



**THE SECURITIES ACT (CHARITABLE AND OTHER PURPOSES)  
EXEMPTION NOTICE 1983**

PURSUANT to the Securities Act 1978, the Securities Commission gives the following notice.

NOTICE

**1. Title and commencement**—(1) This notice may be cited as the Securities Act (Charitable and Other Purposes) Exemption Notice 1983.

(2) This notice shall come into force on the 1st day of September 1983.

**2. Interpretation**—In this notice, unless the context otherwise requires,—

“The Act” means the Securities Act 1978:

“The Regulations” means the Securities Regulations 1983:

“Specified body” means a body corporate or unincorporate, organised and subsisting, or carrying on business, exclusively for charitable, educational, religious, or recreational purposes and includes a trade or professional union or association and a chamber of commerce.

Any term or expression which is not defined in this notice but which is defined in the Act or the Regulations shall have the meaning given to it by the Act or the Regulations.

**3. Specified bodies exempt from certain provisions of Securities Act 1978 and Securities Regulations 1983 applying to offers and allotments of debt securities**—(1) Every specified body, and every person acting on behalf of a specified body, is exempted from compliance with the provisions of sections 33 (2), 37 (1), 37A (1), and 38 (a) to (c) of the Act and the provisions of regulation 17 of the Regulations in respect of any offer of debt securities of which that specified body is the issuer, if—

(a) The aggregate amount of the principal sums owing under debt securities allotted by that specified body during each period of 12 months ending with the 1st day of September 1983 and each successive day after that date, does not exceed \$200,000; and

(b) At the time of the offer of those debt securities, the aggregate amount of the principal sums owing under debt securities allotted by that specified body that are outstanding, does not exceed \$1,000,000.

(2) Every specified body is exempted from compliance with the provisions of section 53 (5) of the Act if—

(a) The aggregate amount of the principal sums owing under debt securities allotted by that specified body that are outstanding, does not exceed \$1,000,000; and

- (b) The accounting records of that specified body are audited at least once a year by a member of the New Zealand Society of Accountants.

**4. Specified bodies exempt from certain provisions of Securities Act 1978 and Securities Regulations 1983 applying to offers and allotments of participatory securities—**

(1) Every specified body, and every person acting on behalf of a specified body, is exempted from compliance with the provisions of sections 33 (3), 37, 37A, and 38 (a) to (c) of the Act and the provisions of regulation 17 of the Regulations in respect of any offer of participatory securities of which that specified body is the issuer, if, by the terms of the memorandum, articles of association, rules, or other document or instrument constituting or defining the constitution of that specified body or scheme or governing the conduct of its affairs—

- (a) The holders of those securities do not have any interest or right to participate in any capital, assets, earnings, royalties, or other property of that specified body or scheme other than all or any of the following—

(i) A right to share pro rata with all other holders of participatory securities in a distribution of any capital, assets, earnings, royalties or other property of that specified body or scheme upon a winding up of that body; or

(ii) A right to use or enjoy any assets or other property of that specified body or scheme; or

(iii) A right to vote at any meeting of the holders of participatory securities; and

- (b) The liability of the holders of those securities to make any payments to, or on behalf of that specified body or scheme, is limited to the amount of such fees or subscriptions as may be approved by a majority of the holders of participatory securities of that body or scheme in general meeting.

Dated at Wellington this 26th day of August 1983.

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

[L.S.]

C. I. PATTERSON, Chairman.

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 1 September 1983, exempts charitable, educational, religious, and certain other types of organisation from compliance with certain provisions of the Securities Act 1978 and the Securities Regulations 1983 relating to certain offers and allotments of debt and participatory securities.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 30 August 1983.

This notice is administered in the Securities Commission.