

Financial Reporting Amendment Act (No 2) 1996

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An Act to amend the Financial Reporting Act 1993

BE IT ENACTED by the Parliament of New Zealand as follows:

1 Short Title and commencement

- (1) This Act may be cited as the Financial Reporting Amendment Act (No 2) 1996, and shall be read together with and deemed part of the Financial Reporting Act 1993 (hereinafter referred to as the principal Act).

- (2) Subject to subsection (3) of this section, this Act shall come into force on a date to be appointed by the Governor-General by Order in Council.
- (3) This Act shall come into force on the 1st day of October 1997 if no Order in Council is made under subsection (2) of this section appointing a date that is earlier than that date as the date for the coming into force of this Act.

2 Interpretation

Section 2(1) of the principal Act is hereby amended by repealing paragraph (e) of the definition of the term “director”, and substituting the following paragraph:

- “(e) In relation to a unit trust (within the meaning of section 2 of the Unit Trusts Act 1960), the manager of the unit trust and, where the manager is a company, every director of that company:”.

3 Meaning of issuer

Section 4 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

- “(1) In this Act, **issuer** means—
- “(a) Every person who has, whether before or after the commencement of this Act, allotted securities pursuant to—
 - “(i) An offer for which, or for which but for an exemption granted by the Securities Commission pursuant to section 5 of the Securities Act 1978, an investment statement or a registered prospectus, or both, is or was required under that Act (other than an offer of a unit in a unit trust); or
 - “(ii) An offer required to be contained in a prospectus required to be registered under the Companies Act 1955,—
whether or not the securities allotted are securities of the same type as the securities offered:
 - “(b) Every manager of a unit trust (within the meaning of section 2 of the Unit Trusts Act 1960) in which securities have been allotted, whether before or after the commencement of this Act, pursuant to an offer of securities to the public within the meaning of the Securities Act 1978:

“(c) Every person who is a party to a listing agreement with a stock exchange in New Zealand and who has issued securities which are quoted on such an exchange.”

4 **Certain persons not issuers**

Section 6 of the principal Act is hereby amended by repealing paragraph (e).

5 **Application to certain issuers**

The principal Act is hereby amended by inserting, after section 9, the following section:

“9A

- (1) For the purposes of this Act, a requirement on the directors of an issuer of securities in relation to a scheme within the meaning of section 2 of the Securities Act 1978 (other than a scheme to which subsection (2) of this section applies) to prepare and register financial statements shall be construed as including a requirement to prepare and register (in addition to financial statements in respect of the issuer itself),—
- “(a) If the liabilities of the issuer and the scheme are not limited to a particular group of assets (in this section referred to as a **separate fund**), financial statements in respect of the scheme; or
- “(b) If the liabilities of the issuer or the scheme are limited to a separate fund, financial statements in respect of both the scheme and that fund.
- “(2) For the purposes of this Act, a requirement on the trustees of a superannuation scheme that is registered under the Superannuation Schemes Act 1989 to prepare and register financial statements shall be construed as a requirement to prepare and register,—
- “(a) If the liabilities of the trustee and the scheme are not limited to a separate fund, financial statements in respect of the scheme; or
- “(b) If the liabilities of the trustee or the scheme are limited to a separate fund, financial statements in respect of both the scheme and that fund.

“(3) Where the liability of an issuer that is a life insurance company to satisfy its obligations under any securities (as distinct from calculating the returns on the securities) is limited to a separate fund (whether the fund or the limitation is created by statute or by contract or otherwise), then, for the purposes of this Act, a requirement on the directors of the issuer to prepare and register financial statements shall be construed as including a requirement to prepare and register (in addition to financial statements in respect of the issuer itself), financial statements in respect of each such fund.”

6 Financial statements of issuers and group financial statements of issuers to be audited

Section 15 of the principal Act is hereby amended by adding the following subsection:

“(3) This section shall not apply in respect of a superannuation scheme that is registered under the Superannuation Schemes Act 1989 if the annual accounts of that scheme are not required to be audited under section 13 of that Act.”

7 Registration of financial statements by issuers

Section 18 of the principal Act is hereby amended by inserting, after subsection (1), the following subsection:

“(1A) Any financial statements to which subsection (1) of this section applies and that are required for the purposes of this Act may also contain or be accompanied by financial statements and any auditor’s report on those statements, that are required for the purposes of a prospectus under the Securities Act 1978.”