



Approval to hold a stake of more than 20% in a financial sector company No. 12 of 2021

Financial Sector (Shareholdings) Act 1998

To: 456 Newco PLC (NewCo), 456 Holdco Limited (HoldCo), TransferWise Ltd ABN 17 168 331 191 (TWL) and the other persons named in the schedule (the applicants)

SINCE:

- A. on 20 November 2020 APRA granted an approval (the existing approval) under subsection 14(1) of the *Financial Sector (Shareholdings) Act 1998* (the Act) for the persons specified in the schedule (the existing holders) to hold stakes in Wise Australia Pty Ltd ABN 38 616 463 855 (Wise);
- B. the existing holders have requested the Treasurer under subsection 18(3) of the Act to revoke the existing approval;
- C. the applicants have applied to the Treasurer under subsection 13(1) of the Act for approval to hold the following stakes of more than 20% in Wise, TWL and HoldCo (the financial sector companies):
 - (i) TWL to hold a 100% stake in Wise;
 - (ii) HoldCo to hold a 100% stake in TWL; and
 - (iii) NewCo, Kristo Kaarmann, Taavet Hinrikus, OU Notorious and Kotilda OU to hold a 100% stake in HoldCo; and
- D. I am satisfied that it is in the national interest to approve the applicants holding stakes of more than 20% in the financial sector companies,

I, Clare Gibney, a delegate of the Treasurer:

- (a) under subsection 18(3) of the Act, REVOKE the existing approval; and
- (b) under paragraph 14(1)(a) of the Act, APPROVE:
 - (i) TWL holding a stake of 100% in Wise;
 - (ii) HoldCo holding a stake of 100% in TWL; and

- (iii) NewCo, Kristo Kaarmann, Taavet Hinrikus, OU Notorious and Kotilda OU holding a stake of 100% in HoldCo.

Under subsection 16(1) of the Act, this approval is subject to the conditions set out in the schedule.

This instrument commences on the day it is made and remains in force until the later of:

- (a) if the applicants apply before 31 December 2026 for further approval to hold a stake exceeding 20% in relation to the financial sector company, and the application is:
 - (i) approved – the day the approval comes into force;
 - (ii) refused – the day the application is refused; or
 - (iii) withdrawn – the day the application is withdrawn; and
- (b) 31 December 2026.

Dated: 11 June 2021

Clare Gibney
General Manager
Banking Division

Interpretation

In this instrument:

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.

Notes

This instrument will be registered on the Federal Register of Legislation as a notifiable instrument.

The Treasurer or the Treasurer's delegate is required to give a copy of this instrument to the financial sector company.

Section 19 of the Act provides for flow-on approvals for an approval under paragraph 14(1)(a) of the Act. If the approval relates to a financial sector company that is a holding company of an authorised deposit-taking institution or authorised insurance company, subsection 19(1) provides for flow-on approvals that relate to each financial sector company that is a 100% subsidiary of the holding company. If the approval is held by a company, subsection 19(3) provides for flow-on approvals to be held by each officer of the company.

Schedule – the existing holders

1. TWL
2. OU Notorious
3. Kotilda OU

Schedule – the applicants

1. TWL
2. HoldCo
3. NewCo
4. Kristo Kaarmann
5. Taavet Hinrikus
6. OU Notorious
7. Kotilda OU

Schedule – the conditions

Limits on individual shareholdings

An applicant must not hold a direct control interest in Wise, without prior approval from the Treasurer or a delegate of the Treasurer, of greater than:

- (a) for Kristo Kaarmann – 50%;
- (b) for Taavet Hinrikus – 24%;
- (c) for OU Notorious – 24%; and
- (d) for Kotilda OU – 20%.

Interpretation

In this schedule:

direct control interest has the meaning given in clause 11 of Schedule 1 to the Act.