



## COVERSHEET

<b>Minister</b>	Hon Andrew Bayly	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	<b>Corporations (Investigation and Management)(Du Val Group) Order 2024</b>	<b>Date to be published</b>	25 September 2024

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
21 August 2024	Corporations (Investigation and Management)(Du Val Group) Order 2024	Office of the Minister of Commerce and Consumer Affairs
21 August 2024	Cabinet Minute ECO-24-MIN-0173	Cabinet Office

<b>Information redacted</b>	<b>YES / NO</b>
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Some information has been withheld for the reasons of legal professional privilege and contrary to the provisions of a specified enactment.



# Cabinet Economic Policy Committee

## Minute of Decision

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### Corporations (Investigation and Management) Order 2024

**Portfolio**                      **Commerce and Consumer Affairs**

On 21 August 2024, the Cabinet Economic Policy Committee, having been authorised by Cabinet to have Power to Act [CAB-24-MIN-0310]:

- 1        **noted** that the Financial Markets Authority (FMA) has recommended that certain entities associated with the Du Val Group be placed into statutory management under section 38 of the Corporations (Investigation and Management) Act 1989;
- 2        **noted** that the FMA has recommended that John Fisk, Stephen White, and Lara Bennett of PWC be appointed as the statutory managers under section 38 of the Corporations (Investigation and Management) Act 1989;
- 3        **noted** that the recommendations of the FMA referred to in paragraphs 1 and 2 above are a sufficient basis for the Minister of Commerce and Consumer Affairs to advise the Governor-General to make an Order in Council to place those entities into statutory management;
- 4        **noted** that the Minister of Commerce and Consumer Affairs intends to advise the Governor-General in Council, in accordance with the recommendation of the FMA, to declare that the corporations referred to in the FMA's recommendation, attached as Appendix 1 under ECO-24-SUB-0173, be placed into statutory management;
- 5        **noted** that the Minister of Commerce and Consumer Affairs has instructed the Parliamentary Counsel Office to draft an Order in Council to give effect to his intention noted above;
- 6        **noted** that the costs associated with statutory management are to be recovered from the assets of the Du Val Group entities in statutory management;
- 7        **noted** that section 63 of the Corporations (Investigation and Management) Act 1989 provides that the statutory manager is indemnified by the Crown in relation to any liability arising from the exercise of their powers and this indemnity extends to legal costs incurred in defending any legal proceeding, and that any monies required shall be paid without any further appropriation under that section;
- 8        **noted** that:
  - 8.1      if the indemnity referred to in paragraph 7 above is triggered, this will result in a cost to the Crown;

- 8.2 liability will be recognised on the balance sheet as well as an associated expense being incurred;
- 8.3 this cost to the Crown (if the indemnity is triggered) will have an adverse impact on the operating balance and net core Crown debt;
- 9 **authorised** the submission to the Executive Council of the Corporations (Investigation and Management)(Du Val Group) Order 2024 [PCO 26642/10.0];
- 10 **noted** that a waiver of the 28-day rule is sought for the Corporations (Investigation and Management)(Du Val Group) Order 2024 in order to preserve the interests of creditors and investors of the DuVal Group entities;
- 11 **agreed** to a waiver of the 28-day rule for the Corporations (Investigation and Management) (Du Val Group) Order 2024;
- 12 **noted** that the Corporations (Investigation and Management) (Du Val Group) Order 2024 will come into force on 21 August 2024 at 6:00pm.

Rachel Clarke  
Committee Secretary

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**Present:**

Rt Hon Christopher Luxon  
Rt Hon Winston Peters  
Hon David Seymour  
Hon Brooke van Velden  
Hon Nicola Willis  
Hon Chris Bishop  
Hon Simeon Brown  
Hon Erica Stanford  
Hon Louise Upston  
Hon Judith Collins KC  
Hon Paul Goldsmith  
Hon Todd McClay  
Hon Tama Potaka  
Hon Simon Watts  
Hon Melissa Lee  
Hon Chris Penk  
Hon Penny Simmonds  
Hon Andrew Bayly  
Hon Mark Patterson  
Simon Court MP  
Jenny Marcroft MP

**Officials present from:**

Office of the Prime Minister  
Office of Hon Simeon Brown  
Office of Simon Court MP  
Officials Committee for ECO