

Securities Act (Crédit Agricole S.A.) Exemption Notice 2013

Pursuant to section 70B of the Securities Act 1978, the Financial Markets Authority gives the following notice (to which is appended a statement of reasons of the Financial Markets Authority).

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Notice

1 Title

This notice is the Securities Act (Crédit Agricole S.A.) Exemption Notice 2013.

2 Commencement

This notice comes into force on 1 October 2013.

3 Revocation

This notice is revoked on the close of 30 September 2017.

4 Interpretation

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

Act means the Securities Act 1978

approved auditor means an approved auditor as defined in the Financial Reporting Act (Crédit Agricole S.A.) Exemption Notice 2013

Crédit Agricole means Crédit Agricole S.A., a company incorporated in France

Regulations means the Securities Regulations 2009

specified financial statements means specified financial statements as defined in the Financial Reporting Act (Crédit Agricole S.A.) Exemption Notice 2013

- (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

Crédit Agricole and every person acting on its behalf are exempted from section 53E(1) of the Act.

6 Conditions

The exemption in clause 5 is subject to the conditions that—

- (a) the specified financial statements are audited at least once a year by an approved auditor; and
- (b) Crédit Agricole relies on the Financial Reporting Act (Crédit Agricole S.A.) Exemption Notice 2013 in respect of its most recently completed accounting period.

Dated at Wellington this 15th day of September 2013.



Simone Robbers
Head of Primary Regulatory Operations
Financial Markets Authority

Statement of reasons

This notice comes into force on 1 October 2013 and is revoked on 30 September 2017.

This notice exempts Crédit Agricole S.A. (“Crédit Agricole”) from section 53E of the Securities Act 1978 (the Act). Section 53E requires the financial statements of issuers to be audited by a qualified auditor at least once a year. The notice instead requires Crédit Agricole to have an audit at least once in each year by an auditor who is qualified under the laws of France.

The Financial Markets Authority, after satisfying itself as to the matters set out in section 70B(2) of the Act, considers that it is appropriate to grant the exemptions because—

- Crédit Agricole is an issuer in New Zealand for the purposes of the Financial Reporting Act 1993, and so in the absence of an exemption would have ongoing financial reporting requirements under that Act, in the circumstances that in 2007 and 2008 it offered debt securities to the public in New Zealand. Crédit Agricole has been exempted from the requirements of the Financial Reporting Act 1993 to prepare, have audited and register

financial statements, subject to conditions that require it to prepare financial statements in accordance with French law and EU-IFRS, have those financial statements audited by a person qualified to act as an auditor in France and register those audited financial statements in New Zealand.

- In addition to the audit requirements of the Financial Reporting Act 1993, section 53E of the Securities Act 1978 imposes a further requirement for an annual audit. If Crédit Agricole were not granted an exemption from section 53E, it would be required to have an audit by a New Zealand licensed auditor or registered audit firm each year even though it had been exempted from the requirement in the Financial Reporting Act 1993 to do so:
- the Financial Markets Authority has granted a class exemption from section 53E of the Securities Act 1978 (the Securities Act (Overseas Issuers—Audit Requirement) Exemption Notice 2013) which exempts certain overseas issuers from the requirement to have their financial statements audited by a New Zealand licensed auditor subject to the condition that the financial statements are audited by an auditor licensed to conduct the audits in the issuer's home jurisdiction. Crédit Agricole is unable to rely on the class exemption as the securities it issued in New Zealand were not issued under one of the qualifying exemption notices specified in the definition of "exempt issuer" in clause 4 of the class notice. Crédit Agricole will, however, be required to prepare financial statements which comply in all material respects with the requirements for financial statements of issuers with a home jurisdiction of France which are entitled to rely on that notice:
- the Financial Markets Authority has had regard to the financial reporting and audit requirements, and the auditor oversight regime under the law of France where Crédit Agricole is registered. As a major French bank Crédit Agricole is regulated by the French Financial Authority as its home regulator. The Financial Markets Authority is satisfied that the financial reporting requirements, and the nature and extent of regulatory oversight, for listed issuers and their auditors in France are equivalent to those that exist for issuers in New Zealand. In these circumstances the Financial Markets Authority consider that there will be no significant detriment to investors who are members of the public in New Zealand as a result of Crédit Agricole being audited by an auditor meeting the requirements of its home jurisdiction instead of a New Zealand licensed auditor or registered audit firm:
- the exemptions in this notice only apply in the circumstances that Crédit Agricole offered debt securities in New Zealand on the basis of offer documents that were required to comply with New Zealand securities law disclosure requirements, except that they included financial statements that complied with EU-IFRS rather than generally accepted accounting practice in New Zealand. The

requirements of the notice for the auditing of the financial statements of Crédit Agricole reflect the requirements with which Crédit Agricole has previously complied in the auditing of its financial statements and on the basis of which investors in the securities subscribed for or purchased the securities. Consequently, there will be no change to the auditing of the financial statements which have been received by the holders of the securities in previous years:

- the costs associated with a requirement that Crédit Agricole have its financial statements audited by a New Zealand licensed auditor or registered audit firm would outweigh the benefits to investors of having available financial statements audited by a New Zealand licensed auditor or registered audit firm rather than the financial statements being audited by an auditor meeting French requirements:
 - the exemption addresses particular difficulties experienced by Crédit Agricole which has been exempted from the requirements of the Financial Reporting Act 1993 to have its financial statements audited by a licensed auditor or registered audit firm. Accordingly, the Financial Markets Authority is satisfied that the extent of the exemption is not broader than is reasonably necessary to address the matters that gave rise to the exemption.
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