

Financial Markets Conduct (CBA Capital Australia Pty Limited) 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 notices.

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Notice

1 Title

This notice is the Financial Markets Conduct (CBA Capital Australia Pty Limited) Exemption Notice 2015.

2 Commencement

This notice comes into effect on 30 October 2015.

3 Revocation

This notice is revoked on the close of 31 December 2015.

4 Application

An exemption granted by this notice applies to the accounting period of the exempt issuer that ended on 30 June 2015.

5 Interpretation

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

Act means the Financial Markets Conduct Act 2013

approved auditor means an accountant who is qualified under Australian law to give an opinion as to whether the specified financial statements comply with Australian Accounting Standards

Australian Accounting Standards means the Accounting Standards issued by the Australian Accounting Standards Board, which also comply with the International Financial Reporting Standards

exempt issuer means CBA Capital Australia Pty Limited

International Financial Reporting Standards means—

- (a) International Financial Reporting Standards and International Accounting Standards that have been issued or adopted by the International Accounting Standards Board in accordance with the constitution of the International Accounting Standards Committee Foundation; and
- (b) final interpretations by the International Financial Reporting Interpretations Committee approved by the International Accounting Standards Board in accordance with that constitution

NZ GAAP has the same meaning as in section 8 of the Financial Reporting Act 2013

specified financial statements means the audited financial statements of the exempt issuer for the accounting period ended 30 June 2015 that are required to be prepared under section 460 of the Act.

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

6 Exemptions

The exempt issuer is exempted from—

- (a) section 460 of the Act to the extent that this section requires the exempt issuer to ensure that its financial statements comply with NZ GAAP; and
- (b) sections 455(1)(c), 461B, 461D and 461G of the Act.

7 Conditions

- (1) The exemptions in clause 6 are subject to the conditions that—
 - (a) the exempt issuer, in relation to the specified financial statements, must comply with the applicable Australian laws that relate to the preparation, content, auditing and public filing of those statements and, in particular, the exempt issuer must ensure that—
 - (i) the specified financial statements comply with Australian Accounting Standards; and
 - (ii) the specified financial statements are audited by an approved auditor; and
 - (iii) an audit report is prepared by the approved auditor in respect of that audit; and
 - (b) the exempt issuer must ensure that there are kept at all times accounting records that will enable the exempt issuer to ensure that—
 - (i) the specified financial statements comply with paragraph (a)(i); and
 - (ii) the financial statements of the exempt issuer's New Zealand business prepared under paragraph (c) comply with paragraph (c); and
 - (c) the specified financial statements of the exempt issuer must, when those statements are delivered for lodgement under section 461H of the Act, be accompanied by the

financial statements for the exempt issuer's New Zealand business prepared in accordance with Australian Accounting Standards; and

- (d) the financial statements of the exempt issuer's New Zealand business must be audited by an approved auditor; and
- (e) a copy of the auditor's report on the financial statements of the exempt issuer's New Zealand business must accompany the specified financial statements of the exempt issuer when those statements are delivered for lodgement under section 461H of the Act; and
- (f) the financial statements of the exempt issuer's New Zealand business that are delivered to the Registrar for lodgement under section 461H of the Act are accompanied by written notification to the Registrar that the exempt issuer is relying on this notice in respect of the accounting period for the financial year ended 30 June 2015.

Dated at Wellington this 29th day of October 2015.



Liam Mason
Director of Regulation
Financial Markets Authority

Statement of reasons

This notice comes into force on 30 October 2015 and is revoked on the close of 31 December 2015. This notice applies to CBA Capital Australia Pty Limited (**exempt issuer**).

The notice only applies for the accounting period ended 30 June 2015. The short timeframe that this notice is in effect reflects that the exemption is needed for only one accounting period due to the exempt issuer no longer offering securities on the NZDX.

This notice exempts the exempt issuer from the following provisions of the Financial Markets Conduct Act 2013 (the **Act**):—

- section 455(1)(c) of the Act (which relates to the requirement to keep accounting records to ensure that the financial statements comply with NZ GAAP);
- section 460 of the Act to the extent that this section requires the financial statements that are prepared to comply with generally accepted accounting practice in New Zealand (**NZ GAAP**);
- section 461B of the Act (which relates to financial statements for the New Zealand business);
- sections 461D and 461G of the Act (which relate to auditing).

The exemptions are subject to conditions that require the exempt issuer to prepare financial statements that comply with the financial reporting requirements of Australia. The main effects of the exemptions are as follows:—

- the financial statements of the exempt issuer that are required to be prepared under section 460 of the Act will comply with Australian Accounting Standards rather than NZ GAAP;
- the financial statements of the exempt issuer that are required to be prepared under section 460 of the Act will be audited by an approved auditor who is qualified under the laws of

Australia to give an opinion as to whether the financial statements prepared under section 460 of the Act comply with Australian Accounting Standards:

- the financial statements of the exempt issuer's New Zealand business will comply with Australian Accounting Standards rather than NZ GAAP and be audited by an approved auditor who is qualified under the laws of Australia to give an opinion as to whether the New Zealand business financial statements comply with Australian Accounting Standards:
- A copy of the auditor's report on the financial statements of the exempt issuer's New Zealand business must accompany the exempt issuer's New Zealand business financial statements when those statements are delivered for lodgement under section 461H of the Act.

The Financial Markets Authority, after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemptions because—

- the exempt issuer was considered a reporting entity under the Act during the previous financial year, because it was an issuer of redeemable preference shares on the NZDX during that period. During the relevant financial reporting period these shares were redeemed and therefore the exempt issuer will not have any on-going financial reporting obligations under the Act:
- there will not be any significant detriment to investors, because the financial reporting requirement exemptions in this notice are available only to the exempt issuer who is regulated by ASIC as its home regulator. We are satisfied that the financial reporting requirements, and the nature and extent of the regulatory oversight, for the exempt issuer and its auditors in Australia are equivalent to those that exist for the exempt issuer in New Zealand. As such, the prior investors in the debt securities issued by the exempt issuer will have access to broadly similar, and equivalent, information to that which they would otherwise receive:
- the Australian Securities and Investment Commission (**ASIC**) entered into a memorandum of understanding with the FMA concerning assistance and cooperation. This means that the FMA will be able to obtain co-operation from ASIC if any compliance concerns arise in relation to the financial reporting requirements of the exempt issuer:
- the granting of the exemptions is desirable in order to promote the purposes of the Act, specifically by avoiding unnecessary compliance costs and by promoting flexibility in financial markets:
- the costs associated with a requirement that the exempt issuer prepare NZ GAAP compliant financial statements and have those audited by a New Zealand licenced auditor or registered audit firm would outweigh the benefits to investors of having available NZ GAAP financial statements given that the financial statements will be prepared in accordance with Australian Accounting Standards:
- given the limited application of the exemptions and that the financial statements are still required to be registered in New Zealand, the exemptions are not broader than is reasonably necessary to address the matters to which they relate.