

ANNEX 4.2

New Zealand's Schedule on Investment	
Limitations on all overseas investment in New Zealand	
A	Overseas Investment Regime
	<p>Consistent with New Zealand's overseas investment regime,* the following investment activities require prior approval from the New Zealand Government:</p> <ul style="list-style-type: none">• acquisition or control of 25 per cent or more of any class of shares or voting power in a New Zealand entity where either the consideration for the transfer or the value of the assets exceeds NZ\$50 million.**• commencement of business operations or acquisition of an existing business, including business assets, in New Zealand, where the total expenditures to be incurred in setting up or acquiring that business or those assets exceed NZ\$50 million.**• acquisition or control, regardless of dollar value, of certain categories of land that are regarded as sensitive or require specific approval according to New Zealand's Overseas Investment legislation, and acquisition of any land wherever located worth more than NZ\$10 million.***• acquisition or control, regardless of the dollar value, of 25 per cent or more of any class of shares or voting power in a New Zealand entity that owns commercial fishing quota or annual catch entitlement, or the acquisition of commercial fishing quota or annual catch entitlement. <p>Overseas investors must comply with the criteria set out in the overseas investment regime for the establishment, acquisition, expansion, management, conduct and operation of an investment in New Zealand and any conditions specified by the Overseas Investment Commission and the responsible Minister of the Crown.</p> <p>The criteria applied to overseas investment that require approval under New Zealand's overseas investment regime may be adjusted or replaced from time to time by New Zealand Government legislation, regulation or policy setting.</p>
B	Overseas company reporting requirements for all overseas companies
	<p>Overseas companies, issuers, subsidiaries of companies and where 25 per cent or more of the shares are held or controlled by companies incorporated outside New Zealand are required to satisfy the requirements set out in the Companies Act 1993 and the Financial Reporting Act 1993, including the preparation of audited financial statements on an annual basis. All overseas companies must comply with the Acts regardless of whether the investment requires approval under the Overseas Investment Act. The legislation requires financial statements in relation to an overseas company's New Zealand business.</p>

* Full details of the overseas investment regime are available, as at the date of entry into force of this Agreement, at www.oic.govt.nz.

** The NZ\$50 million threshold will increase to NZ\$100 million on coming into force of proposed New Zealand legislation to amend the overseas investment regime.

*** The NZ\$10 million threshold will cease to apply on coming into force of proposed New Zealand legislation to amend the overseas investment regime.

C Exceptions to National Treatment

More favourable treatment may be accorded to New Zealand nationals and permanent residents in the form of incentives or other programmes to help develop local entrepreneurs and assist local companies to expand and upgrade their operations.

More favourable treatment may be accorded to New Zealand nationals and permanent residents in respect of ownership of enterprises currently in State ownership.

More favourable treatment may be accorded to New Zealand nationals and permanent residents in respect of ownership of Producer and Marketing Board assets.

Under the Fisheries Act, no vessel owned or operated by an overseas person may be registered to carry out commercial fishing or fish carrying activities without permission from the Minister of Fisheries and subject to any conditions that he or she thinks fit to impose. Further, no vessel that is not a New Zealand ship will be used for commercial fishing within the territorial sea of New Zealand. Foreign fishing vessels or fish carriers are required to obtain approval from the Minister of Fisheries before entering New Zealand internal waters.