

1983/149



**THE EXCHANGE CONTROL EXEMPTION NOTICE 1978,
AMENDMENT NO. 2**

PURSUANT to the Exchange Control Regulations 1978, the Minister of Finance hereby gives the following notice.

NOTICE

1. Title and commencement—(1) This notice may be cited as the Exchange Control Exemption Notice 1978, Amendment No. 2, and shall be read together with and deemed part of the Exchange Control Exemption Notice 1978* (hereinafter referred to as the principal notice).

(2) This notice shall come into force on the 25th day of August 1983.

2. Exemptions from regulation 3 (1) (c) (giving valuable consideration in New Zealand in return for valuable consideration outside New Zealand and vice versa)—(1) Clause 5 (1) (a) of the principal notice is hereby amended by adding the words “or any authorised foreign exchange dealer”.

(2) Clause 5 (4) (b) (i) of the principal notice is hereby amended by inserting, after the words “trading bank”, the words “or any authorised foreign exchange dealer”.

3. Exemptions from regulation 3 (1) (f) (borrowing money outside New Zealand)—Clause 8 (1) (b) of the principal notice is hereby amended by revoking subparagraph (ii), and substituting the following subparagraph:

“(ii) No obligation arising therefrom extends to any foreign asset to which regulation 8 of the regulations applies; and”.

4. Exemptions from regulation 3 (1) (i) (exchanging foreign currency for New Zealand money)—Clause 9 of the principal notice is hereby amended by adding the words “or any authorised foreign exchange dealer”.

5. Revocation—Clause 12 of the principal notice is hereby revoked.

Dated at Wellington this 16th day of August 1983.

R. D. MULDOON,
Minister of Finance.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice, which comes into force on 25 August 1983, amends the Exchange Control Exemption Notice 1978. The amendments to the principal notice made by this notice are necessary so that authorised foreign exchange dealers as that term is defined will be in the same position as trading banks in regard to dealing in foreign exchange.

Clause 2 (1) amends an exemption from regulation 3 (1) (c) of the Exchange Control Regulations 1978. That exemption, which is contained in clause 5 (1) (a) of the principal notice, relates to transactions between persons ordinarily resident in New Zealand and persons not so resident whereby New Zealand money is exchanged for foreign currency. *Clause 2 (1)* of this notice extends that exemption so that it applies to such transactions where the foreign currency so obtained is sold forthwith for New Zealand money to a trading bank or an authorised foreign exchange dealer. The current exemption applies only if the foreign currency so obtained is sold forthwith to a trading bank.

Clause 2 (2) amends an exemption from regulation 3 (1) (c) of the Exchange Control Regulations 1978. That exemption, which is contained in clause 5 (4) (b) (i) of the principal notice, relates to transactions involving eligible foreign securities. *Clause 2 (2)* of this notice extends that exemption so that where eligible foreign securities are sold outside New Zealand the net proceeds of the sale may be remitted to New Zealand by their sale to either a trading bank or an authorised foreign exchange dealer. The current exemption applies only if the net proceeds are remitted to a trading bank.

Clause 3 amends the exemption from regulation 3 (1) (f) of the Exchange Control Regulations 1978. That exemption, which is contained in clause 8 (1) (b) (ii) of the principal notice, relates to the borrowing of money payable or repayable in money of a country other than New Zealand. This amendment is consequential upon the amendment effected to regulation 8 of the principal regulations by regulation 5 of the Exchange Control Regulations 1978, Amendment No. 2.

Clause 4 amends the exemption from regulation 3 (1) (i) of the Exchange Control Regulations 1978. That exemption, which is contained in clause 9 of the principal notice, relates to the purchase of foreign currency by a person ordinarily resident in New Zealand from a person not so resident. *Clause 4* of this notice extends that exemption so that it applies to the purchase of foreign currency if that currency is forthwith sold for New Zealand money to a trading bank or an authorised foreign exchange dealer. The current exemption applies only if the currency is forthwith sold for New Zealand money to a trading bank.

Clause 5 revokes clause 12 of the principal notice. That exemption is no longer necessary as a result of the amendment effected to regulation 8 of the Exchange Control Regulations 1978 by regulation 5 of the Exchange Control Regulations 1978, Amendment No. 2.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 22 August 1983.

This notice is administered in the Reserve Bank of New Zealand.