of trade contracts, if entered into, renewed or varied on or after 16 August 2022);
- mandatory product safety standards in relation to specific products, including baby walkers, children's clothes, cots, bicycles, cigarette and utility lighters, multipurpose ladders, and sunscreens; and
- specific rules concerning employment advertising, pyramid selling schemes, bait advertising, offering gifts and prizes, gift cards and referral selling.

Businesses dealing with consumers cannot contract out of their obligations to those consumers under the Fair Trading Act, and the relevant requirements will apply irrespective of any express contract terms saying otherwise. However, businesses providing goods and services to other businesses may contract out of certain provisions of the Fair Trading Act in business-to-business transactions, provided the statutory requirements for doing so are met.

Failure to comply with these requirements carries the risk of various civil remedies (including fines and court orders) and, in some instances, criminal sanctions.

At the time of writing, the Fair Trading Amendment Bill is before Parliament. If enacted in its current form, the Bill will significantly reform the enforcement regime under the Fair Trading Act, including by increasing penalties for breaches, moving most breaches to a civil liability regime, introducing a safe-harbour defence for certain scam-disruption activities, and modernising aspects of New Zealand's product safety framework.

Consumer Guarantees Act

The Consumer Guarantees Act sets out a series of guarantees which apply to all sales to consumers of goods or services in New Zealand of a type ordinarily acquired for personal, domestic or household use. The Act generally does not apply to commercial products (goods normally bought for business use, eg manufacturing equipment, or services normally carried out for a business).

The guarantees create a minimum standard of quality that businesses selling such goods or services must meet, including:

- being of acceptable quality;
- being fit for a particular purpose (when the consumer has informed the supplier about that purpose);
- matching a description;
- ensuring spare parts are available;
- complying with a sample or demonstration model (where relevant); and
- timely delivery.

If goods or services do not meet the statutory guarantees, the affected consumer may seek redress from either the supplier or manufacturer of the goods or services.

Suppliers of relevant goods or services cannot contract out of the Consumer Guarantees Act unless the goods or services are being sold for business purposes.

Food standards and food labelling

Food products (including supplemented food and dietary supplements) must be labelled correctly, and meet relevant content requirements.

Content and labelling requirements will depend on how the food product is classified. For example, whether classification is as a traditional form of food, or as a food that performed more than a nutritional purpose, such as a dietary supplement or supplemented food.

A business is free to determine how it wishes to classify a food product, but must then ensure that their food products, as classified, meet relevant content and labelling requirements set out in the Australia New Zealand Food Standards Code (**Food Code**), Dietary Supplements Regulations 1985 (**DSRs**), and the New Zealand Food (**Supplemented Food**) Standard 2016 (**SF Standard**) as applicable. The Food Code regulates (amongst other things) levels of particular ingredients and prohibited ingredients in a wide range of food product categories. It includes general provisions applicable to all foods and individual food standards affecting particular types of food, such as sports foods, infant formula, certain dairy products, and alcoholic beverages. Similarly, the DSRs and SF Standard set out requirements and restrictions relating to labelling and composition of products classified as dietary supplements and supplemented food, respectively.

Businesses that sell or manufacture food must also comply with:

- Food Act 2014;
- Weights and Measures Act and Regulations;
- Fair Trading Act 1986 (in particular, in relation to product efficacy and origin claims);
- sector-specific requirements (eg dairy, meat, wine etc);
- customs and biosecurity requirements; and
- export requirements.

Regulators

The Commerce Commission is the regulatory body responsible for administering New Zealand's trade practices and consumer protection regime (ie Commerce Act, Fair Trading Act, Credit Contracts and Consumer Finance Act). The Commerce Commission actively monitors business conduct in New Zealand to check compliance, and has the power to bring proceedings for breach in its own right. Breaches may result in significant civil remedies and, in some cases, criminal liability.

The Consumer Guarantees Act 1993, however, is primarily consumer-oriented, with consumers generally responsible for enforcing their rights directly against suppliers and manufacturers.

Regulation and oversight of the food standards and labelling regime is split between two bodies. The Ministry of Primary Industries is responsible for enforcing compliance with the Food Standards Code as well as the Food Act more generally. The Commerce Commission is responsible for monitoring and enforcing the elements of the Fair Trading Act that apply to food products (misleading and deceptive conduct, efficacy, composition and origin claims).

Section 12 Disputes and enforcement

New Zealand has an independent court system and a well-established commercial dispute resolution framework.

Commercial disputes may be resolved through court proceedings, arbitration, mediation or direct negotiation. The appropriate method will depend on the contract, parties, subject matter, need for confidentiality, urgency and likely location of assets.

Cross-border contracts

Cross-border contracts should address:

- governing law;
- court jurisdiction or arbitration;
- the place and rules of any arbitration;
- service of proceedings;
- interim and urgent relief;
- confidentiality; and
- enforcement against relevant parties and assets.

The enforceability of an overseas judgment in New Zealand depends on the originating jurisdiction, the nature of the judgment and the applicable statutory or common law process. New Zealand courts may also recognise and enforce qualifying international arbitration awards under the applicable arbitration framework.

These issues should be considered when the contract is prepared. A favourable judgment or award may be of limited practical value if the chosen forum or enforcement arrangements are unsuitable.

How we can help

We advise on commercial disputes, regulatory investigations, arbitration, mediation, urgent court relief and the recognition and enforcement of judgments and awards. We also work with international counsel on disputes spanning multiple jurisdictions.

Section 13
Privacy, data and cybersecurity

Privacy regime in New Zealand

New Zealand law controls the collection, storage and security, accuracy, retention, use and disclosure, by any agency, of “personal information”.

The Privacy Act 2020 (**Privacy Act**) is the primary statute dealing with data privacy in New Zealand.

The Privacy Act is mainly concerned with privacy of individuals, focusing on specific personal information, about living individuals. This Act does not deal with broader aspects of privacy, such as any right to be left alone or freedom from intrusion (eg by the media), or with data privacy about legal persons who are not living individuals.

Key elements

Personal information

“Personal information” is the cornerstone of New Zealand’s data privacy regime. Personal information is any information about an identifiable individual. The test for whether an individual is identifiable is whether there is a reasonable chance that the individual could be identified from the information in question, on its own or when linked with other information.

“Information” is a broad concept, not statutorily defined. It includes any document (including anything written, recorded, visual images or electronic information), and extends also to CCTV footage and biometric data.

Information Privacy Principles

‘Information Privacy Principles’ lie at the heart of New Zealand’s privacy regime. These are a set of 13 principles dealing with the collection, storage and security, accuracy, retention, off-shoring, use and disclosure of personal information.

Any “agency” operating in New Zealand, irrespective of home jurisdiction must comply with the information privacy principles when dealing with personal information. The regime is not prescriptive about specific compliance requirements. Every agency must determine for itself how it will comply.

Extraterritorial effect

New Zealand’s data privacy rules apply beyond New Zealand’s territorial borders. The Privacy Act will apply to all actions taken by a New Zealand agency in relation to personal information it collects or holds, whether that agency is acting inside of New Zealand and regardless of where the information was collected or is held, or where the individual concerned is located.

The Privacy Act will also apply to overseas agencies in relation to any action taken in the course of carrying on business in New Zealand.

Privacy Commissioner

The Privacy Commissioner has responsibility for oversight and enforcement of the Privacy Act. Breach of the Privacy Act’s requirements can result in fines (up to a maximum of NZ$10,000), and both civil and criminal liability.

Mandatory data breach reporting

If an agency suffers a privacy breach that has caused, or is likely to cause, serious harm to affected individuals, it must report the breach to the Privacy Commissioner and to the affected individual (unless an exemption applies).

“Privacy breach” means unauthorised or accidental access to, or disclosure, alteration, loss, or destruction of personal information, or an action that prevents the agency from accessing the information on either a temporary or permanent basis.

Cybersecurity

Cybersecurity is an increasingly important consideration for businesses operating in New Zealand. While New Zealand does not have a single standalone cybersecurity statute of general application, cyber risk may arise under a range of legal and regulatory frameworks, including privacy, financial services, directors' duties, employment, contractual obligations and sector-specific requirements.

Cyber incidents can expose businesses to operational disruption, reputational damage, regulatory scrutiny and potential liability. Common issues include unauthorised access to systems or information, ransomware attacks, fraud, business interruption, loss of confidential information and compromise of third-party service providers.

Businesses establishing or acquiring operations in New Zealand should consider whether their cybersecurity governance, security controls, incident response procedures, technology contracts, insurance arrangements and management of third-party risk are appropriate for their activities. Cybersecurity should also form part of legal due diligence in acquisitions, particularly where the target business holds sensitive information, operates critical systems, provides digital services or is subject to sector-specific regulatory requirements.

Impact of GDPR in New Zealand

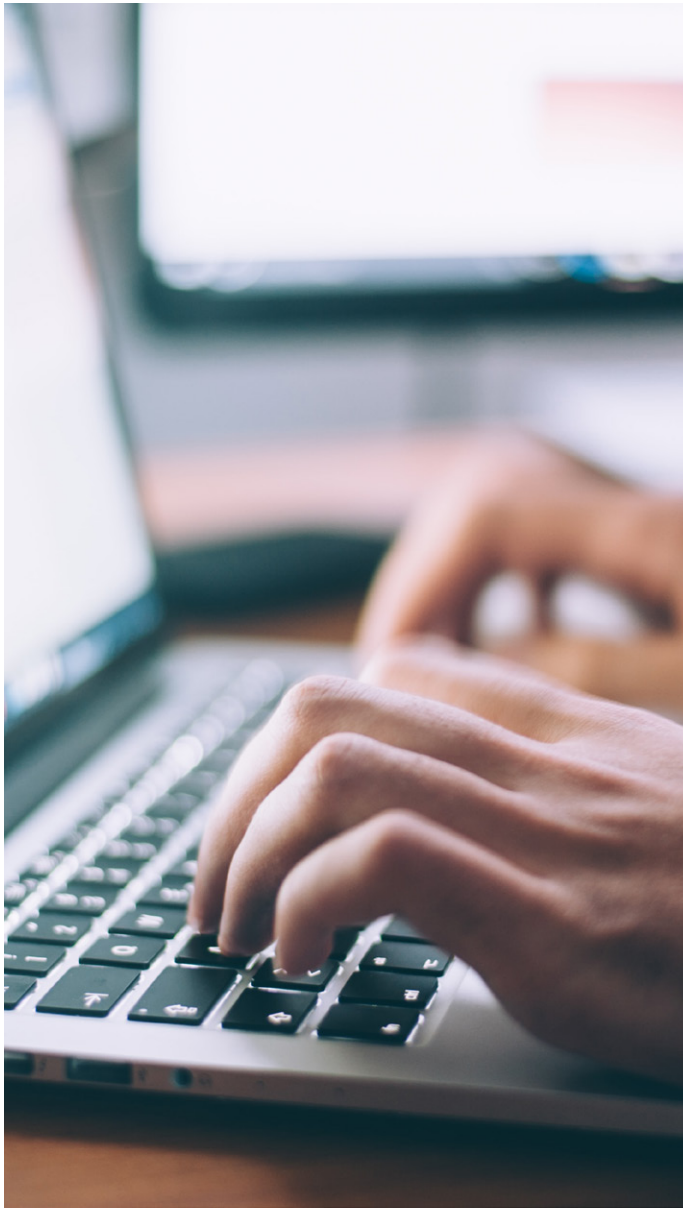
The EU General Data Protection Regulation (**GDPR**) has extra territorial effect so may apply to businesses in New Zealand. GDPR is distinct from and will generally go above and beyond the requirements of New Zealand's privacy laws, without necessarily dealing with the New Zealand requirements.

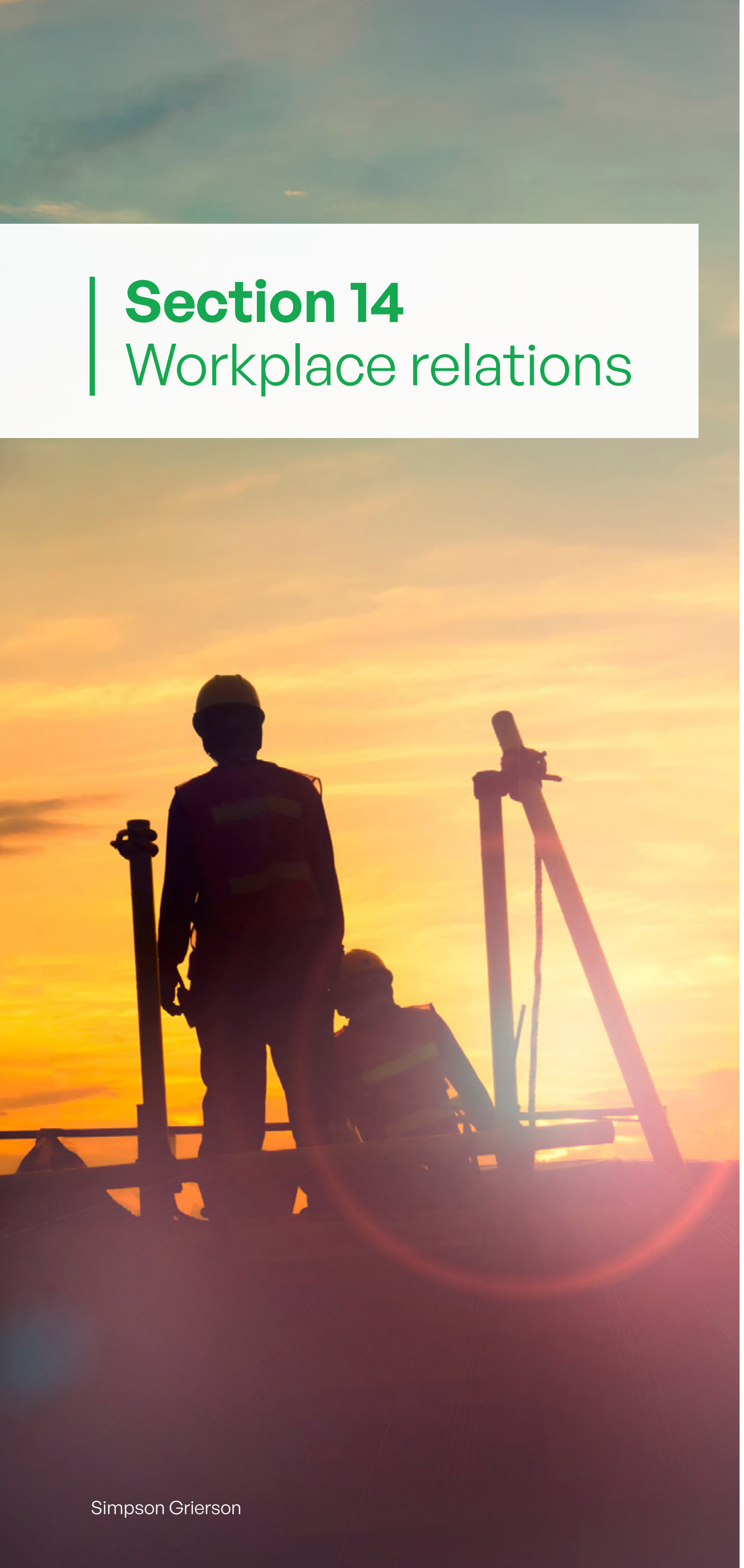
Businesses operating in New Zealand will be captured by the GDPR if they:

- have a branch or subsidiary in the EU;
- offer goods or services, paid or free, to data subjects in the EU;
- monitor the behaviour of data subjects in the EU (such as using cookies for behavioural-based advertising); or
- process personal data regarding individuals who are within the EU on behalf of another organisation.

A party acquiring a New Zealand entity that does business in the EU should be aware there is significant potential exposure under the GDPR if the target is not GDPR compliant.

Businesses operating in New Zealand should be aware that even if they already have GDPR compliant privacy policies in place, there are still specific requirements under New Zealand privacy laws that must be met. Privacy policies must be checked to ensure they are compliant with New Zealand privacy laws.





Section 14
Workplace relations

Anyone considering an investment in New Zealand will need to understand the basic principles of New Zealand's employee relations laws. Some elements are unique to New Zealand and may prevent an entity from proceeding as they would expect to proceed in their home jurisdiction, particularly in an M&A context.

Overview of workplace relations in New Zealand

- The Employment Relations Act 2000 (**ERA**) is the principal statute governing the employment relationship for all persons employed within New Zealand. Individual employment agreements must be in writing and include minimum specified clauses.
- Some workplaces also engage 'independent contractors' whose terms of engagement are as set out in the relevant contract. Contractors are not protected by the ERA and other legislation intended to provide benefits to employees, but are subject to the privacy, accident compensation and workplace health and safety rules. The law also recognises 'triangular' employment relationships where a third party may be joined as a party to claims brought by workers performing work under their direction or control (eg labour hire, secondments, agency temps).
- The New Zealand workforce is not heavily unionised. Less than 20% of employees belong to unions, generally in the public sector, the waterfront, and manufacturing industries.
- Employees are entitled to four weeks of paid annual leave (after 12 months of employment), and also minimum entitlements to paid sick leave, bereavement and family violence leave after six months of employment. Termination of employment must follow a fair process and be for justified reasons (for example, redundancy or serious misconduct). Employers, employees and unions are subject to a duty of good faith in relation to the employment relationship.
- There are comprehensive workplace health and safety laws in New Zealand. Workplace accidents are compensated through New Zealand's 'no fault' accident compensation scheme.

Employment relationships

The ERA covers matters including collective, individual and fixed-term employment agreements; collective bargaining and union related issues; flexible working arrangements; and personal grievances. The Employment Relations Amendment Act 2026, which came into force on 21 February 2026 (Amendment Act), represents a significant shift in New Zealand's employment law framework.

Independent contractors are not protected by the ERA, but courts will assess a contractor arrangement to determine whether the real nature of the relationship is an employment relationship and so covered by the ERA (and other employee-related legislation). The Amendment Act introduced a new 'specified contractor' gateway test. If a working arrangement meets all five criteria prescribed by the Act the worker is classified as a contractor and excluded from employee rights without the need to apply the common law tests. The gateway test applies prospectively and does not affect existing arrangements unless the parties agree to bring them within the test. Where the test is not met, the common law approach to determining employment status continues to apply.

Some aspects of employment relations set out in the ERA, and which are unique to New Zealand, are explained briefly below.

Duty of good faith

The duty of good faith requires parties to an employment relationship to:

- not mislead or deceive each other;
- be active and constructive; and
- be responsive and communicative in their employment relationship.

An employer proposing to make a decision that will, or may, have an adverse effect on the continuation of an employee's employment (such as a restructure or sale of the business) must give each affected employee relevant information about the proposal, and an opportunity for that employee to comment on the proposal before any decision is made.

Unions

Unions are entitled to represent their members in relation to any matter involving their collective interests, including negotiating a collective employment agreement and representing their members' individual rights (eg at mediation and in court actions).

Union membership is voluntary but, if an employee wants to be party to a collective agreement and to bargain collectively, the employee must be a member of a union. Previously employees who were not union members must have been employed for their first 30 days on terms of any applicable collective agreement. The Amendment Act removes this requirement, meaning that employers can offer an individual employment agreement from the outset, although they must still provide new employees with information about any relevant union and collective agreement.

If an employee is not a member of a union, each employee will negotiate an individual employment agreement with their employer.

Trial period

All employers are able to engage new employees on a trial period of up to 90 calendar days. During a trial period, an employee may be dismissed with notice and cannot raise a personal grievance on the grounds of unjustified dismissal or unjustified disadvantage in relation to that dismissal. The employee may, however, still raise a personal grievance on other grounds, such as disadvantage, discrimination or harassment. A trial period arrangement must be in writing, meet certain form requirements, and be signed by the employee before commencing employment.

Employee protection provision

All employment agreements must contain an "employee protection provision", covering what will happen to the employee after a business is sold, another company takes over a contract, or workers are moved to a new employer.

There are special protections for "vulnerable" employees – which includes those providing cleaning, catering, security and laundry services. In certain restructuring situations, "vulnerable" employees usually have the right to choose to be transferred to the new employer, on the same terms and conditions of employment with continuity of service, including their leave and other entitlements.

Transferring employees in a business sale

Asset sale

Unless an employee comes within a specified category of employee (as set out above), it is not possible under New Zealand law to transfer or assign an employment relationship to a new employer in a business sale, even if the new employing entity is within the same wider group.

As such, New Zealand law requires that the vendor terminate the employment of its employees (following consultation), on the basis that they become redundant upon the transfer of assets to the purchaser. Fresh offers of employment can then be made by the purchaser (and accepted) in order to effect the 'transfer' of employees, but the purchaser has the ability to choose which employees it wishes to offer employment to, and on what terms, subject to negotiations with the vendor. There are various statutory requirements for consultation and dealings with affected employees, the majority of which will fall on the vendor.

Share sale

Such issues do not arise in the event of a share sale where an employee's employment is unaffected because the employer remains the same both before and after the transaction has been completed. As a result, the employment agreements governing the terms and conditions of the employment relationship continue to apply and there is no break in the continuity of employment.

All employees who are currently employed by the vendor will be 'acquired' by the purchaser, and there is no ability for the purchaser to elect which employees it wishes to offer employment to, or to unilaterally change the terms of their employment.

Terminating employment

As a general rule, employment may only be terminated for cause in New Zealand, so employers cannot terminate "at will". Causes for terminating employment are limited, including poor performance, repeated misconduct, serious misconduct, redundancy and medical incapacity.

Any dismissal must be substantively justifiable, and procedural fairness is an important concept. The ERA stipulates the minimum process steps required. An employee who considers that they have been unjustifiably dismissed or disadvantaged in their employment is able to bring a 'personal grievance' claim against the employer. A personal grievance must be raised within 90 days, except for sexual harassment personal grievances, which have 12 months. If the matter proceeds to litigation, it will be heard first by the Employment Relations Authority and, if escalated, by the Employment Court. Both have exclusive jurisdiction over employment-related matters. Reinstatement is the primary remedy, although financial compensation may also be available.

The Amendment Act also introduced significant changes to the personal grievance regime.

High-income threshold

Employees earning NZD $200,000 or more in total remuneration under new employment agreements are generally unable to bring a personal grievance for unjustified dismissal and disadvantage in relation to the dismissal, unless the parties agree otherwise. A 12-month transitional period applies from the Amendment Act's commencement date before this threshold takes effect for existing employment relationships, meaning the high-income threshold will come into force from 21 February 2027.

Misconduct and remedies

Compensation and reinstatement must not be awarded where the employee's conduct contributed to the situation that gave rise to the personal grievance. No remedies are available if the employee's 'serious misconduct' contributed to the situation that gave rise to the personal grievance.

Redundancy compensation

There is no compulsory redundancy compensation regime in New Zealand. An employer is only required to pay compensation on redundancy if it has been specifically agreed between the employer and the employee in the employment agreement.

Holidays and leave

There are minimum statutory leave entitlements provided under the Holidays Act 2003 (**Holidays Act**), which include:

- public holidays (12 days through the year);
- four weeks' annual leave following 12 months' continuous employment;
- three days of bereavement leave on the loss of a close family member and on the end of a pregnancy by reason of miscarriage or stillbirth (and one day in other cases following six months' continuous employment);
- 10 days' sick leave per year, following six months' continuous employment.

The Holidays Act also allows 10 days of leave a year for victims of family violence or people caring for affected children. Some employers also provide long service leave, but on a voluntary basis.

The Holidays Act is notoriously difficult to interpret and apply. Many workplaces have found that payroll systems do not calculate all leave entitlements correctly, leaving employers in breach of the Act's requirements. Non-compliance with the Holidays Act is frequently a material issue arising from legal due diligence in relation to an M&A transaction.

The Employment Leave Act 2026 received Royal assent on 6 August 2026. It will replace the Holidays Act 2003 on 6 August 2028, with the new rules applying from the beginning of an employee's first pay period starting on or after that date. Until then, the Holidays Act 2003 continues to apply.

The Employment Leave Act introduces a new leave framework with the following key features:

- annual leave and sick leave will accrue in hours from an employee's first day of employment;
- working hours will be classified as standard, additional or casual hours;
- bereavement and family violence leave entitlements will arise from the first day of employment;
- a single hourly leave payment rate will apply to all types of leave;
- a 12.5% leave compensation payment will apply to additional and casual hours;
- alternative holidays will accrue in hours where an employee works on a public holiday that would otherwise be a working day; and
- an optional remediation framework will apply to historical Holidays Act liabilities.

The Employment Leave Act also provides for employment to be treated as continuous where an employee elects to transfer to a new employer as part of a restructuring process. Where the relevant requirements are met, accrued leave and associated entitlements will transfer to the new employer. For investors acquiring or restructuring New Zealand businesses, this provision has practical implications for how employee entitlements and liabilities are assessed and allocated in a transaction.

Other legislation affecting employee relations

Other New Zealand legislation relevant to a workforce and employee relations includes laws regulating privacy of personal information (discussed further in Section 13), equal pay, parental leave, minimum wage/wages protection, minimum working conditions, human rights and protection for whistle-blowers.

Workplace health and safety

Workplace health and safety laws are set out in the Health and Safety at Work Act 2015 (HSW Act). The HSW Act's key focus is on ensuring everyone in the workplace takes responsibility for health and safety at work.

On 9 July 2026, the Health and Safety at Work Amendment Bill received Royal Assent and became the Health and Safety at Work Amendment Act 2026 (HSW Amendment Act). The HSW Amendment Act represents the most significant change to New Zealand's health and safety regime since 2015. It aims to sharpen the focus of the HSW Act onto 'critical risks', being hazards likely to cause death or serious harm. It also seeks to reduce compliance costs, particularly for small businesses with fewer than 20 workers, clarify that compliance with industry-specific legislation or approved codes of practice satisfies HSW Act obligations, and strengthen the role of WorkSafe as regulator. The HSW Amendment Act will come into force on 1 April 2027. Until then, the existing duties under the HSW Act continue to apply.

A person conducting a business or undertaking (PCBU) – usually a business entity, not an individual – has a primary duty of care under the HSW Act. The PCBU must ensure, so far as is reasonably practicable, the health and safety of workers who work for the PCBU, workers whose activities are influenced or directed by the PCBU, and other persons.

Officers of the PCBU have personal liability and must exercise due diligence to ensure the PCBU complies with its duties under the HSW Act. An officer will generally be anyone who is able to direct the conduct of the whole of the PCBU, such as a director or chief executive. The HSW Amendment Act refocuses the duties of officers on their governance functions, distinguishing these from what an officer does in their role as a worker for the PCBU.

Regulations accompanying the HSW Act cover areas such as asbestos, major hazard facilities, geothermal operations, mining and quarrying operations, general risk and workplace management and worker engagement, participation and representation.

Accident compensation

New Zealand has no workers' compensation scheme, and there is no ability for a person who suffers an injury in New Zealand (at work or elsewhere, and however it arose) to bring any claim for compensation in respect of that injury.

Workplace accidents are instead covered by the ACC Act (discussed briefly in Section 1). Personal injury costs are met by the Accident Compensation Corporation (ACC) and not the employer (except in relation to a workplace injury, where the first week of compensation is paid by the employer). Both employers and employees contribute towards the costs of the accident compensation scheme through levies.

Superannuation and KiwiSaver

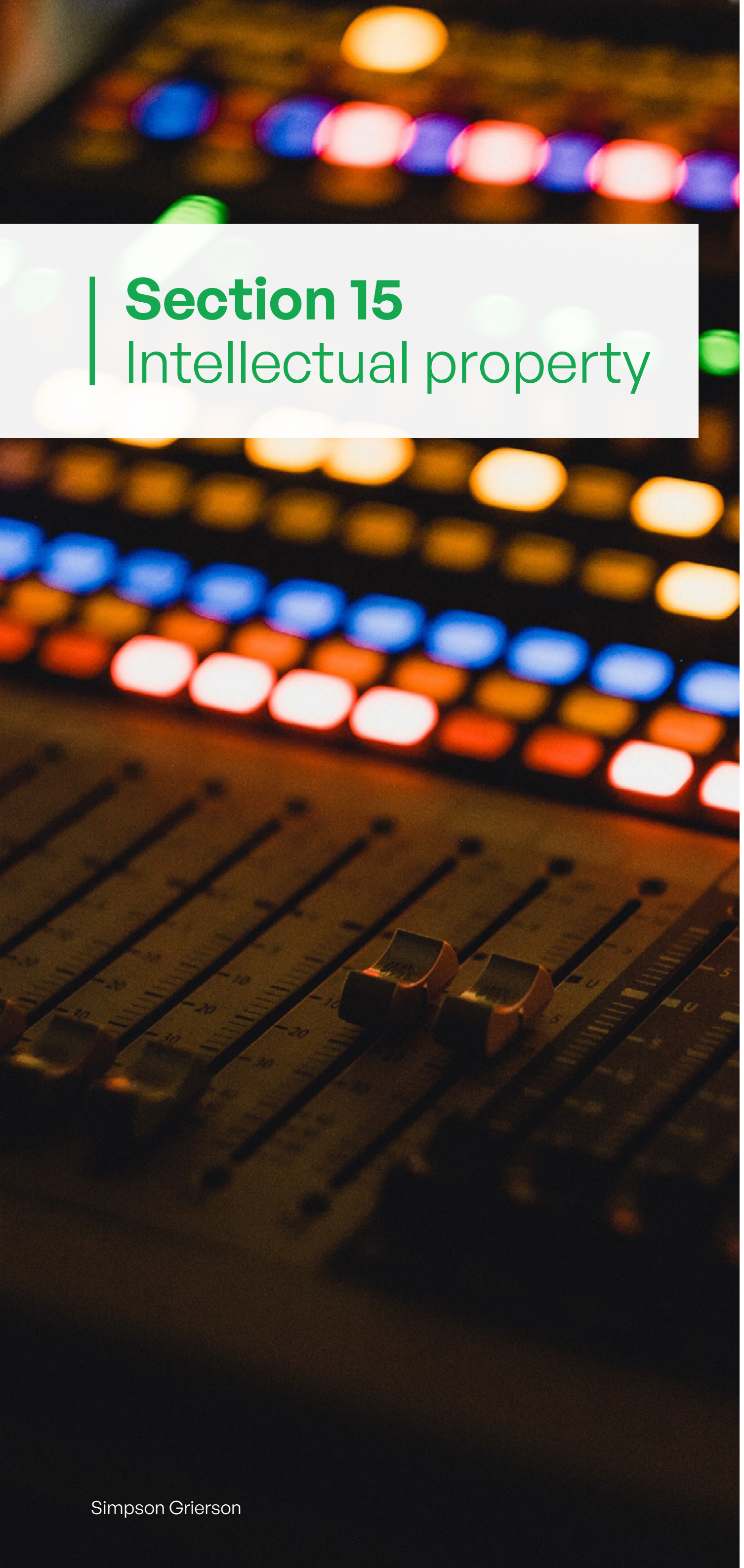
Participation in superannuation schemes is not compulsory in New Zealand. Some employers provide superannuation benefits to employees, but usually in the form of subsidies to a third party superannuation scheme. Proprietary superannuation schemes are not common in New Zealand, and defined benefit schemes are now rare.

All employees are eligible to participate in KiwiSaver – a voluntary and work-based government-sponsored retirement savings initiative (governed by the KiwiSaver Act 2006). Participants in KiwiSaver must contribute a minimum of 3.5% of their gross salary or wages to a superannuation scheme of their choice, and employers must make a contribution of 3.5% on behalf of all participating employees. A further increase to 4% for both employees and employers is scheduled from 1 April 2028. New employees are automatically enrolled in KiwiSaver, unless limited exceptions apply. An employer must provide information about how employees can opt out.

Employment related tax obligations

New Zealand employers and overseas employers with a sufficient presence in New Zealand are also required to deal with employment-related withholding and similar taxes in relation to monetary and non-monetary benefits provided to their employees.

Tax matters are discussed further in Section 16.



Section 15
Intellectual property

New Zealand has a well-developed system of intellectual property rights, which are governed by statute, case law, and international agreements.

Overview

New Zealand's intellectual property regime includes registered and unregistered rights. Trade marks, patents, designs, geographical indications, and plant variety rights can be registered with the Intellectual Property Office of New Zealand (**IPONZ**), which maintains a register of these rights and interests. Copyright is protected by statute and cannot be registered.

New Zealand is also a signatory to a number of international intellectual property treaties and conventions, including the Paris Convention, the Patent Co-operation Treaty, the Berne Convention, TRIPS (Trade-Related Aspects of Intellectual Property Rights), the Singapore Treaty, and the Madrid Protocol.

Trade marks

Trade marks can be registered in 45 classes of goods or services consistent with the internationally adopted Nice Classification System (13th edition). Registrations are held by IPONZ. The IPONZ registration database can be searched publicly.

A pre-registration trade mark opposition process is available on publication of an accepted trade mark application, and post-registration invalidity and revocation processes are also available.

A trade mark registration is valid for a term of 10 years from the date of application. Registration can then be renewed, in perpetuity, for successive 10-year periods. A trade mark can be removed from the register for non-use if it is not used for a continuous period of three years. The Madrid Protocol is in force in New Zealand. This allows entities in other Madrid Protocol territories to file international trade mark registrations designating New Zealand as a country to which trade mark protection would extend. New Zealanders can also file international registrations designating one or more overseas Madrid Protocol territories.

Copyright and designs

New Zealand copyright law protects original works, including original artistic, literary, dramatic, or musical works (in all their various forms), from being copied. The period of protection for literary, dramatic, musical and artistic works under New Zealand law is the life of the author plus 50 years.

Other works, such as sound recordings, films, communication works, and computer-generated works, generally are protected for 50 years from the end of the year in which the work was made or made available to the public.

In accordance with Free Trade Agreements with the United Kingdom and European Union, New Zealand has agreed by 1 May 2028 to extend copyright protection for most types of works to either 70 years from the author's death or 70 years from publication.

Protection for industrially-applied works lasts for 16 years (or 25 years in some cases), depending on the nature of the work.

Copyright protection exists under the Copyright Act 1994. There is no form of registration of copyright in New Zealand.

The appearance of an article can also be protected by registering a new and original design under the provisions of New Zealand's design legislation (under the Designs Act 1953). The maximum period of protection for registered designs is 15 years.

Patents

New Zealand patent law (set out in the Patents Act 2013) is generally in line with international trends, providing a system for the filing, examination, and grant of protection for patent applications. The period of protection for patents in New Zealand is a maximum of 20 years.

To be granted a patent, the proposed invention must:

- be a manner of manufacture;
- be new; and
- involve an inventive step.

Patentability is examined in accordance with absolute (or worldwide) novelty. Both inventive step and utility are examined. A patent must be inventive "on the balance of probabilities".

A pre-grant opposition process is available on publication of an accepted patent application, and a potential opponent can request re-examination both before and after grant.

Passing off and the Fair Trading Act

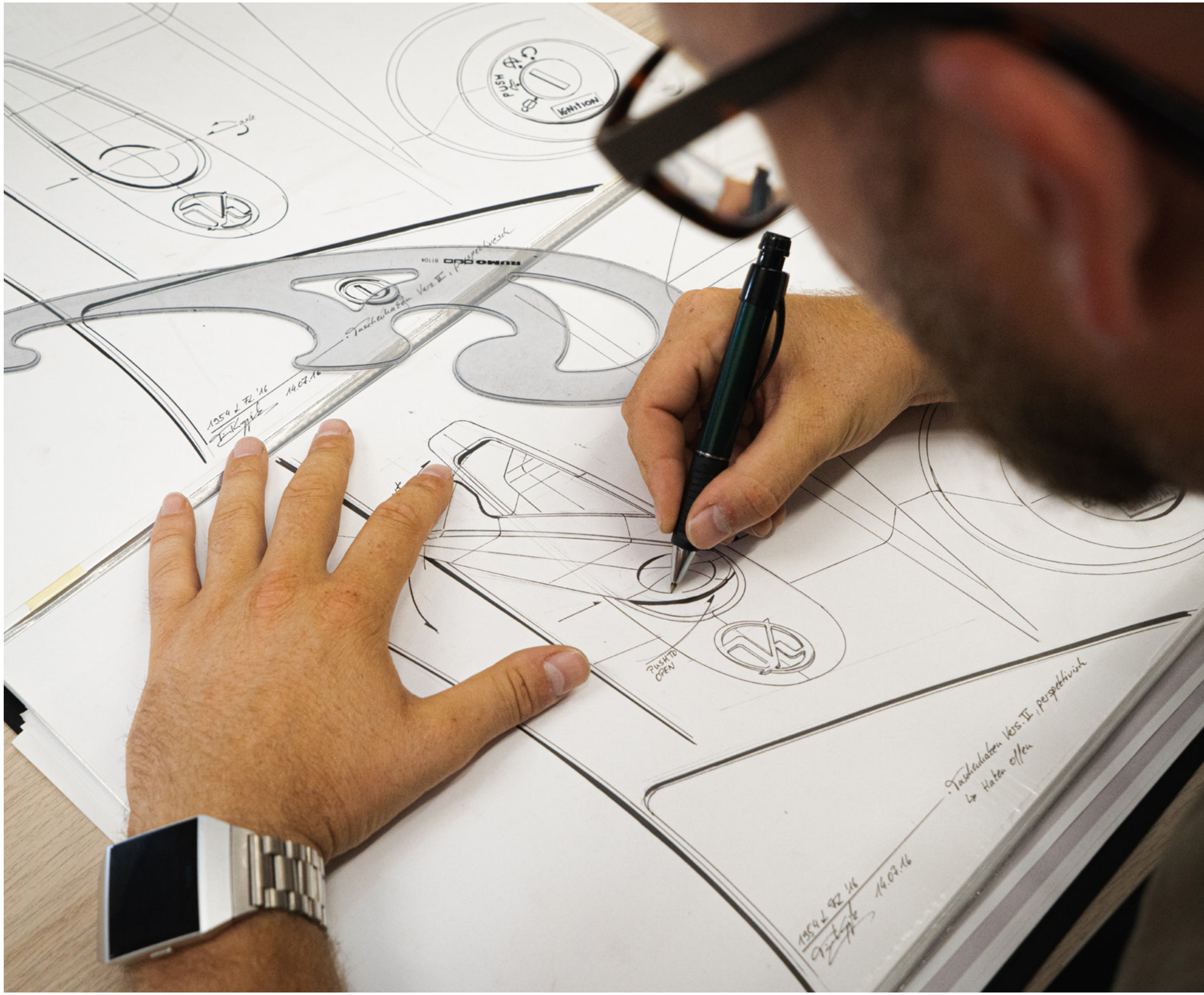
The common law tort of "passing off" and provisions of the Fair Trading Act 1986 also provide general protection against misleading conduct in the course of trade. The misleading use of trade marks, get-up, and other indicia that cause damage to another trader's reputation or goodwill may give rise to liability.

More detail about the Fair Trading Act is in Section 11 of this guide.

Other rights

Other New Zealand legislation provides protection for the following intellectual property rights:

- plant varieties;
- layout designs (for electronic integrated circuits);
- geographical indications (available for any type of product for European Union geographical indications eligible under the New Zealand–European Union Free Trade Agreement, but limited only to wine and spirits for geographical indications elsewhere); and
- ambush marketing.



Section 16
Tax

Overview of taxation in New Zealand

New Zealand has a "broad-base low-rate" (BBLR) taxation system. The principal forms of taxation are:

- Income tax (including related withholding taxes), with a corporate tax rate of 28% and a top personal tax rate of 39%.
- Goods and services tax (GST), with a standard rate of 15%.

Despite its BBLR taxation system, New Zealand is unusual in that it does not currently have any general capital gains tax, stamp duty (or similar transaction tax), gift duty or estate or death duty.

New Zealand's income tax system (like Australia's) is also unusual in that it operates a comprehensive dividend imputation (or franking) regime, enabling a shareholder to enjoy a tax credit for underlying corporate tax attached to dividends they receive.

New Zealand maintains an orthodox residence and source approach to income taxation, generally taxing residents on their worldwide income, but taxing non-residents only on income with a New Zealand source.

New Zealand's tax rules are, by international standards, relatively simple and the local tax authority, Inland Revenue, generally maintains high standards of fairness and probity in administering the tax system.

Income tax – general

Scope of income tax

New Zealand income tax is generally imposed on the worldwide income of New Zealand residents. Income of non-residents is also subject to income tax to the extent that income has a New Zealand source. This is subject to any relief or reduction by operation of any applicable double tax agreement (DTA) (discussed further below).

"Income" includes most receipts on revenue account as well as some gains that would be classified as capital gains in other jurisdictions.

Taxable income and tax rates

Companies (including New Zealand subsidiaries and branches of foreign companies) and other business taxpayers are taxed on their taxable income, after taking into account their allowable deductions, net losses, and any tax credits.

The corporate tax rate is 28%, whereas graduated tax rates apply to individuals' income (10.5%, 17.5%, 30%, 33%, and 39%) and the trustee income tax rate is 39%.

Deductions

Taxpayers carrying on a business are generally entitled to deductions against assessable income for operating expenditure and interest incurred in the business, subject to thin capitalisation and transfer-pricing constraints (discussed further below).

Business taxpayers are also generally entitled to depreciation deductions based on the cost of capital assets used in the business. The Investment Boost regime allows businesses to immediately deduct 20% of a qualifying new capital asset's cost that first becomes available for use in New Zealand on or after 22 May 2025, on top of normal depreciation on the remaining 80% of the asset's value. Qualifying assets include almost all new depreciable assets first used in New Zealand on or after 22 May 2025, including new commercial buildings and improvements to depreciable property, with exclusions for land, residential property, fixed-life intangible property, petroleum/mining rights and permits, and second-hand assets already in use in New Zealand.

Net losses

Net losses incurred in a tax year may be used to offset net income in a future tax year, so long as they can be carried forward.

Net losses can generally be carried forward by non-corporate taxpayers without restriction.

For companies to carry forward net losses, either 49% shareholder continuity or business continuity (ie no major change to the company's business) must be maintained.

Company income tax

Income tax residence

A company is resident in New Zealand for income tax purposes if:

- it is incorporated in New Zealand;
- its head office is in New Zealand;
- its centre of management is in New Zealand; or
- New Zealand is the place from which the directors exercise control of the company (whether or not exclusively).

If a company is resident in New Zealand and also resident in another country with which New Zealand has a DTA (discussed further below), the "tiebreaker" provisions in that DTA will determine where the company is considered resident for the purpose of applying that DTA.

Corporate dual residence is generally undesirable under New Zealand domestic tax rules (eg subject to a specific rule for New Zealand resident companies that tie-break to Australia under the New Zealand/Australia DTA, a dual resident company that is deemed non-resident in New Zealand for the purposes of a DTA cannot operate an imputation credit account under the imputation system).

A New Zealand resident company is liable to income tax on its profits (after taking into account any deductions, losses and credits) at the rate of 28% (as noted above).

Dividend taxation and the imputation system

Company dividends are taxable to the recipient and "dividend" is widely defined to include most benefits provided by a company to a shareholder or any associate of a shareholder.

The dividend imputation system allows companies to pass on the benefit of income tax paid at company level as tax credits attached to dividends, to offset tax on the dividend.

Dividends with imputation credits attached are referred to as "imputed" dividends.

Imputation credits can be used by New Zealand resident shareholders to offset their income tax liabilities (including the liability for the dividend received).

Credits attached to dividends paid to one company by another can be used to offset the recipient company's tax liability and credited to that company's imputation credit account for subsequent distribution to the recipient company's shareholders.

Non-resident withholding tax (NRWT) on dividends paid to a non-resident shareholder by a resident company is zero-rated to the extent that the dividend is fully imputed, if the non-resident shareholder has:

- a 10% or more direct voting interest in the resident company; or
- less than a 10% direct voting interest in the resident company, and a DTA applies and limits the New Zealand tax rate on the dividend to less than 15%.

Non-resident shareholders with a less than 10% interest in the resident company receiving an imputed dividend may receive a supplementary dividend under the foreign investor tax credit (FITC) regime, providing effective relief from NRWT on the dividend.

NRWT may apply to non-imputed dividends paid to non-resident shareholders (eg dividends sourced from a capital profit of the New Zealand resident company). However, most of New Zealand's DTAs will limit the rate of NRWT to 15% (the domestic law rate for non-imputed dividends being 30%) and, in some cases, to 5% or 0%.

Inter-company dividends

Dividends paid between New Zealand resident members of a wholly-owned group are generally exempt. Those received by a New Zealand company from a foreign company are generally exempt also. Inter-company dividends are otherwise generally taxable.

Branch taxation

New Zealand branch operations of a non-resident company are liable to income tax on branch profits at the rate of 28%, unless New Zealand has a DTA with the jurisdiction in which the head office is located, and the New Zealand branch is not a "permanent establishment" for the purposes of that DTA, which would be unlikely. The taxable income of a New Zealand branch takes into account any deductible loss or expenditure directly attributable to the branch operations.

Income tax paid by branches is a final tax. No withholding tax is payable on subsequent repatriation of the after-tax profit overseas.

Thin capitalisation

New Zealand's thin capitalisation rules limit tax deductions for interest in certain circumstances, and the rules have been tightened as part of New Zealand's response to the OECD's base erosion and profit shifting (BEPS) project.

The thin capitalisation rules apply to any non-resident company or to a New Zealand resident company if it is controlled by a single non-resident (or group of associated non-residents) or by a group of non-residents "acting together". A company will be denied a deduction for interest to the extent that its New Zealand group's ratio of debt to assets exceeds:

- 60%; and
- 110% of its worldwide group debt-to-asset ratio.

The thin capitalisation rules also apply to non-resident individuals, other non-resident entities and New Zealand trusts controlled by non-residents, which entities may be entitled to interest deductions in relation to New Zealand investments.

A targeted exemption to the thin capitalisation rules for certain infrastructure investments has recently been introduced (effective from 1 April 2026). The exemption is intended to mitigate a perceived impediment to foreign investment in New Zealand's infrastructure that arose under the general thin capitalisation settings. Under the new exemption, an "eligible infrastructure entity" may claim a full deduction for interest on qualifying third-party, limited-recourse debt, without being subject to the standard 60% debt to asset ratio cap.

Transfer pricing

New Zealand has a comprehensive transfer pricing regime dealing with cross-border transactions between associated parties. The regime incorporates most OECD mandated BEPS measures.

A further "restricted transfer pricing" rule determines the allowable interest rate on inbound related party debt. A New Zealand borrower that is determined to be at a "high risk of BEPS" will have its credit rating used for transfer pricing purposes restricted to a maximum of two notches below its worldwide group's credit rating. Also, any loan features not typically found in third-party debt will be disregarded in calculating the allowable interest rate on related party debt. The restricted transfer pricing rule generally only applies when the New Zealand taxpayer has related party borrowings over NZ$10 million.

Other BEPS measures

Two further rules are in place as part of New Zealand's response to the OECD BEPS project.

Under a BEPS related anti-avoidance rule, a non-resident entity is deemed to have a permanent establishment in New Zealand if:

- it belongs to a global group with at least €750 million in annual turnover; and
- a related entity carries out sales related activities for it in New Zealand under an arrangement with a more than merely incidental purpose of tax avoidance.

There is also a comprehensive set of rules to reduce the unintended tax advantages that result from hybrid instruments and entities in cross-border arrangements.

Unit trusts, superannuation funds, and other managed investment vehicles

Unit trusts are deemed to be companies for income tax purposes. Widely held superannuation funds are generally subject to tax at 28% on their net income. Employer contributions to superannuation schemes are subject (with certain exceptions) to employer superannuation contribution tax (**ESCT**).

Some New Zealand resident widely held unit trusts, superannuation funds, and other investment vehicles are able to elect into the portfolio investment entity (PIE) tax regime. PIE status has certain tax benefits including an ability for the PIE's income to be taxed by reference to investors' marginal tax rates (with a 28% cap) and an exemption from tax on New Zealand and some Australian share trading revenues.

Further, for PIEs meeting certain criteria, New Zealand tax on foreign sourced income attributable to non-resident investors is exempt, while tax on certain New Zealand-sourced income is imposed at concessionary rates. A PIE otherwise pays tax at 28% on all income, including foreign sourced income, attributable to non-resident investors in the PIE.

Withholding taxes

Resident Withholding Tax (RWT)

Interest and dividend income paid to a New Zealand resident taxpayer is subject to RWT (unless the recipient has RWT-exempt status, and subject to certain other exemptions). RWT can also apply to a payment to a non-resident in limited circumstances.

RWT is deducted at the following rates:

- 45% on interest if the interest payer does not have the payee's IRD number;
- 10.5%, 17.5%, 30%, 33% or 39% on interest paid to individuals;
- 28%, 33% or 39% on interest paid to companies; and
- 33% on all dividends (except to the extent imputed).

Non-Resident Withholding Tax (NRWT)

New Zealand sourced dividends, interest, and royalties paid to non-residents are subject to NRWT, but NRWT is zero-rated in some cases.

The rate of NRWT is:

- 30% in respect of dividends, other than "fully imputed" dividends, for which either the rate is 0% or NRWT is relieved by the FITC regime (and the rate is in any event capped at 15% in most of New Zealand's DTAs and, in some cases, less);
- 15% in respect of interest (capped at 10% in most DTAs and, in some cases, reduced to 0%) unless the non-resident has a New Zealand branch, and subject to the approved issuer levy (AIL) regime (discussed further below); and
- 15% in respect of royalties (capped at 5%, 10%, or 15% in DTAs).

Non-resident Financial Arrangement Income tax rules apply to any interest-bearing loan between a non-resident lender and an associated New Zealand borrower. Those rules effectively require interest for which the borrower is entitled to a deduction to be treated as paid to the lender (or capitalised, not merely accrued), so that NRWT applies and must be paid.

The AIL regime may be utilised by a New Zealand tax resident borrowing from a non-resident, non-associated lender, by completing certain registrations. This reduces NRWT to 0% provided that AIL equal to 2% of the gross interest is paid.

Other withholdings

Income tax-related withholding tax or equivalent regimes also apply to other payments and benefits. In particular, the pay as you earn (PAYE) withholding tax, fringe benefit tax (FBT) and ESCT withholding tax regimes generally apply to monetary remuneration and other benefits provided by employers to employees.

The PAYE withholding tax regime also extends to various other payments to non-employees, such as directors' fees, honoraria, salesperson commissions, and non-resident contractors' and entertainers' fees.

The DTA network

New Zealand has entered into DTAs with 41 trading partners and is continuing to develop its treaty network by negotiating new DTAs with trading partners, as well as revising existing DTAs. The DTAs are designed to remove the double taxation (ie tax applying in two jurisdictions in respect of the same income) which would, in their absence, be suffered by New Zealand residents investing overseas, and non-residents investing in New Zealand.

As a member of the OECD, New Zealand has adopted the OECD Model Convention as the basis of its DTAs, although it has made a number of reservations to the model.

New Zealand is also a party to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI), which affects some of New Zealand's DTAs (eg the DTA with Australia).

DTAs have been entered into with Australia, Austria, Belgium, Canada, Chile, China, the Czech Republic, Denmark, Fiji, Finland, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, Norway, Papua New Guinea, Philippines, Poland, the Russian Federation, Samoa, the Slovak Republic, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Arab Emirates, the United Kingdom, the United States of America, and Vietnam.

New DTAs and revisions of existing DTAs are under negotiation. New Zealand has an intergovernmental agreement (IGA) with the United States in relation to FATCA. Domestic legislation giving effect to the IGA has also been enacted.

No capital gains tax

There is no general capital gains tax in New Zealand. However, "income" for New Zealand income tax purposes includes amounts derived from certain transactions which would be taxed as capital gains in other jurisdictions.

These transactions include the following:

- profits from the sale of land in certain circumstances;
- lease incentives, and surrender payments as well as lease transfer payments in certain circumstances;
- certain royalty payments;
- proceeds from the sale of a patent; and
- certain gains in the value of "financial arrangements" under the accruals regime.

Goods and services tax (GST)

GST is a value added tax imposed on most supplies of goods and services in, or into, New Zealand.

The rate of GST is generally 15% of the value of a supply.

A supplier of goods and/or services must be registered for GST purposes and account for GST on their supplies if the annualised value of taxable supplies made by that supplier exceeds or is likely to exceed NZ$60,000 in a 12-month period. A person may also register voluntarily, provided they carry on a taxable activity (or intend to carry on a taxable activity from a specified date).

Voluntary registration is also available to certain non-residents not carrying on a taxable activity in New Zealand (to recover GST charged on acquisitions), provided certain requirements are met.

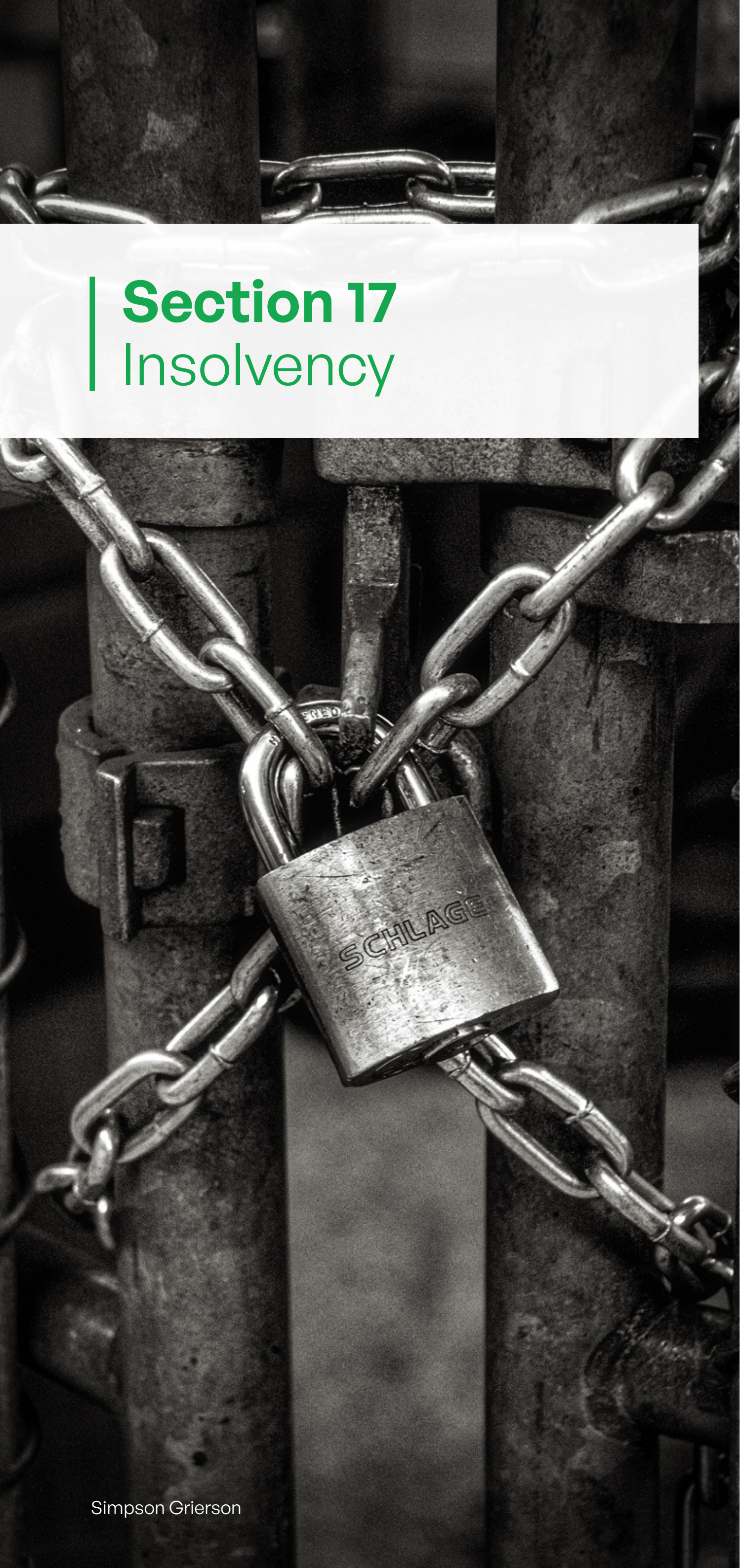
GST charged on supplies of goods or services is known as "output tax". A registered person's GST returns account for output tax charged on taxable supplies made by the person for the relevant return period, and claim deductions for GST charged on supplies acquired by the person (known as "input tax"). The net amount is paid to Inland Revenue or claimed as a refund.

In relation to supplies of goods and services into New Zealand, specific GST rules apply under which (in broad terms):

- offshore suppliers of "remote services" and low value imported goods (the current value threshold being NZ$1,000 or less) to New Zealand consumers may be required to register for GST purposes and account for GST on their supplies;
- importers of goods are required to pay "import GST" on other imported goods (valued over NZ$1,000); and
- electronic marketplace operators facilitating the supply of "listed services" (eg ride-sharing/ride-hailing, food and/or beverage delivery, and short-stay accommodation) are required to charge and return GST on services performed, provided, or received in New Zealand, even if the underlying supplier's turnover would not otherwise require them to register and account for GST on their supplies.

Some supplies – including supplies of longer-term residential accommodation and supplies of financial services – are exempt from GST (although some supplies of financial services will be treated as taxable, zero-rated supplies).

In addition, certain taxable supplies (including supplies of "going concern" businesses and supplies that include land between GST-registered parties and exported goods and services) are zero rated (ie GST is reduced to 0%).



Section 17
Insolvency

Overview

New Zealand has a number of insolvency and general company law procedures that can be used either to restructure a business and its finances or, where that is not possible, to maximise realisation for creditors.

Formal corporate insolvency law in New Zealand is governed primarily by the Companies Act, the Receiverships Act and common law. Matters of security and creditor priority are further governed by the Personal Property Securities Act, Property Law Act and Land Transfer Act, as well as the common law and numerous regulations.

The insolvency regime centres on two fundamental principles:

- Hierarchy of creditors: creditors are generally ranked in a class hierarchy (secured creditors; preferential unsecured creditors; unsecured creditors; and shareholders); and
- Pari passu principle: distributions to creditors of a particular class are based on the proportion of their debt.

In addition to formal or court-supervised procedures, New Zealand is a flexible jurisdiction for consensual restructuring and corporate rescue. Debt-for-equity swaps, pre-packaged business transfers and credit bidding are all possible tools for restructuring debts or other investments.

Options for creditors and debtor companies

If a New Zealand company or other body corporate appears to be suffering financial difficulty, the debtor and creditors have a number of formal options to consider, for example:

- making an application to the High Court for the debtor to be put into **liquidation**;
- a debtor company's shareholders passing a special resolution (or, rarely, directors passing a resolution) to put the company into **liquidation**;
- a secured creditor appointing **receivers** over charged assets;
- entering into a Companies Act **creditors' compromise** with the debtor;
- creditors' **schemes of arrangement**; and
- a third party **administrator** being voluntarily appointed by the debtor's directors, by a qualifying secured creditor, or by the court.

Very rarely, the government will appoint a statutory manager, by making an Order in Council. This is only likely to occur where there is some need to protect the wider public interests.

A wide range of informal debt restructuring and workout tools are available in New Zealand, which may be used as alternatives to, or in combination with, the more formal procedures mentioned above. Creditors of distressed New Zealand businesses may consider:

- covenant or debt waivers;
- rescheduling debts or making other amendments to terms;
- trading in distressed debts;
- debt for equity swaps;
- pre-packaged business or asset transfers (potentially breaking up or spinning off profitable parts of a wider business);
- credit bidding (whether secured or unsecured and whether the debtor is in receivership or not); and
- challenging certain vulnerable antecedent transactions (see the comment about voidable transactions below) and potentially pursuing directors or other officeholders (in most cases this would be done through a liquidator or in the company's name by its receivers).

Liquidation – part 16 Companies Act

If a body corporate, such as a company or limited partnership, is insolvent, a creditor may apply for it to be put in liquidation.

Typically, the first step towards liquidating a company is to serve a demand on the company under section 289 of the Companies Act (**statutory demand**). The statutory demand requires the debtor company to repay the debt, enter into a creditors' compromise, or otherwise enter into an agreement with the creditor in respect of the debt within 15 working days.

If the debtor fails to comply, or does not apply to the High Court to set aside the demand within 10 working days, it is deemed to be unable to pay its debts. On this basis, the creditor can apply to the Court for orders:

- putting the company into liquidation; and
- appointing a liquidator chosen by the creditor.

In addition to this more typical procedure, creditors can apply for appointment of an interim liquidator, although this is less common, or a company's shareholders, or directors (if the company's constitution permits) can themselves resolve to put the company into voluntary liquidation.

A liquidator's powers are far reaching and include:

- taking over control of the company and its assets;
- realising the company's remaining assets, including claims against debtors of the company or against directors;
- requesting documentation from, and examining under oath, company directors, shareholders, lawyers or accountants;
- clawing back **voidable transactions** made to a creditor within a specified period prior to liquidation (two years for related party creditors, and six months for non-related creditors), where the creditor has received more than it would have received in the liquidation and resulting in an undue preference over other creditors; and
- issuing proceedings relating to transactions at an undervalue.

In the course of the liquidation, the liquidator may convene a creditors' meeting and is obliged to prepare and register regular (six-monthly) reports. Creditors are to file their claims (proofs of debt) to the liquidator within the stipulated timeframe and have recourse (by Court application) if they are unhappy with the liquidator's decision.

Once the company's assets have been realised, the liquidators will make a distribution to unsecured creditors on a rateable (pari passu) basis. Some limited classes of creditors (for example, employees and the Commissioner of Inland Revenue) have preferential status ahead of unsecured creditors, up to set amounts.

At the conclusion of the liquidation, the company will be removed from the Register of Companies.

Receivership – Receiverships Act 1993

In New Zealand, receivers are usually appointed under a contract between a secured creditor and the debtor. Often, the parties will have entered into a General Security Agreement (Security Agreement), which provides the creditor with a security interest over the debtor company's assets and that has wide default provisions. Following an event of default, the creditor can appoint a receiver over all or some of the company's assets.

The receiver's primary function is usually to realise the assets secured by the Security Agreement, for the benefit of the secured creditor. During the course of the receivership, receivers stand in the shoes of the debtor company, in that they are typically empowered to do anything the company could do. It is possible for multiple receivers to be appointed at the same time, under different Security Agreements. It is also possible for a company to be in both receivership and liquidation at the same time.

The receivership is at an end once the relevant secured assets have been realised. The company will then return to the control of its directors, unless the company is already in liquidation.

Creditors' compromise – Part 14 Companies Act

A debtor company wishing to avoid being put into liquidation may make a repayment proposal to its creditors in accordance with the procedure set out in part 14 of the Companies Act, offering creditors less than the entire debt owed to them. Creditors then file proofs of debt and a meeting is convened to vote on the proposal.

If more than 50% of the creditors in number representing at least 75% of the value of debt vote in favour of the proposal, the compromise is passed and all creditors are bound by its terms. Creditors can oppose the compromise being binding on them (by Court application) on the basis of undue prejudice.

In addition to compromises under part 14 of the Companies Act, part 15 of the Companies Act provides for court- approved arrangements and compromises.

Voluntary administration – Part 15a Companies Act

A voluntary administration may be appropriate if the debtor company has prospects of recovery. Similar in some ways to a creditors' compromise under part 14 of the Companies Act, voluntary administration has the additional advantage of an immediate statutory moratorium that prevents unsecured creditors from taking enforcement action while the company is in voluntary administration (with limited exceptions).

Typically, the debtor company appoints an administrator and, after an initial creditors' meeting, a "watershed meeting" is convened within 25 working days. At the watershed meeting, creditors may vote on whether to enter into a Deed of Company Arrangement (**DOCA**). A DOCA is a contractual compromise reached between the debtor company and its creditors, which often allows the company to continue trading under the supervision of the administrator. Alternatively, creditors can vote to return the company to the control of the directors, or resolve that the company be placed into liquidation.

If the DOCA is executed, all affected creditors (including secured creditors who voted in favour of it) are bound by its terms, subject to relief being granted by the High Court.

Section 18 Climate change law and policy

Overview

New Zealand is a signatory to the Paris Agreement. The Climate Change Response Act 2002 provides the framework for New Zealand to develop and implement climate change policies in support of domestic mitigation and adaptation responses, and its Paris Agreement commitments. The primary measures are an Emissions Trading Scheme (**ETS**) and an emissions reduction planning and adaptation response framework.

New Zealand's key climate-related institution is the Climate Change Commission, which provides independent advice to the Government on emissions budgets, emissions reduction plans, national adaptation plans, the ETS, and related policy settings.

New Zealand's climate change legal framework is currently undergoing reform across several fronts, including in relation to the ETS, mandatory climate-related disclosures, resource management law, and the treatment of climate-related civil litigation. Investors should treat the positions summarised below as simply a snapshot as at the date of publication.

Emissions trading scheme

The ETS puts an economic cost on greenhouse gas emissions across all sectors of the economy other than the agriculture sector. Certain mandatory participants, including owners of pre-1990 forest land, and upstream energy and industrial sector entities, must account for emissions by surrendering New Zealand units (**NZUs**).

The ETS also provides for qualifying post-1989 forestry participants to receive NZUs for removals of greenhouse gases. Recent legislation restricts large-scale conversion of farmland, that is classified as productive, to exotic forestry for ETS registration purposes and introduces new eligibility criteria for post-conversion land. This narrows the pathway that overseas investors have previously used to register converted farmland in the ETS for carbon income.

NZUs are created by the Crown and, apart from issuing them for forestry removals, are also supplied by auction, and to emissions intensive trade exposed industry on a reducing scale to assist with the transition to a low-carbon future. NZUs are freely tradable in bilateral contracts or on a number of exchanges.

Climate targets and policy direction

The Climate Change Response Act sets a net-zero emissions target for 2050 for all greenhouse gases other than biogenic methane, and a separate gross emissions reduction target for biogenic methane. These targets are intended to inform the settings in the ETS and provide economic pressure to reduce emissions and adopt low-carbon-intensive technologies.

Mandatory climate-change reporting

Certain entities with a public function, including certain lifeline utilities, must provide information about their climate-related governance, risks and opportunities, risk management, and metrics and targets on request by the Government or the Climate Change Commission.

Mandatory climate-related disclosure requirements apply to specified climate reporting entities under the Financial Markets Conduct Act 2013. The current statutory regime includes certain large listed issuers, registered banks, credit unions, building societies, licensed insurers and managers of registered investment schemes. Climate reporting entities are generally required to prepare annual public climate statements in accordance with standards issued by the External Reporting Board.

The Government has announced changes to the scope of the regime, including increasing the reporting threshold for listed issuers and removing managers of registered investment schemes from mandatory reporting. The Financial Markets Authority has adopted a no-action approach for affected entities while the necessary legislative amendments are progressed. Investors should confirm the current requirements when assessing whether an entity is captured.

Resource management approvals

Under the current resource management framework, local authorities must:

- have regard to emissions reduction plans and national adaptation plans when preparing or changing national environmental standards, regional policy statements, regional plans, and district plans; and
- consider climate change effects where relevant to planning and resource consenting decisions; and
- consider the benefits to be derived from the use and development of renewable energy, (together with the strategic support from the National Policy Statement for Renewable Electricity Generation 2011) where relevant to planning and resource consenting decisions.

These settings can influence ongoing and new activities particularly where they emit greenhouse gases directly or indirectly, or mitigate climate change (ie, renewable energy generation). The Fast-track Approvals Act 2024 also provides an alternative one-stop consenting pathway for projects of national or regional significance.

Resource management law is currently undergoing significant reform. The Government intends to enact replacement legislation for the Resource Management Act 1991 before the general election in November 2026, with the new system expected to be phased in progressively and to be fully in effect by December 2030. The position described in this section is expected to change materially once that replacement legislation takes effect.

Governance and climate-related litigation risk

Awareness of the impact of climate change-related matters is also part of the wider governance landscape in New Zealand.

Directors of New Zealand companies are subject to statutory duties under the Companies Act, including the duty to act in the best interests of the company. The Companies Act confirms that directors may (but are not required to) consider matters other than profit maximisation, including for example, environmental, social, and governance matters. Regardless, where climate-related risks or opportunities are material to a company, director duties mean that directors must consider these matters when making decisions on behalf of the company.

The RBNZ (New Zealand's central bank and prudential regulator) has published guidance on managing climate-related risks, which applies to registered banks, licensed insurers, licensed non-bank deposit takers and designated financial market infrastructures and informs the RBNZ's own supervisory and monitoring approach to these entities. The RBNZ has also conducted climate-related stress testing of the largest banks and surveyed climate risk management and disclosure practices across regulated entities, reflecting climate risk's now-established place within its prudential supervision of the financial system.

The Climate Change Response (Tort Liability) Amendment Act 2026 came into force on 25 August 2026. The amendments apply to both current and future proceedings and are intended to bring an end to a civil claim against six major New Zealand emitters, which had been due for a High Court trial in April 2027.

Section 19
Doing business with Māori organisations

Growth of the Māori economy

Māori are significant players in the New Zealand economy. As of 2023, the value of the Māori economy is estimated to be in the region of NZ$126 billion.

The Government has negotiated agreements with many Māori tribal groups (hapū/iwi), settling historical grievances arising from the British Crown's failure to honour te Tiriti o Waitangi/ Treaty of Waitangi (New Zealand's founding constitutional document, signed in 1840 between the British Crown and a number of Māori chiefs). These settlements have resulted in many tribal groups holding significant financial assets and land, forming a catalyst for growth of the Māori economy.

Historically, Māori investment portfolios have been concentrated in primary industries, tourism and commercial property. Increasingly, however, Māori organisations are diversifying into a broader range of private capital opportunities, including renewable energy, infrastructure and other long-term growth assets. Partnerships and collaborative investment arrangements between Māori organisations and domestic or overseas investors are also common.

Guiding commercial values

Māori organisations often approach business with long-term horizons, reflecting obligations to current and future generations. Commercial decisions are typically assessed not only by financial return, but also by their contribution to social, cultural and environmental outcomes.

This broader measure of value reflects the influence of tikanga Māori, which emphasises the importance of relationships, stewardship of land and resources, collective wellbeing, and maintaining cultural identity. In practice, this can shape how Māori organisations assess risk, select partners, structure investments and measure success.

Tikanga Māori is the first law of Aotearoa New Zealand based on a comprehensive system of principles, customs and practices that guide Māori society. In a business context, tikanga informs how Māori organisations make decisions, build relationships, assess opportunities and measure whether commercial activity aligns with wider responsibilities.

Some of the key tikanga principles applied to business are:

- **Tino Rangatiratanga** (Self-determination, authority and independence): This is a key principle that empowers Māori to make decisions for themselves.
- **Kaitiakitanga** (Guardianship): Māori have ancestrally rooted obligations to sustain and maintain balance of the environment, while providing for future generations. For some Māori businesses this means retaining ancestral land and control over natural resources, with long-term approaches to investment.
- **Whanaungatanga** (Kinship, or building and maintaining networks and relationships): In practice, this means developing deeper relationships to work harmoniously to achieve common goals. It incorporates obligations to support wider stakeholders, or iwi members.
- **Manaakitanga** (Welcoming, caring for, and helping one another): This involves showing care, respect and generosity in a way that upholds mana (authority, prestige), builds trust and strengthens relationships.

Engaging with Māori business

An investor looking to engage with a Māori organisation will likely be asked how the proposed business venture will benefit Māori. For example, how the proposed venture:

- reconnects or strengthens connections with land and resources;
- affirms and develops Māori cultural identity;
- aligns with Māori obligations to the environment;
- creates economic wellbeing for Māori; and
- provides employment opportunities for the Māori community.

Anyone engaging with Māori organisations must also take care to observe the appropriate protocols, which carry great significance within Māori culture.

Cultural references
The Māori language and culture

Te reo Māori – the Māori language

Te reo Māori is an official language of New Zealand, and has recently experienced a resurgence in use. Part of the revitalisation stems from political action and growing acceptance of New Zealand's heritage and history. Today, you will see and hear Māori words in everyday public and social settings in New Zealand.

A visitor to New Zealand is not expected to be competent in Māori custom and protocol. But efforts to understand and participate in formalities are welcomed, and in most cases, encouraged.

Some basic greetings include:

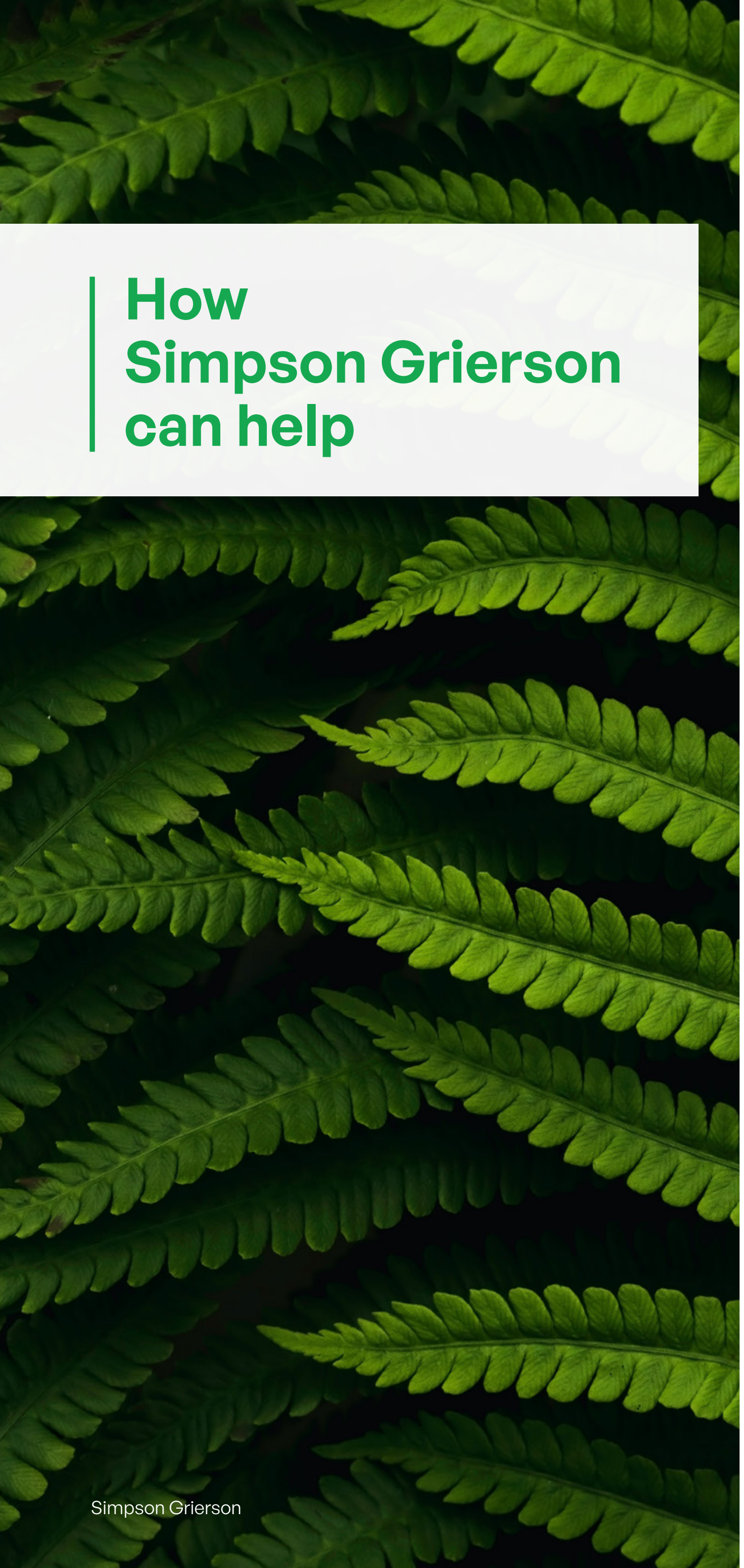
- **kia ora** (pronounced 'key-oar-ah'): Hello / Hi , thanks, I agree
- **tēnā koe** (pronounced 'teh-nah kweh'): Hello to one person
- **tēnā kōrua** (pronounced 'teh-nah core-rua'): Hello to two people
- **tēnā koutou** (pronounced 'teh-nah-ko-toe'): Hello to three or more people

For more Māori greetings and phrases, click the link here.

Tikanga Māori – Māori customs and protocols

It is common for government and some non-Māori organisations to welcome guests (especially for the first time) by formal ceremonies in accordance with Māori customs, or tikanga.

- **Pōwhiri or mihi whakatau** (welcoming ceremonies) are in some instances a first opportunity for parties to meet face-to-face (kanohi-ki-te-kanohi), and may be hosted at a marae (a Māori meeting ground), or more commonly in an organisation's workplace.
- **Karakia** (prayers) are used to commence formalities to acknowledge deities (often in a non-secular manner) and the purpose of the day; and to end the formalities.
- **Mihimihi and pepeha** (acknowledgments and introductions) are then an opportunity for parties to express their heritage, relationships and purpose of meeting.
- **Waiata** (song) is also part of Māori custom and necessary to support those who are speaking on your behalf.



How Simpson Grierson can help

Investing or operating in a new jurisdiction can involve several connected legal and regulatory workstreams. Addressing these together at an early stage can help manage risk, avoid unnecessary delay and ensure the proposed structure supports the investor's commercial objectives.

Simpson Grierson provides a coordinated New Zealand legal service for overseas investors and businesses. Depending on the investment, we can assist with:

- investment and market-entry planning;
- acquisitions, disposals and joint ventures;
- overseas investment and competition approvals;
- corporate establishment, governance and commercial arrangements;
- tax, financing and capital raising;
- property, construction and environmental approvals;
- employment and business integration;
- intellectual property, privacy and data;
- financial services and other sector regulation;
- relationships and transactions involving Māori organisations; and
- dispute resolution and enforcement.

We can act as the central point of contact for the New Zealand legal workstreams and work alongside international counsel, internal legal and commercial teams, and other professional advisers.

Please contact one of our overseas investment specialists to discuss your proposed investment or New Zealand business plans.

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