

## Financial Markets Conduct (Todd Family Office Limited Transaction Reporting) Exemption Notice 2015

Pursuant to section 556 of the Financial Markets Conduct Act 2013, the Financial Markets Authority, being satisfied of the matters set out in section 557 of that Act gives the following notice.

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### Notice

#### 1 Title

This notice is the Financial Markets Conduct (Todd Family Office Limited Transaction Reporting) Exemption Notice 2015.

#### 2 Commencement

This notice comes into force on 28 July 2015.

#### 3 Revocation

This notice is revoked on the close of 27 July 2020.

#### 4 Interpretation

(1) In this notice, unless the context otherwise requires,—

**Act** means the Financial Markets Conduct Act 2013

**Cash Assets** means cash, Cash equivalent assets and Fixed return assets

**Cash equivalent assets** means cash equivalents as determined in accordance with generally accepted accounting practice

**Cash Portfolio Management Service** means a discretionary investment management service materially in the form described in the service disclosure statement titled “Cash Portfolio Management Service Service Disclosure Statement” prepared by TFO as at 3 July 2015

**Cash Service** means the Cash Portfolio Management Service, and the Navigator Service to the extent it relates to Cash Assets, in each case provided by TFO in accordance with TFO’s DIMS licence

**DIMS licence** means the market services licence granted to TFO on 17 April 2015

**Fixed return assets** means assets the return on which (excluding gains or losses on sale) is either fixed or varies periodically by reference to external rates

**Navigator Service** means a discretionary investment management service materially in the form described in the Service Disclosure Statement titled "Navigator Service Service Disclosure Statement" prepared by TFO as at 3 July 2015

**Regulations** means the Financial Markets Conduct Regulations 2014

**TFO** means Todd Family Office Limited

**working day** has the meaning given to it in the Interpretation Act 1999.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

## 5 Exemption

TFO is exempted from regulation 210(1) of the Regulations, with respect to Cash Assets to which the Cash Service relates, to the extent that it must make available the information specified in—

- (a) regulation 210(2) of the Regulations; and
- (b) regulation 210(3)(a) of the Regulations with respect to the number of financial products in the investor's portfolio.

## 6 Conditions of exemption

The exemption in clause 5 is subject to the following conditions:—

- (a) TFO must at the same time as providing the information required under regulation 210 of the Regulations also provide—
  - (i) the total value of the Cash Assets within the investor's Cash Service portfolio at the beginning and end of the reporting period (being the aggregate of the current, or most recent, valuations of the Cash Assets as at the relevant time); and
  - (ii) a statement of the basis on which that value is assessed or the relevant valuation is made (for example, the value of cash is the face value of that cash), and the date of the relevant assessment or valuation; and
- (b) TFO must at the same time as providing the information required under regulation 210 of the Regulations also provide information setting out all further contributions of Cash Assets and withdrawals of Cash Assets by an investor from the Cash Service; and
- (c) TFO must, within 10 working days of receiving a request from an investor who receives the Cash Service, provide the investor with the information specified in regulation 210(2) of the Regulations, and the number of financial products in the investor's portfolio as specified in regulation 210(3)(a) of the Regulations.

Dated at Wellington this 24<sup>th</sup> day of July 2015.



Liam Mason  
Director of Regulation  
Financial Markets Authority

### Statement of reasons

This notice comes into force on 28 July 2015 and is revoked on the close of 27 July 2020.

This notice exempts TFO from compliance with the requirement in regulation 210(1) of the Regulations to the extent that it must, in accordance with section 428 of the Act, make available the information specified in regulation 210(2) to each investor who uses the Cash Service with respect to their cash assets only.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers that it is appropriate to grant the exemption because—

- requiring TFO to provide the information specified in regulation 210(2) of the Regulations to investors who use the Cash Service with respect to their Cash Assets only would involve significant costs to TFO and would be of limited benefit to investors because it would result in a high volume of low value information being provided to investors which could be unhelpful and potentially confusing;
- requiring TFO to provide investors with information specified in regulation 210(3)(a) about the number of financial products in their Cash Service portfolio would not, given the nature of the Cash Service, provide meaningful information to investors;
- at any time investors will be able to request the information specified in regulation 210(2) and the number of financial products in the investor's portfolio as specified in regulation 210(3)(a) of the Regulations from TFO and will be able to receive this information within 10 working days;
- as such, the FMA is satisfied that the exemption promotes efficiency, provides for understandable information to be provided to investors and avoids unnecessary compliance costs;
- the conditions of the exemption also mean that investors who use the Cash Service will receive meaningful information, and accordingly the conditions promote flexibility and the provision of timely and understandable information to investors; and
- the FMA is further satisfied that the exemption is no broader than is reasonably necessary to address the matters that give rise to the exemption because it does no more than ensure that investors receive information that is meaningful to them.