



**MP for Epsom**

Deputy Prime Minister

Minister for Regulation

Associate Minister of Education

Associate Minister of Finance

Associate Minister of Health

Associate Minister of Justice

6 March 2026

Gaye Searancke  
Chief Executive  
Land Information New Zealand  
Private Box 5501  
WELLINGTON 6145

Dear Ms Searancke

- 1 This Ministerial Directive Letter is made pursuant to section 34 of the Overseas Investment Act 2005 (the Act).

## **Introduction**

- 2 The Ministerial Directive Letter (the Letter) may direct you, as the regulator, on:
  - 2.1 the Government's general policy approach to overseas investment;
  - 2.2 the threshold over which you have power to make decisions;
  - 2.3 the terms of conditions of consent;
  - 2.4 monitoring conditions of consent;
  - 2.5 general and specific matters relating to your functions, powers, and duties;
  - 2.6 the risks or factors that are grounds to suggest that a national interest assessment is required under section 19A(2);
  - 2.7 the Government's preferred approach to undertaking a national interest assessment;
  - 2.8 the risks or factors that are grounds to suggest that an application should be decided referred under section 19B(3); and
  - 2.9 requirements and conditions for applications relating to transactions where the relevant land is used for forestry activities.
- 3 This letter includes the following clauses:
  - 3.1 Annex One which provides specific directions for certain classes on transactions; and
  - 3.2 Annex Two which provides direction on minor and technical matters.

- 4 The terms used in this letter have the meaning given to them in the Act, unless otherwise specified.
- 5 For avoidance of doubt, nothing in this letter overrides the Act or its Regulations.

### **Government policy towards overseas investment**

- 6 The Government's Going for Growth plan has five pillars, including promoting global trade and investment. Evidence shows that overseas investment provides better access to markets, technology and capital, resulting in a more productive economy. Liberalising New Zealand's foreign investment regime is a key plank of the promoting global trade and investment pillar.
- 7 The Act has been amended to acknowledge the benefit of overseas investment. The Government's goal is to allow the majority of lower risk or less sensitive assets to be quickly consented. This will allow you to focus resources towards higher risk transactions. The Act retains the scope of what we screen, while increasing the efficiency of the regime. Given these changes, you will have to administer the Act in a manner that focusses on realising the benefits of overseas investment to support New Zealand's economic growth. In conjunction with this outcome, you must consider every opportunity to:
  - 7.1 minimise compliance costs for investors;
  - 7.2 impose a burden that is no broader than necessary for you to fulfil your regulatory functions; and
  - 7.3 prioritise your resources towards higher-risk applications, recognising the majority of investment poses no-to-little risk to New Zealand's national interests.

### ***National interest test***

- 8 The Act has been amended to introduce a new negative test to enable risk-based regulation- the national interest test. The test has three stages:
  - 8.1 Stage One (initial risk assessment): the purpose of Stage One is to determine whether a national interest assessment is required.
  - 8.2 Stage Two (national interest assessment): the purpose of Stage Two is to assess whether a transaction poses a risk to the national interest, and whether the risk can be managed.
  - 8.3 Stage Three: the purpose of Stage Three is for the responsible Minister to decide whether or not to decline a transaction on the grounds that it is contrary to the national interest.
- 9 Transactions posing a risk to national security or public order follow the steps enabled by the call-in power (Annex 2).
- 10 When assessing transactions through Stage One(section 19A) of the national interest test, you should minimise compliance costs for investors by imposing a burden that is no broader than necessary.
- 11 Low risk applications should be consented as quickly as possible in a way that reduces cost and delay for these investors.

- 12 The test in Stage One is only to consider whether a national interest assessment is required (Stage Two). An Application for assets under section 19A that is unlikely to ever present a risk to the national interest should be consented as quickly as is practicable.
- 13 I direct you to adopt a risk-based approach to screening. Applications that are most likely to be a risk to the national interest should undergo a full assessment.
- 14 When considering what constitutes a national interest risk, the regulator should be generally concerned about threats to New Zealand's national security and public order.
- 15 When undertaking a national interest assessment (Stage Two) under Section 19B, you should focus on identifying whether:
  - 15.1 foreign ownership or control of the asset could pose a sufficiently material risk to New Zealand's national interest, due to the inherent sensitivity or characteristics of the asset (such as links to critical infrastructure, a firm holding large amounts of personal data, or links to Strategically Important Businesses).
  - 15.2 the identified risk is able to be, or is more appropriately, managed by domestic legislation, or managed by other means.

#### *Investor risk*

- 16 Section 19C empowers the regulator to consider investor risk factors when considering risks to the national interest.
- 17 When deciding whether to assess the investor, you should consider whether the asset being acquired is capable of being used in a way that is contrary to the national interest.
- 18 In considering risks relating to the **potential physical presence** of an individual, you may rely on New Zealand immigration and border control checks.
- 19 You may rely upon your understanding of the overseas person, its operations, history in New Zealand or abroad, and governance. You may apply additional scrutiny where your understanding of the overseas person is sufficiently uncertain. Where there is a material risk that the asset being acquired may be operated in a way that is contrary to New Zealand's national interest, the regulator should consider further investigation of the risks associated with any individual with control.
- 20 I direct you to:
  - 20.1 consider options to reduce cost for New Zealand domiciled entities, trusts, or companies with a positive track record contributing to the New Zealand economy, a record of regulatory compliance, and previous consents under the regime;
  - 20.2 escalate, where appropriate, unknown overseas companies, trusts, or entities that are structured in an opaque or complex way suggesting that the risk or control of the entity is unable to be safely assessed within 15 days for more intensive screening in Stage Two; and

- 20.3 rely on the information provided by the investor, unless there is reason to question the information provided (for instance, evidence that the investor has failed to disclose relevant information or the investment).
- 21 In considering risks under the national interest test you should consider whether the risk is:
- 21.1 material to New Zealand as a whole; or
  - 21.2 related to national security and public order.
- 22 When assessing whether there could be a risk to the national interest, you should also consider:
- 22.1 risks that may adversely affect New Zealand's, international relations, or reputation;
  - 22.2 risks of the overseas transaction, including material risks where these relate to land that may have national significance (for example land with significant conservation value, Treaty of Waitangi claims, heritage places, or Wahi Tapu land); and
  - 22.3 at Stage Two, whether the benefits, including with respect to other Government priorities, offsets a sufficiently material risk arising from the transaction.
- 23 I encourage you to exercise your discretion in determining what risks are sufficiently material and are not managed by other domestic regulatory regimes.

#### *Consenting transactions*

- 24 If at any point while assessing a transaction through the national interest test you determine that a transaction is unlikely to pose a risk to the national interest, I direct you to quickly consent the transaction.

#### *Investor visa holders*

- 25 The Act has been amended to allow individuals holding Active Investor Plus and Investor 1 and 2 Resident visas to purchase residential land over a \$5m threshold. Recognising the generally low risk nature of such transactions, I expect you to quickly consent transactions that rely on qualifying investor visas.
- 26 Section 19E(4) requires conditions to be imposed if the transaction involves constructing a new residential dwelling. In applying such conditions, you should apply conditions no broader than necessary to ensure that the proposed residential dwelling is constructed, and ensure that the purchase price for the relevant land and the cost of construction of the new dwelling on the relevant land will be more than the \$5m threshold.

#### ***Specific directions***

- 27 Under the benefit to New Zealand test, you should recognise:
- 27.1 where an investment demonstrates strong benefits under one or two benefit factors, other factors may require less consideration if the threshold for meeting the benefit test is clearly met without reference to them.

- 27.2 that generally, any conditions imposed on a transaction should be no broader than necessary to provide confidence that statutory tests in the Act will be met (and generally not duplicate or impose requirements over and above that set out in other legislation).
- 28 In considering the benefit to New Zealand, section 17 requires that the Minister must consider whether investment advances a significant Government policy. Significant Government policies include the economic objectives set out in the Government's Going for Growth agenda.
- 29 When taking a risk based approach to administering the regime, you should carry out less verification of the claims made by investors in low-risk cases. As noted in paragraph 20.3, you should rely on the information provided by the investor unless there a reason to question the information provided.

### ***Guidelines to investors***

- 30 Providing information and assurance to international investors is an important way of creating greater regulatory certainty and encouraging investment.
- 31 If international investment can play a role in advance a Government priority, such as increasing grocery sector competition, you should work with relevant agencies to develop guidelines for investors that outline:
- 31.1 how the Act applies to a given type of class of investment;
  - 31.2 the information the investor will need to provide; and
  - 31.3 any likely conditions of consent that will be applied to a specific type of class of investment.

### ***Time frames***

- 32 The regulations set the time frames for applications to be granted or declined. In line with the direction above to allocate your resources efficiently by focussing on higher risk transactions, I expect you to:
- 32.1 assess 80 per cent of applications under s19A within five working days (excluding time where the regulator is waiting for information);
  - 32.2 assess 80 per cent of consent applications<sup>1</sup> within half the relevant time frame in the Regulations;
  - 32.3 report to Ministers and the public yearly through your annual report on the extent to which consent applications have been completed with the relevant time frames in 32.1 and 32.2;

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<sup>1</sup> This excludes variation and exemption applications, applications under the standalone investor test, and notifications under the national security and public order risks management regime, which are not consent applications. The Ministerial Directive Letter was not designed to improve the processing times for these applications and notifications. While these applications are excluded from this specific expectation around time frames, we expect LINZ to still process these applications faster, over time, as the Ministerial Directive Letter will enable more efficient use of resources more broadly.

32.4 report on whether you are meeting this framework for time frames for consents under the 'one home to live-in' pathway<sup>2</sup> separately from the remaining categories of consent; and

***Date letter takes effect***

- 33 I rescind all previous directions under section 34 of the Act in force at the date of this letter (the Revoked Directives), with effect from 6 March 2026.
- 34 This letter will take effect on 6 March and applies in relation to any transaction, application or other matter, where provisions in the Act or the Regulations as they read on or after that date apply.

Yours sincerely



**Hon David Seymour**  
Associate Minister of Finance

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<sup>2</sup> The 'one home to live in' pathway refers to the commitment to reside in New Zealand test (which applies to residential land) and the intention to reside in New Zealand test (which applies to non-residential land).

## **Annex One –directions for certain classes of transaction**

### *Investments in or supporting the grocery sector*

1. The Government is seeking to reduce regulatory barriers to encourage investment and improve competition in the grocery sector. In considering investments in the grocery sector, you should:
  - 1.1. streamline approvals processes to encourage investment;
  - 1.2. grant standing consents for the maximum appropriate timeframe; and
  - 1.3. co-ordinate with other regulatory regimes, including resource management approvals under the Fast Track Approvals Act.

### *Investments in existing forestry assets*

2. Transactions where the relevant land is already exclusively or near exclusively used, for forestry activities, will now be processed through the national interest test.
3. When consenting these transactions, I direct you to apply appropriate conditions to:
  - 3.1. ensure that the non-occupation outcome will, or is likely to, occur in relation to the relevant land;
  - 3.2. require the ongoing use of the land for forestry, including conditions relating to harvesting and replanting;
  - 3.3. imposing appropriate obligations in relation to any existing condition of a consent; contract relating to the supply of logs; and
  - 3.4. generally maintain any existing arrangements in respect to the relevant land, and anything that any existing conditions of consent require.
4. The requirement to impose or maintain existing conditions may be waived to the extent that:
  - 4.1. the condition will be imposed in another way (i.e. an Act or contract);
  - 4.2. conversion of the land to less intensive or permanent forestry would be appropriate given the circumstances (see paragraph 6);
  - 4.3. the person (together with their associates) will not have sufficient ownership or control to ensure that the requirement will be met with respect to the land or any part of it.
5. Conversion of production forests to less intensive or permanent forestry (paragraph 4.2), can manage environmental risks, but may impact on the supply of logs. I direct you to consult the Ministry of Primary Industries to develop further guidelines for investors.

### *Highly eroded land*

6. In some cases, there is an environmental benefit from transitioning existing production forests or land to less intensive forestry practices or permanent forestry due to weather event related soil erosion and associated debris movement. In these cases, you could consider the environment benefit from this investment.

### *Anti-avoidance measures*

7. I direct you to consider whether land should be screened under the farmland benefit test by considering the nature of the land and its historic land use.
8. I direct you to apply appropriate conditions to ensure that existing forestry land screened through the national interest test continue to be used for forestry activities.

### *Other forestry activities*

9. To provide additional certainty to the sector, you should work with other Government agencies to develop forestry guidelines, to outline how the new Act will treat investments in other types of forestry assets, including mixed use, mosaic, and other types of New Zealand forestry.

### *Fresh and seawater areas*

10. Under schedule 5, the Crown must acquire fresh or seawater interests included in an overseas investment, unless:
  - 10.1. the amenity and conservation value of the fresh or seawater area does not outweigh the potential risks, liability, and costs of acquisition and ownership of the area (clause 4); or
  - 10.2. the Minister is not satisfied with the amount of compensation to acquire the fresh or seawater interest (clause 5).
11. In light of the Crown's constrained fiscal position, I direct you to ensure that:
  - 11.1. the Crown's limited resources are focussed on acquiring the most significant and high value fresh or seawater areas, and
  - 11.2. any proposed purchases avoid areas where the potential risks, liability, and costs of acquisition and ownership of the area may outweigh the amenity and conservation value of the fresh or seawater area.
12. The Act and Regulations require the Crown to notify the owner of its decision on acquisition of fresh and seawater areas within twelve months of the water areas acquisition notice being registered or provided. In practice, I expect these notifications to occur within six months, except in cases which are unusually complex. To allow the Government to monitor when extensions occur, I expect that you notify the Minister for Land Information whenever this six-month time frame is being exceeded. I also expect you to give reasonable notice to owners of any extensions.
13. To provide clarity to investors, I direct you to develop guidelines on the application of schedule 5.

### *Farm land advertising exemption*

14. The following is a non-exhaustive list of examples of the circumstances where an applicant may be eligible for an exemption from the farm land advertising requirement, under section 20 of the Act:
  - 14.1. when there is substantial compliance (for example, where the advertising does not meet all of the requirements but nonetheless achieves the purpose of advertising);

- 14.2. for future advertising (for example, where an investor seeks consent to acquire selected properties in the future should they be put up for sale – advertising occurs after consent);
- 14.3. when there is only one natural buyer (for example, a boundary adjustment or landlocked land); and
- 14.4. when the investment required significant pre-purchase investment (such as in solar farms), such as due diligence, sampling, or testing, and advertising would undermine the investor's ability to make that

## Annex two: Technical directions

### *Intention to reside in New Zealand indefinitely*

1. Under section 16(1)(c)(i) of the Act, overseas persons intending to reside in New Zealand indefinitely are not required to show that their investment in sensitive land is likely to benefit New Zealand. This supports migrants in the process of moving to New Zealand to make New Zealand their home and make a positive contribution to society.
2. An intention to reside in New Zealand indefinitely must involve a definite plan and accompanying actions. In determining whether a person is intending to reside indefinitely, the Regulator must consider any active steps that have been taken by the investor to actually reside in New Zealand.
4. In order to meet the intention to reside in New Zealand criterion in section 16(1)(c)(i), the Government considers the overseas person will generally:
  - 4.1. hold a residence class visa or an entrepreneur work visa, and
  - 4.2. show actions and plans, with supporting evidence, consistent with an intent to reside in New Zealand within 12 months.
5. The regulator may impose as a condition of consent a time limit within which the overseas person must move to New Zealand and become ordinarily resident. The Government would generally expect the overseas person to move to New Zealand within 12 months from the date of consent and become ordinarily resident within two years<sup>3</sup> from the date of consent.

### *The national security and public order call-in power notification*

6. New Zealand's national security and public order (NSPO) notification regime applies to overseas investments in strategically important businesses. Transactions screened through the NSPO regime are not subject to screening through the national interest test or benefit test.
7. The regulator must assess a notification in two steps within the 55 working day time frame in the Regulations:
  - 7.1. an initial NSPO risk assessment within 15 working days, where you consider if a transaction could pose a significant risk to New Zealand's national security or public order (those that do not pose a significant risk will be issued with a direction order allowing them to proceed), and
  - 7.2. a NSPO risk and benefit assessment is undertaken for those transactions that could pose a significant risk, and this assessment is referred to the Minister. The assessment should be provided promptly so the Minister can make a final decision on what action to take (if any) within the remainder of the 55-day time frame in the Regulations.
8. When assessing and providing advice on the risks and benefits of a transaction, the Regulator must reflect consultation and input from relevant partner agencies.

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<sup>3</sup> A longer period may be considered for migrants holding an entrepreneur work visa.

9. The Regulations allow extensions to be granted to the 55 working day time frame. Extensions should only be granted if a transaction has significant complexity, the applicant, operating in good faith, is unable to meet the Regulator's requests in a timely manner, or there are other exceptional circumstances (for example, the discovery of significant new information late in the assessment process).

#### *Aggregation risks*

10. I direct LINZ to consider how the aggregation of ownership in sensitive sectors could impact New Zealand's national interest, in particular national security and public order.
11. Risks associated with individual transactions may aggregate with foreign ownership across a sector or supply chain. Both horizontal and vertical aggregation can present risks to the integrity of New Zealand's supply chain.
12. Aggregation risks can be presented by aggregate ownership by an individual investor, or by foreign government and its associates. Foreign government investors and their associates can pose, in rare cases, more significant aggregation risks than other types of investors.

#### **Exemptions**

13. The Act defines 'overseas person' in a way that results in some entities and managed investment schemes that are majority owned or funded by New Zealanders and have a strong connection with New Zealand, being required to obtain consent.
14. The Act permits exemptions for persons, transactions, rights, interests or assets that the Minister considers to be majority owned and substantively controlled by New Zealanders.<sup>4</sup> The decision-maker may grant individual exemptions to applicants that satisfy this threshold.<sup>5</sup> This aligns with the Act's purpose, as it is clear that the degree of New Zealand ownership and control is what determines whether an entity is an overseas person, not other matters such as New Zealand employees or having headquarters in New Zealand.
15. I consider that such exemptions should generally be granted to non-listed bodies corporate, managed investment schemes (MIS) and limited partnerships, where you are satisfied that they are be majority owned and substantively controlled by New Zealanders.
16. To provide additional certainty to investors, you should develop guidelines for investor about how you will assess whether a person is majority owned and substantively controlled by New Zealanders

#### *Other matters for consideration*

17. In addition to the specified criteria, in determining whether to grant an exemption to these kinds of entities, the Government would expect the Regulator to consider the degree of access or control foreign governments (or their associates) hold in the entity.

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<sup>4</sup> Section 61B(c)(viii).

<sup>5</sup> Section 61D.

18. The Government would expect the exemption to depend on compliance with conditions being maintained, including the condition that the investor remain not unsuitable to own or control the assets.