



**THE SECURITIES ACT (STOCK AND STATION AGENTS)
EXEMPTION NOTICE 1988**

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 (Stock and Station Agents) Exemption Notice 1988.

(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:

“Designated agent” means a person named in Part I of the Schedule to this notice:

“The Regulations” means the Securities Regulations 1983:

“Second Schedule” means the Second Schedule to the Regulations:

“Specified debt security” means money owing by a designated agent to any person and deposited to the credit of that person in a trade account pursuant to an agreement made between the designated agent and that person.

(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. Designated agents exempt from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of specified debt securities—(1) Subject to subclause (2) of this clause, every designated agent, and every person acting on behalf of a designated agent, is exempted from compliance with the provisions of sections 37A (1) (a) to (d) and 38 (b) of the Act and the provisions of clauses 1 (3), 1 (4), 8 (3) (g), 11, and 14 of the Second Schedule in respect of any offer of specified debt securities of which that designated agent is the issuer.

(2) The exemption granted by subclause (1) of this clause is subject to the following terms and conditions,—

- (a) That the designated agent provides, at the request of any holder of the specified debt security, a copy of the most recent current registered prospectus that relates to a class of debt securities which includes those specified debt securities; and
- (b) That at the date of allotment, the registered prospectus referred to in paragraph (a) of this subclause is not known by the designated agent, or any director of the designated agent, to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances (whether or not the registered prospectus became so misleading as a result of circumstances occurring after the date of the registered prospectus).

(3) Every designated agent is exempted from compliance with the provisions of sections 51 and 52 of the Act in respect of any specified debt securities of which that designated agent is the issuer.

(4) Subject to subclause (5) of this clause, every designated agent is exempted from compliance with the provisions of section 54 of the Act in respect of any specified debt securities of which that designated agent is the issuer.

(5) The exemption granted by subclause (4) of this clause is subject to the condition that the designated agent shall send, or cause to be sent, to the security holder within 2 months of allotment of the specified debt security, a written statement which properly evidences the nature, ownership, terms, and conditions of the specified debt security.

(6) Nothing in the Second Schedule that would, but for this subclause, require a registered prospectus to which this clause applies to contain any information, matter, or thing in relation to the borrowing group or group, shall apply in respect of the designated agent named in Part II of the Schedule to this notice if the registered prospectus issued by that designated agent contains that information, matter, or thing in relation to the person named opposite the name of that designated agent in Part II of the Schedule to this notice as if that person were the issuer of the specified debt securities and—

- (a) Both the designated agent and that person are each unconditionally liable to repay the specified debt securities of the other; or
- (b) Both the designated agent and that person are each liable to repay the specified debt securities of the other on the condition that the issuer or any other person has failed to do so.

4. Designated agents exempt from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of debt securities in the form of deposits—

(1) Subject to subclause (2) of this clause, every designated agent, and every person acting on behalf of a designated agent, is exempted from compliance with the provisions of sections 37A (1) (a) to (d) and 38 (a) and (b) of the Act, regulation 10 of the Regulations and clauses 1 (3), 1 (4), 8 (3) (g), 11 and 14 of the Second Schedule in respect of any offer of debt securities in the form of deposits made with that designated agent.

(2) The exemption granted by subclause (1) of this clause is subject to the following terms and conditions—

- (a) That copies of the registered prospectus relating to the debt securities are on display and available to the public during normal business

hours at each branch of the designated agent in New Zealand at which offers of the debt securities are made; and

- (b) That at the date of allotment, the registered prospectus is not known by the designated agent or any director of the designated agent to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances (whether or not the registered prospectus became so misleading as a result of circumstances occurring after the date of the registered prospectus).

(3) Every designated agent is exempted from compliance with sections 51 and 52 of the Act in respect of any debt securities to which subclause (1) of this clause applies of which that designated agent is the issuer.

(4) Subject to subclause (5) of this clause, every designated agent is exempted from compliance with the provisions of section 54 of the Act in respect of any debt securities to which subclause (1) of this clause applies of which that designated agent is the issuer.

(5) The exemption granted by subclause (4) of this clause is subject to the condition that the designated agent shall send, or cause to be sent, to the security holder within 2 months of the allotment of the debt security a written statement which properly evidences the nature, ownership, terms, and conditions of the debt security.

(6) Nothing in the Second Schedule that would, but for this subclause, require a registered prospectus to which this clause applies to contain any information, matter, or thing in relation to the borrowing group or group, shall apply in respect of the designated agent named in Part II of the Schedule to this notice if the registered prospectus issued by that designated agent contains that information, matter, or thing in relation to the person named opposite the name of that designated agent in Part II of the Schedule to this notice as if that person were the issuer of the debt securities and—

- (a) Both the designated agent and that person are each unconditionally liable to repay any debt securities to which subclause (1) of this clause applies issued by the other; or
- (b) Both the designated agent and that person are each liable to repay any debt securities to which subclause (1) of this clause applies issued by the other on the condition that the issuer or any other person has failed to do so.
- (7) Nothing in this clause applies to any offer of specified debt securities.

5. Revocation—The Securities Act (Stock and Station Agents) Exemption Notice 1984* is hereby revoked.

SCHEDULE

PART I

- Elders Pastoral Limited
- Farmers' Co-operative Organisation Society of New Zealand Limited
- Pyne, Gould, Guinness (Limited)
- Reid Farmers Limited
- Southland Farmers' Co-operative Association Limited
- Stringer and Company Limited
- Taranaki Farmer Limited
- Williams & Kettle Limited
- Wrightson NMA Limited

PART II

- Stringer and Company Limited
- Reid Farmers Limited

Dated at Wellington this 3rd day of October 1988.

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 the day after the date of its notification in the *Gazette*, replaces the Securities Act (Stock and Station Agents) Exemption Notice 1984.

Clause 3 of this notice is in the same terms as clause 3 of that notice and exempts the persons named in Part I of the Schedule from compliance with certain provisions of the Securities Act 1978 and the Second Schedule to the Securities Regulations 1983 in the case of offers of specified debt securities (as that term is defined).

It also exempts the person named in Part II of the Schedule from certain provisions of the Second Schedule to the Securities Regulations 1983 in respect of any registered prospectus which contains an offer of securities to which the clause applies.

Clause 4 of this notice, in effect, substitutes new subclauses (1) and (2) for subclauses (1) and (2) of clause 4 of the existing notice. The existing clause 4 (1) applies to offers of debt securities in the form of deposits. It exempts the persons named in Part I of the Schedule from compliance with sections 37A (1) (a) to (d) and 38 (b) of the Securities Act 1978 and clauses 1 (3), 1 (4), 8 (3) (g), 11, and 14 of the Second Schedule to those regulations. That exemption is subject to the conditions contained in subclause (2), namely that—

- (a) The offer is made to persons to whom a copy of the most recent current registered prospectus that relates to a class of debt securities which includes those debt securities has been delivered or sent; or
- (b) The designated agent sends a copy of the most recent current registered prospectus which relates to a class of securities which includes those debt securities to the security holder within 2 months of allotment of the security,—

and in either case, the registered prospectus is not known by the issuer, or any director of the issuer, to be false or misleading in a material particular by reason of failing to refer or give proper emphasis to adverse circumstances (whether or not it became so misleading as a result of circumstances occurring after the date of the registered prospectus).

The new subclause (1) extends the exemption to include section 38 (a) of the Securities Act 1978 and regulation 10 of the Securities Regulations 1983.

Under the new subclause (2) the exemption is subject to the conditions that—

- (a) Copies of the registered prospectus relating to the debt securities are on display and available to the public at each branch of the designated agent at which the securities are offered to the public; and
- (b) The registered prospectus is not known by the designated agent, or any director of the designated agent, to be false or misleading in a material particular by reason of failing to refer or give proper emphasis to adverse circumstances (whether or not it became so misleading as a result of circumstances occurring after the date of the registered prospectus).

Clause 4 of the notice is the same in all other material respects as clause 4 of the existing notice.

Clause 5 of the existing notice, which was a temporary exemption, is omitted.

The names of a number of issuers are omitted from the list of designated agents in Part I of the Schedule and the names of 2 issuers are added to that list. The names Crown Farmers New Zealand Limited and Dalgety Crown New Zealand Limited are omitted from Part II of that Schedule.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 6 October 1988.

This notice is administered in the Securities Commission.