

Proposed changes to New Zealand's Overseas Investment Rules

The Overseas Investment (National Interest Test and Other Matters) Amendment Bill (Bill) was introduced to Parliament in June 2025.

The Bill gives effect to the Government's proposed changes announced earlier this year (refer to our article regarding this [here](#)) and forms part of the Government's economic strategy, "Going for Growth", to attract and promote overseas investment in New Zealand.

The purpose of the Bill is to reduce compliance costs, make decision-making faster, while ensuring the Government has the tools necessary to safeguard New Zealand's national interest. While the scope of investments that are screened is not proposed to change, the Bill proposes to streamline the assessment process for certain less sensitive assets.

Key changes include:

- **Overarching purpose:** The Bill proposes to update the purpose statement of the Overseas Investment Act 2005 (**Act**) to explicitly acknowledge the importance of overseas investment in driving economic opportunity, while affirming that the foreign ownership and control of sensitive New Zealand assets remains a privilege.
- **Faster decision-making:** The Overseas Investment Office (**OIO**) will be required to grant consent to low-risk applications within 15 working days, unless there are reasonable grounds to escalate to a full national interest assessment.
- **Delegation to the OIO:** The majority of decision-making powers will be delegated to the OIO, with only a limited set of powers—such as the ability to decline to grant consent on national interest grounds—reserved for the Minister.
- **Consolidation of tests:** The investor, benefit to New Zealand and national interest tests will be replaced by a consolidated national interest test for all investments other than those involving farm land, fishing quota and residential land (which will continue to be screened under the existing consent pathways).

The 15 working days assessment timeframe and the delegation of most decision making to the OIO largely reflect current practice since the Ministerial directive letter issued in June 2024. The OIO already applies a risk-based approach, targets shorter processing times for low risk applications and makes the majority of decisions in practice.

It is also notable that the rules relating to investments in farm land and residential land remain unchanged, indicating that reform in these areas remains politically sensitive.

Additional features

In addition to the above, the following amendments have also been proposed:

- **Strategically important businesses (SIBs):** New regulatory powers will be introduced to enable the designation of additional classes of SIBs and make notification of overseas investments in SIBs mandatory, replacing the current approach (which is largely voluntary).
- **Changes to ownership thresholds:** Overseas investors will be able to increase their ownership or control interests from 75% to 100% without the requirement for consent (unless the investment involves a SIB).
- **Retrospective exemptions:** The exemption powers will be broadened to allow the granting of retrospective

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exemptions as another option to address breaches of the Act.

- **Special forestry test:** The special forestry test will be repealed, and the new modified national interest test will apply to investments in forestry activities. However, conversions of farm land to forestry will remain subject to the more stringent "farm land benefit" test.
- **Minor and technical changes:** A number of targeted amendments to improve the efficiency of the regime, including clarifications to support a more consistent interpretation and streamlined administration of the Act.

Next steps

Following its first reading, the Bill is now before a Select Committee and is anticipated to be enacted by the end of 2025. We will provide updates as the Bill progresses.

Want to know more?

If you have any questions or concerns about the updates in this article, please contact our specialist [Overseas Investment team](#).