LIST A

EXPLANATORY NOTES

1. This List is made pursuant to Chapter 10 (Investment) only. Any aspects of this List which relate to investment in services that are covered by Chapter 8 (Trade in Services) only are retained in this List solely for transparency purposes.

2. This List sets out, pursuant to Article 10.8 (Reservations and Non-Conforming Measures), New Zealand's existing measures that are not subject to some or all of the obligations imposed by:

   (a) Article 10.3 (National Treatment);

   (b) Article 10.4 (Most-Favoured-Nation Treatment);

   (c) Article 10.6 (Prohibition of Performance Requirements); or

   (d) Article 10.7 (Senior Management and Board of Directors).

3. Each entry in New Zealand's List sets out the following elements:

   (a) **Sector** refers to the sector in which the entry is made;

   (b) **Type of Obligation** specifies the obligations referred to in paragraph 2;

   (c) **Level of Government** indicates the level of government maintaining the listed measures;

   (d) **Source of Measure** identifies the measures for which the entry is made. A measure cited in the Source of Measure element:

      (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Agreement; and

      (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and

   (e) **Description of Measure** sets out the non-conforming measure to which the entry applies.

4. In accordance with Article 10.8 (Reservations and Non-Conforming Measures), the Articles of this Agreement specified in the Type of Obligation element of an entry do not apply to the measure identified in the Description of Measure element of that entry.

5. All elements of the entry shall be considered in their totality for the purposes of its interpretation.

Sector	:	All Sectors
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	<u>Investment</u> 1. Consistent with New Zealand's financial reporting regime established under the *Companies Act 1993* and *Financial Reporting Act 2013*, the following types of entities are required to prepare financial statements that comply with generally accepted accounting practice, have those statements audited and registered with the Registrar of Companies (unless exceptions to any of those requirements apply): a) any body corporate that is incorporated outside New Zealand (an "overseas company") that carries on business in New Zealand within the meaning of the *Companies Act 1993* and which is "large" [1]; b) any "large" New Zealand company in which shares that in aggregate carry the right to exercise or control the exercise of 25 per cent or more of the voting power at a meeting of the company are held by[2]: (i) a subsidiary of a body corporate incorporated outside New Zealand; (ii) a body corporate incorporated outside New Zealand; or (iii) a person not ordinarily resident in New Zealand;

[1] An overseas company or subsidiary of an overseas company is "large" in respect of an accounting period if at least one of the following applies:

(i) as at the balance date of each of the two preceding accounting periods, the total assets of the entity and its subsidiaries (if any) exceed NZ$20 million; or

(ii) in each of the two preceding accounting periods, the total revenue of the entity and its subsidiaries (if any) exceeds NZ$10 million.

An audit report is required unless the New Zealand business of that overseas company is not "large" and the law where the company is incorporated does not require an audit.

[2] A New Zealand company is "large" in respect of an accounting period if at least one of the following applies:

(i) as at the balance date of each of the two preceding accounting periods, the total assets of the entity and its subsidiaries (if any) exceed NZ$60 million; or

(ii) in each of the two preceding accounting periods, the total revenue of the entity and its subsidiaries (if any) exceeds NZ$30 million.