

1966/165



**THE EXCHANGE CONTROL EXEMPTION NOTICE 1965,
AMENDMENT NO. 3**

PURSUANT to the Exchange Control Regulations 1965*, the Minister of Finance hereby gives the following notice.

NOTICE

1. (1) This notice may be cited as the Exchange Control Exemption Notice 1965, Amendment No. 3, and shall be read together with and deemed part of the Exchange Control Exemption Notice 1965† (hereinafter referred to as the principal notice).

(2) This notice shall come into force on the 3rd day of October 1966.

2. The principal notice is hereby amended by inserting, after clause 4, the following clause:

“4A. (1) Subject to the provisions of this clause, there is hereby exempted from the application of regulation 3 (b) of the regulations any contract between persons ordinarily resident in New Zealand for the sale and purchase of eligible sterling area securities in exchange for New Zealand currency.

“(2) The exemption granted by subclause (1) of this clause is subject to compliance with the following conditions, namely:

“(a) The transaction shall be effected through a member of a registered stock exchange in New Zealand:

“(b) The purchaser shall cause the scrip or other documents evidencing title to the securities purchased to be lodged, forthwith after the purchase, with an approved depository by endorsing on or attaching to the transfer, when it is forwarded for registration, an order that such scrip or other documents shall be delivered to the approved depository specified by him in the order, to be held by the approved depository on account of the purchaser:

*S.R. 1965/158

†S.R. 1965/159

Amendment No. 1: S.R. 1965/201

Amendment No. 2: S.R. 1966/98

“(c) No scrip or other documents so lodged with an approved depository shall be withdrawn from the approved depository except for the purposes set out in subclause (3) of this clause:

“(d) Forthwith after the completion of the sale and purchase, the seller and the purchaser shall each give notice in writing to the Reserve Bank, setting out full particulars of the sale and purchase.

“(3) The scrip or other documents so lodged with an approved depository may be released only to a member of a registered stock exchange in New Zealand for the following purposes, namely:

“(a) For the sale of the securities to a person ordinarily resident in New Zealand in exchange for New Zealand currency and subject to compliance with the conditions set out in subclause (2) of this clause; or

“(b) For the sale of the securities outside New Zealand, through the agency of a member of a registered stock exchange in New Zealand, subject to compliance with one of the following conditions, namely:

“(i) That forthwith after the sale the net proceeds thereof shall be remitted to New Zealand by their sale to a New Zealand trading bank within the meaning of the Reserve Bank of New Zealand Act 1964; or

“(ii) That the foreign currency representing the net proceeds of the sale of the securities shall be held in the name of the member of the New Zealand stock exchange through whose agency the sale was effected, and shall, within one month after the sale, be reinvested, subject to subclause (4) of this clause, in securities related to a country in the sterling area (not being mortgages, liens, treasury bills, coupons or warrants representing dividends or interest, or life or endowment insurance policies, and not being securities for which scrip or some other document evidencing title is not issued), for the person on whose account the scrip or other documents so released were held by the approved depository.

“(4) Where any foreign currency is reinvested in securities pursuant to paragraph (b) (ii) of subclause (3) of this clause, the scrip or other documents evidencing title to all securities so purchased shall be lodged with an approved depository in accordance with subclause (2) of this clause, and all the foregoing provisions of this clause shall apply accordingly.

“(5) For the purposes of this clause—

“‘Approved depository’ means the Chief Accountant of the Reserve Bank at Wellington, or the Manager of the Reserve Bank at Auckland, or the Manager of the Reserve Bank at Christchurch:

“‘Eligible sterling area securities’ means any securities related to a country in the sterling area that were on the 16th day of June 1966 registered or inscribed solely in the name or names of a person or persons ordinarily resident in New Zealand and have continuously been so registered or inscribed since that date, except—

“(a) Mortgages, liens, treasury bills, coupons or warrants representing dividends or interest, and life or endowment insurance policies; and

“(b) Any security for which scrip or some other document evidencing title is not issued.”

Dated at Wellington this 27th day of September 1966.

DAVID C. SEATH, for Minister of Finance.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 3 October 1966.

These regulations are administered in the Reserve Bank of New Zealand.