

Feedback form: Review of 16 class exemption notices expiring in 2021

Please submit this feedback form electronically in both PDF and MS Word formats via email to consultation@fma.govt.nz with 'Feedback: Review of 16 class exemption notices expiring in 2021' in the subject line. Thank you. **Submissions close at 5pm on 20 August 2020.**

Date: 5 September 2020 Number of pages: 2

Name of submitter: Roz Henry

Company or entity: Cooperative Business New Zealand

Organisation type: Membership body representing New Zealand Cooperatives

Contact name (if different):

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	Name of notice	Comment	Recommendation
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*You don't need to quote from the consultation document if you use question or page numbers.
You may insert additional lines or pages - please label each additional page with your name & organisation.*

	<p><i>Small Cooperatives Exemption Notice</i></p>	<p><i>Q1. To what extent do our members rely upon the notice?</i></p> <p><i>A wide range of our membership sitting across multiple sectors are directly impacted by this notice. These include:</i></p> <ul style="list-style-type: none"> • <i>Primary Wool Co-op</i> • <i>Combined Building Supplies</i> • <i>Loomio</i> • <i>Worldwide Travel</i> • <i>NZ Walnuts</i> • <i>Seasonal Solutions</i> • <i>Rural Co</i> • <i>NZ Plumbing Merchants</i> • <i>Waa Studios</i> • <i>Provelco</i> • <i>NZ Blackcurrants</i> • <i>Blackfern</i> • <i>Keri Keri Irrigation</i> • <i>Barhill Chertsey</i> • <i>Ashburton Lindhurst Irrigation</i> • <i>MHV</i> • <i>Procare</i> • <i>Independent Optometry Group</i> • <i>Electricity Ashburton</i> 	<p><i>Defer reviewing this exemption for 12 months to enable adequate time to thoroughly review the exemption and provide a formal response to Q1 and Q.2.</i></p>
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	<p><i>Small Cooperatives Exemption Notice</i></p>	<p><i>Q.3 Do you support the renewal of this exemption? Yes.</i></p> <p><i>a) Without this exemption, co-operative start-ups would be financially prohibitive to get established in New Zealand due to compliance costs associated with preparing full Product Disclosure Statements.</i></p> <p><i>b) Given the impacts of Covid-19, this business model (where ownership and governance focus on the interest of members - enabling creating jobs, independence and long-term sustainable incomes) should be accelerated with barriers removed.</i></p> <p><i>c) Given the co-operative model / constitutions, these shares are more like a membership fee than an investment.</i></p> <p><i>d) The exemption enables co-operatives to provide the necessary information to members in a cost effective way while still maintaining investor protections.</i></p>	<p><i>Defer reviewing this exemption for 12 months to enable providing a thorough response to Q.4. 5, 6, across our membership.</i></p>
	<p><i>Small Cooperatives Exemption Notice</i></p>	<p><i>Q7. Do you think any amendments are needed to the notice if renewed? Yes</i></p> <p><i>Q17. Review of the exemption alongside the Irrigation Companies notice? Yes</i></p>	<p><i>Defer reviewing this exemption for 12 months and align the review with the Irrigation Companies Exemption review and enable a thorough review across members impacted by these exemptions.</i></p>
	<p><i>Small Cooperatives Exemption Notice</i></p>	<p><i>Q18. A number of our members have requested that the \$5,000 limit be increased or removed all together as these shares are more like a membership than an investment.</i></p>	<p><i>That the increase (or removal) of the \$5,000 limit be included into the review of the exemption in 12 months.</i></p>
	<p><i>Small Cooperatives Exemption Notice</i></p>	<p><i>There is some cross over with the Small Offers Exemption that a number of our members rely upon to enable uptake of <\$2M shares in a 12 month period.</i></p>	<p><i>Review the Small Offers Exemption to ensure alignment and an holistic oversight of the various</i></p>

	Feedback summary – <i>if you wish to highlight anything in particular.</i>
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Please note: Feedback received is subject to the Official Information Act 1982. We may make submissions available on our website, compile a summary of submissions, or draw attention to individual submissions in internal or external reports. If you want us to withhold any commercially sensitive or proprietary information in your submission, please clearly state this and note the specific section. We will consider your request in line with our obligations under the Official Information Act.

Thank you for your feedback – we appreciate your time and input.