



## **Approval to hold a stake in a financial sector company of more than 20% - No. 4 of 2020**

### ***Financial Sector (Shareholdings) Act 1998***

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To: The persons listed in Schedule 1 (the Existing Approval Holders) and the persons listed in Schedule 2 (the Applicants)

SINCE:

- A. On 20 February 2014, the Existing Approval Holders were granted approval under section 14(1) of the *Financial Sector (Shareholdings) Act 1998* (the Act) to hold a 100% stake in Quaker Partners LLC (5071296, Delaware, USA) and LFI Group Pty Ltd ABN 31 138 903 581 (LFI), each a financial sector company under the Act (the Existing Approval);
- A. On 19 January 2021, the Existing Approval Holders requested that the Existing Approval be revoked;
- B. On 19 January 2021, the Applicants applied to the Treasurer under section 13 of the Act for approval to hold a 100% stake in Liberty Financial Group Pty Ltd ABN 59 125 611 574 (LFG) and LFI, each a financial sector company under the Act; and
- C. I am satisfied it is in the national interest for the Applicants to hold a 100% stake in each of LFG and LFI,

I, Sharyn Reichstein, General Manager:

- (a) under section 18(3) of the Act, REVOKE the Existing Approval; and
- (b) under section 14(1) of the Act, APPROVE the Applicants to hold a 100% stake in each of LFG and LFI.

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

Dated: 11 February 2021

[Signed]

Sharyn Reichstein<sup>1</sup>  
General Manager  
Insurance

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<sup>1</sup> A delegate of the Treasurer.



## Interpretation

In this Notice:

**Act** means the *Financial Sector (Shareholdings) Act 1998*.

**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. If an Approval has been granted for the holding of a stake in a financial sector company and the financial sector company is a holding company for an authorised deposit-taking institution or an authorised insurance company, then an approval is taken to exist for the holding of a stake of equal value in each financial sector company that is a 100% subsidiary of the holding 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.