



# Approval to hold a stake of more than 20% in a financial sector company No. 5 of 2021

## *Financial Sector (Shareholdings) Act 1998*

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To: Swiss Re Ltd (SRL), Swiss Re Corporate Solutions Ltd (SRCS) and Swiss Re Corporate Solutions Holding Company AG (SRCSH) (the applicants)

SINCE:

- A. The applicants have applied to the Treasurer under section 13 of the *Financial Sector (Shareholdings) Act 1998* (the Act) for the following approvals:
  - i. SRCSH to hold 100% stake in Swiss Re International SE (SRI);
  - ii. SRCS to hold a 100% stake in SRCSH and SRI; and
  - iii. SRL to hold a 100% stake in SRCS, SRCSH and SRI;
- B. The approval is required as SRCSH will become a holding company of SRI, a financial sector company under the Act;
- C. I am satisfied that it is in the national interest to approve the approvals being sought in Recital A. above;

I, Sharyn Reichstein, a delegate of the Treasurer, APPROVE:

- i. SRCSH to hold 100% stake in SRI;
- ii. SRCS to hold a 100% stake in SRCSH and SRI; and
- iii. SRL to hold a 100% stake in SRCS, SRCSH and SRI.

This instrument takes effect on the date it is signed and remains in force indefinitely.

[Signed]

Dated: 30<sup>th</sup> March 2021

Sharyn Reichstein  
General Manager  
Insurance Division

## Interpretation

In this Notice:

**100% subsidiary** has the meaning given in section 3 of the Act.

**APRA** means the Australian Prudential Regulation Authority

**financial sector company** has the meaning given in section 3 of the Act.

**stake** in relation to a company, has the meaning given in clause 10 of Schedule 1 to the Act.

**unacceptable shareholding situation** has the meaning given in section 10 of the Act.

*Note 1* Under paragraph 16(2)(a) of the Act, the Treasurer may, by written notice given to a person who holds an Approval under section 14, impose one or more conditions or further conditions to which the Approval is subject. Under paragraph 16(2)(b) of the Act, the Treasurer may revoke or vary any conditions imposed under paragraph 16(2)(a) of the Act or specified in the Notice of Approval. The Treasurer's powers under subsection 16(2) of the Act may be exercised on the Treasurer's own initiative or on application made to the Treasurer in accordance with the requirements of subsection 16(4) of the Act, by the person who holds the Approval (see subsection 16(3) of the Act).

*Note 2* A person who holds an Approval under section 14 of the Act may apply to the Treasurer under subsection 17(1) of the Act, to vary the percentage specified in the Approval.

*Note 3* Under subsection 17(6) of the Act, the Treasurer may, on the Treasurer's own initiative, by written notice given to a person who holds an Approval under section 14, vary the percentage specified in the Approval if the Treasurer is satisfied it is in the national interest to do so.

*Note 4* The circumstances in which the Treasurer may revoke a person's Approval under section 14 are set out in subsection 18(1) of the Act.

*Note 5* Section 19 of the Act provides for flow-on approvals for an approval under paragraph 14(1)(a) of the Act. Under subsection 19(1), if an approval has been granted for the holding of a stake of more than 20% in a financial sector company that is a holding company of an authorised deposit taking institution or an authorised insurance company, then an approval is taken to exist for the holding of the same percentage stake in each financial sector company that is a 100% subsidiary of the holding company. Under subsection 19(3), if an approval has been granted for a company to hold a stake in a financial sector company of more than 20%, there is taken to be in force at that time an approval for each officer of the company to hold the same percentage stake in the financial sector company.

*Note 6* Under section 14 of the Act, the Treasurer must give written notice of this Approval to the applicant and financial sector company concerned and this instrument will be registered in the Federal Register of Legislation as a notifiable instrument.

*Note 7* Under section 11 of the Act, a person or 2 or more persons under an arrangement are guilty of an offence if the person(s) acquires shares in a company and the acquisition has the result, in relation to a financial sector company, that:

(i) an unacceptable shareholding situation comes into existence; or

(ii) if an unacceptable shareholding situation already exists in relation to the company and in relation to a person there is an increase in the stake held by the person in the company;

and the person(s) was reckless as to whether the acquisition would have that result. A maximum penalty of 400 penalty units applies or by virtue of subsection 4B(3) of the Crimes Act 1914, in the case of a body corporate, a penalty not exceeding 2,000 penalty units. By virtue of section 39 of the Act, an offence against section 11 is an indictable offence.

*Note 8* Under subsection 32(3) of the Act, if a person has engaged in or is proposing to engage in any conduct in contravention of a condition to which an approval under section 14 is subject, the Federal Court may, on the application of the Treasurer, grant an injunction:

(i) restraining the person engaging in the conduct; and

(ii) if in the Court's opinion, it is desirable to do so, requiring the person to do something.