

**\$5.312  
BILLION**

in equity raised on the NZX so far in 2024, including **\$1.4 billion** raised by Auckland Airport in New Zealand's largest ever secondary capital raise.

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**— 63% —  
DECREASE**

in the average number of days taken by the OIO to assess applications for consent under the Overseas Investment Act 2005 (significant business assets pathway), compared to 2023.

## Significant developments in 2024

### Overseas investment



The Government issued a new [Ministerial Directive Letter](#) on 10 June 2024, setting out a clear shift in policy to strongly encourage overseas investment and, most notably, a direction that the Overseas Investment Office (OIO) decide 80% of all consent applications within half of the relevant statutory timeframe. This year also saw the introduction of the highly anticipated [Overseas Investment \(Build to Rent and Similar Rental Developments\) Amendment Bill](#) which, if passed, will create a new investment pathway allowing investors to acquire existing large rental developments, provided they meet the investor test requirements.

### NZX director independence requirements



The NZX's review into its director independence policy settings brought about some key updates to the NZX Corporate Governance Code and NZX Listing Rules (subject to Financial Markets Authority (FMA) approval). At least one member of the Audit Committee must now have an adequate financial or accounting background and be independent. There is also now an enhanced disclosure requirement for issuers to disclose when a Code factor is triggered and explain the assessment of independence.

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### Shareholder activism



Throughout 2024, there was a significant increase in observable shareholder activism. Activist shareholders demonstrated an appetite to seek governance changes for companies where returns had not met expectations. Notable examples include Vista Group, The Warehouse Group, and Fletcher Building. These examples illustrate both the importance of issuers managing investor relations and the challenges for activists in carrying resolutions to change the board.

### Popularity of using schemes of arrangement



Schemes of arrangement have remained popular for acquisitions of NZX-listed companies, and this trend continued in 2024. MHM Automation, Volpara Health Technologies and Arvida Group were all acquired by schemes of arrangement and Contact Energy's acquisition of Manawa Energy via a scheme of arrangement is pending, subject to clearance from the Commerce Commission. Notably, the Manawa Energy scheme is the first to offer scrip consideration under the Financial Markets Conduct Act.

### Climate-related disclosures



This year, for the first time, around 200 New Zealand entities were required to prepare and lodge mandatory climate-related disclosures under the External Reporting Board's (XRB) new climate standards. Following feedback on the challenges of obtaining reliable data for reporting, three amendments proposed by the XRB have been approved and will give organisations additional time to build the necessary capabilities for disclosing more complex information in 2025.

Read our [analysis](#) of the proposed amendments and see the latest update from the XRB [here](#).

### Statutory management powers exercised



For the first time in over a decade the Governor-General, on the advice of the Minister of Commerce and Consumer Affairs and the FMA, exercised their power to place several Du Val group entities under statutory management under the Corporations (Investigation and Management) Act 1989. Statutory management is only used in cases of complex corporate collapses, where the ordinary rules of law and insolvency are perceived to be inadequate.

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## On the horizon for the new year

### Companies Act reform

The Companies Act 1993 has not been substantially updated in over 30 years. This year, the Government announced a raft of reforms to modernise, simplify and digitalise the Act. The reform will take place over two phases in 2025.

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### Overseas Investment Act 2005 reform

The Government has announced plans for major reforms to the Overseas Investment Act, with new legislation targeted for 2025. Cabinet has agreed to the principles for reforming the Act, with a new starting presumption that foreign investment can proceed unless there is an identified risk to New Zealand's interests.

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### Updates to the IPO regime

In an effort to encourage IPO activity in New Zealand, Commerce Minister Andrew Bayly has indicated that the Government is exploring removing the requirement for companies to provide prospective financial information to investors for first regulated offers (IPOs). These changes reflect previous industry recommendations on ways to make listing in New Zealand a more viable and valuable route for companies to access capital.

## Hot topics on the global radar for 2025

### Emerging trends in W&I cover

While the Asia-Pacific region has historically been serviced by a small group of warranty and indemnity insurers, multiple overseas players have expanded into the region over the past two years. A new, off-the-shelf product, offering standardised warranties has launched in New Zealand, targeting deals valued between \$1 million to \$100 million. Increased competition, coupled with slower deal activity, have resulted in insurance premiums decreasing from highs of up to 3% of the policy limit in 2021, to 1% to 2% of the policy limit in 2024.

### "Dry powder"

Private equity firms, sovereign wealth funds, and venture capital investors are holding substantial capital reserves awaiting deployment. This buildup reflects a period of cautious investment amid economic uncertainty, but also positions investors for significant opportunities, with potential for a dynamic period of deal-making in the coming year.

## Any questions? Talk to one of our experts



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