Chorus Submission
MBIE Discussion Document – Increasing the Transparency of Beneficial Ownership

3 August 2018

CH●RUS

INTRODUCTION

1   Chorus is New Zealand's largest telecommunications infrastructure company and listed on the New Zealand and Australian stock exchanges.

2   We set out below our answers to some of the specific questions asked in the Discussion Document.

3   The numbering below reflects that used in the Discussion Document.

4   We have no objection to our submission being published.

SPECIFIC QUESTIONS

7. What are your views on who should be captured as a beneficial owner of a corporate entity

We do not think senior managers should be included as beneficial owners. While they may control day to day activity they are not owners. They will be caught by other categories if they are actually beneficial owners (e.g. control sufficient voting rights, can appoint/ remove directors).

Similarly we do not think the "ability to appoint senior managers" should be included as it also captures individuals who are not owners (e.g. a CEO).

13. Do you think there are any types of corporate entities that should be excluded from the options?

Listed companies should be excluded.

- Obligations already exist for disclosure of ownership interests of 5% or more in listed companies and for all director or senior manager beneficial ownership to be disclosed.
- Listed companies have large shareholder bases. Chorus for example has over 24,000 shareholders. Tracking beneficial ownership of large widely held shareholdings is administratively challenging.
- While analysis of beneficial/ underlying ownership can be undertaken the information takes time to obtain and is retrospective (only gives a view as at a previous date).
- Coordinating and verifying information from third parties (e.g. custodial holders) would require significant additional time with no certainty the information provided is accurate or consistent between providers.

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