

NEW ZEALAND MERGERS & ACQUISITIONS



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OVERSEAS INVESTMENT (URGENT MEASURES) APPLY FROM 16 JUNE 2020

The Overseas Investment (Urgent Measures) Amendment Act 2020 (**Urgent Measures Act**) was passed into law in New Zealand on 2 June 2020.

■ New Rules Come into Effect on 16 June 2020

The majority of the Urgent Measures Act will come into force on **16 June 2020**. The new rules include a new national interest test and a temporary notification requirement for many transactions that do not currently require consent under the Overseas Investment Act 2005 (OIA).

■ No Retrospective Effect

The Urgent Measures Act does not apply retrospectively. The new national interest test and the temporary notification requirement will apply to transactions entered into on or after 16 June 2020. However:

- For transactions that require consent under the OIA, the changes introduced by the Urgent Measures Act (including the “national interest” test) will apply to transactions entered into before 16 June 2020 if the application for consent is made after that date.
- A transaction entered into before 16 June 2020 which would have required consent under the OIA but not under the Urgent Measures Act, will have the benefit of the Urgent Measures Act and consent will not be required.

■ Duration of Temporary Notification

The emergency notification regime is expected to remain in force while the COVID-19 pandemic and its impact on the New Zealand economy continues. It will then be replaced by a call-in regime for transactions involving “strategically important businesses” that do not otherwise require consent.

FURTHER INFORMATION

If further information is required please do not hesitate in contacting:

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