



**THE SECURITIES ACT (CHARITABLE AND OTHER PURPOSES)  
EXEMPTION NOTICE 1989**

—

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 1989.

(2) This notice shall come into force on the day after the date of its notification in the *Gazette*.

**2. Interpretation**—(1) In this notice, unless the context otherwise requires,—

“The Act” means the Securities Act 1978:

“Excluded security” means—

(a) A debt security not previously offered to the public for subscription:

(b) A debt security exempted from the application of Part II of the Act, or any provision contained in Part II of the Act, by virtue of—

(i) Section 5 (1) to (4) of the Act; or

(ii) A notice under section 5 (5) of the Act (other than this notice or any corresponding previous notice):

“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.

(2) 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, not being a specified body named in the Schedule to this notice, and every person acting on behalf of that 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, not being excluded securities, allotted by that specified body during the period of 12 months ending on the day immediately preceding the date on which the offer is made does not exceed \$300,000; and
- (b) At the time of the offer of those debt securities, the aggregate amount of the principal sums owing under debt securities, not being excluded securities, allotted by that specified body that are outstanding, does not exceed \$1,500,000.

(2) Every specified body named in the Schedule to this notice and every person acting on behalf of that 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 at the time of the offer of those debt securities, the aggregate amount of the principal sums owing under debt securities, not being excluded securities, allotted by that specified body that are outstanding, does not exceed \$1,500,000.

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

- (a) No securities which have been offered to the public for subscription other than debt securities or participatory securities remain outstanding; and
- (b) The aggregate amount of the principal sums owing under debt securities, not being excluded securities, allotted by that specified body that are outstanding, does not exceed \$1,500,000; and
- (c) 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 or 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.

**5. Revocations**—The Securities Act (Charitable and Other Purposes) Exemption Notice 1983\* and the Securities Act (Charitable and Other Purposes) Exemption Notice 1983, Amendment No. 1† are hereby consequentially revoked.

**6. Securities Act (Religious Organisations) Exemption Notice 1989 not limited**—Nothing in this notice limits or affects the Securities Act (Religious Organisations) Exemption Notice 1989.

\*S.R. 1983/155  
†S.R. 1984/44

---

SCHEDULE

Canterbury Development Corporation Limited.  
Khandallah Tennis and Squash Club Incorporated.

Dated at Wellington this 11th day of July 1989

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 replaces the Securities Act (Charitable and Other Purposes) Exemption Notice 1983. It is substantially the same as that notice. The main differences are—

- (a) For the purposes of determining in accordance with clause 3 the amount of existing debt securities already issued, no account is required to be taken of debt securities not offered to the public for subscription or which are exempt from Part II of the Securities Act 1978 or any provision of it. Under the Securities Act (Charitable and Other Purposes) Exemption Notice 1983 the amount of all debt securities issued is to be taken into account whether offered to the public or not and whether exempt from Part II or any provision of it or not:
- (b) The amounts referred to in clause 3 are increased from \$200,000 to \$300,000, and \$1,000,000 to \$1,500,000, respectively:
- (c) The exemption from section 53 (5) of the Act is now conditional on there being no outstanding equity securities offered to the public for subscription by the issuer.

The Khandallah Tennis and Squash Club Incorporated is added to the Schedule.

---

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 13 July 1989.

This notice is administered in the Securities Commission.