



## Securities Act (ABN AMRO Equity Derivatives New Zealand Limited) Exemption Notice 2006

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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### Notice

#### 1 Title

This notice is the Securities Act (ABN AMRO Equity Derivatives New Zealand Limited) Exemption Notice 2006.

#### 2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

#### 3 Expiry

This notice expires on the close of 31 March 2010.

#### 4 Interpretation

- (1) In this notice, unless the context otherwise requires,—

**ABN Equity** means ABN AMRO Equity Derivatives New Zealand Limited

**Act** means the Securities Act 1978

**NZX** means New Zealand Exchange Limited

**Regulations** means the Securities Regulations 1983

**rolling instalment** means an equity security issued by ABN Equity and offered to the public for subscription—

- (a) under which the holder has the right to acquire, and ABN Equity must deliver at the option of the holder, the underlying equity securities; and
- (b) under which the holder has a beneficial interest in, and the right to receive distributions under, the underlying equity securities; and
- (c) in respect of which ABN Equity has been approved by NZX as a warrant issuer; and
- (d) in respect of which application has been made for quotation on a securities market operated by NZX

**underlying equity securities**, in relation to a rolling instalment, means equity securities that, at the time of the offer of the rolling instalment, belong to a class of securities that is quoted on a securities market operated by NZX and in respect of which the holder has or will acquire a right or interest upon exercise of the rolling instalment.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

## 5 Exemption

ABN Equity and every person acting on its behalf are exempted from regulation 15(1) of the Regulations in respect of the rolling instalments.

## 6 Condition of exemption

The exemption granted by clause 5 is subject to the condition that any advertisement that relates to the rolling instalments must not contain prospective financial information unless it also—

- (a) contains full details of—

- (i) the assumptions (including the quantum of any assumption) used to prepare the prospective financial information; and
- (ii) the method of calculation used to prepare the prospective financial information; and
- (b) states the time period covered by the prospective financial information; and
- (c) states the risks that the prospective financial information will not be achieved; and
- (d) states the source of the assumptions on which any prospective financial information is based; and
- (e) includes a statement as to whether or not the source of the assumptions endorses the prospective financial information in the advertisement; and
- (f) includes a statement that the prospective financial information in the advertisement is not endorsed by the issuer of the underlying securities.

Dated at Wellington this 24th day of January 2006.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

J. Diplock,  
Chairperson.

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### **Statement of reasons**

This notice, which comes into force on the day after its notification in the *Gazette* and expires on 31 March 2010, exempts ABN AMRO Equity Derivatives New Zealand Limited (**ABN Equity**) in respect of certain securities that are in the nature of rolling instalments. The exemption is subject to a condition.

The exemption is from the requirement in regulation 15(1) of the Securities Regulations 1983, which describes the circumstances in

which prospective financial information may be included in advertisements. The exemption will allow ABN Equity to include prospective financial information about the issuer of the underlying securities in advertisements for rolling instalments without that information also being included in the registered prospectus.

The Securities Commission considers that it is appropriate to grant the exemption because—

- the grant of the Securities Act (ABN AMRO Equity Derivatives New Zealand Limited) Exemption Notice 2005 (SR 2005/85) meant that ABN Equity is not required to include prospective financial information in its registered prospectus for the rolling instalments. In granting that exemption, the Commission recognised that disclosure requirements in the schedules to the Securities Regulations 1983 are not always well suited to securities that are rolling instalments:
- the condition of the exemption is consistent with what is required if prospective financial information is included in a prospectus. In addition, the condition requires advertisements providing prospective financial information to—
  - state the risks that the information will not be achieved:
  - contain the method of calculation and the assumptions used to prepare the information:
  - include the time period covered by the prospective information:
  - state the source of the prospective information and whether or not the source endorses the prospective financial information:
  - state that the information is not endorsed by the issuer of the underlying securities:
- ABN Equity is required to ensure that reasonable grounds exist for making forward-looking statements to ensure any statements are not misleading in terms of the Securities Act.

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Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 26 January 2006.

This notice is administered by the Securities Commission.

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