



**THE SECURITIES ACT (COMMERCIAL BILL DEALERS)  
EXEMPTION NOTICE 1983**

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

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NOTICE

**1. Title and commencement**—(1) This notice may be cited as the Securities Act (Commercial Bill Dealers) Exemption Notice 1983.

(2) Except as provided in subclause (3) of this clause, this notice shall come into force on the 1st day of September 1983.

(3) Clauses 3 and 4 of this notice shall come into force on the 1st day of February 1984.

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

“The Act” means the Securities Act 1978:

“Bill of exchange” means a bill of exchange within the meaning of section 3 of the Bills of Exchange Act 1908:

“Designated dealer” means a person named in the Schedule to this notice:

“The Regulations” means the Securities Regulations 1983:

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

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

PART I

**3. Persons endorsing promissory notes or issuing bills of exchange exempted from certain provisions of Securities Act 1978 and Securities Regulations 1983**—(1) Subject to subclause (2) of this clause, every designated dealer, and every person acting on behalf of a designated dealer, is exempted from compliance with the provisions of sections 33 (2), 37A (1) (except 37A (1) (e)), 38 (b), and 41 (b) (i) of the Act and the provisions of clauses 1 (3), 1 (4), 2, 4 (2), 6 (2), 8 (3) (g), 11, and 14 of the Second Schedule, in respect of any offer of debt securities made by a designated dealer and which is either—

- (a) A promissory note for not less than \$20,000 which is endorsed (without negating or limiting liability) but not made by that designated dealer; or
- (b) A bill of exchange for not less than \$20,000 which is drawn, accepted, or endorsed (without negating or limiting liability) by that designated dealer.

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

- (a) That there is, at the time of the offer of those debt securities, a registered prospectus which—
  - (i) Relates to a class of debt securities which includes the debt security to which subclause (1) of this clause applies; and
  - (ii) Contains all the information, statements, certificates, and other matters specified in the Second Schedule that are applicable; and for the purposes of this paragraph a reference in the Second Schedule to the term “issuer” shall be read and construed as a reference to the designated dealer; and
  - (iii) Has been signed by every person who, at the time when the prospectus was delivered to the Registrar for registration under the Act, was a director of that designated dealer or an agent of that director duly authorised in writing; and
- (b) Subject to paragraph (c) of this subclause, the designated dealer shall send or cause to be sent to the security holder together with either the security or a certificate of the security required to be sent pursuant to section 54 of the Act, the most recent registered prospectus referred to in paragraph (a) of this subclause.
- (c) Nothing in paragraph (b) of this subclause applies if the designated dealer has previously delivered to the security holder or sent to him at his address last known to the designated dealer, the most recent registered prospectus referred to in paragraph (a) of this subclause and that is at the date of allotment a registered prospectus.

## PART II

**4. Persons offering promissory notes or receiving deposits exempt from certain provisions of Securities Act 1978 and Securities Regulations 1983**—(1) Subject to subclause (2) of this clause, every designated dealer and every person acting on behalf of a designated dealer, is exempted from compliance with the provisions of sections 37A (1) (except 37A (1) (e)), 38 (b), and 41 (b) (i) 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 debt securities of which that designated dealer is the issuer, and which is either—

- (a) A promissory note for not less than \$20,000 made by that designated dealer; or
- (b) A deposit that is, or is to be, made with that designated dealer, where—
  - (i) The amount of the deposit is not less than \$20,000; or
  - (ii) The amount of the deposit is less than \$20,000 and the person making the deposit has within the preceding 6 months made a deposit of not less than \$20,000 with that designated dealer.
- (c) In calculating the amount of any deposit, for the purposes of paragraph (b) of this subclause, there may be included the amount of any security, being a promissory note or bill of exchange to which clauses 3 (1) or 4 (1) (a) of this notice apply, subscribed for by the person making the deposit at the same time as the deposit is made.

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

- (a) That there is, at the time of the offer of those debt securities, a registered prospectus which—
- (i) Relates to a class of debt securities which includes the debt securities to which subclause (1) of this clause applies; and
  - (ii) Contains all the information, statements, certificates, and other matters specified in the Second Schedule that are applicable; and for the purposes of this paragraph a reference in the Second Schedule to the term “issuer” shall be read and construed as a reference to the designated dealer; and
  - (iii) Has been signed by every person who, at the time when the prospectus was delivered to the Registrar for registration under the Act, was a director of that designated dealer or an agent of that director duly authorised in writing; and
- (b) Subject to paragraph (c) of this subclause, the designated dealer shall send or cause to be sent to the security holder together with either the security or a certificate of the security required to be sent pursuant to section 54 of the Act, the most recent registered prospectus referred to in paragraph (a) of this subclause.
- (c) Nothing in paragraph (b) of this subclause applies if the designated dealer has previously delivered to the security holder or sent to him at his address last known to the designated dealer, the most recent registered prospectus referred to in paragraph (a) of this subclause and that is at the date of allotment a registered prospectus.

### PART III

**5. Temporary exemption from certain provisions of the Securities Act 1978**—Every designated dealer, and every person acting on behalf of a designated dealer is exempted from compliance with the provisions of sections 33 (2), 37, 37A, and 38 (a) to (c) of the Act in respect of any offer of debt securities made by that designated dealer before 1 February 1984.

### PART IV

**6. Persons allotting debt securities referred to in Part I exempted from certain provisions of Securities Act 1978**—Every person (not being a designated dealer) who allots or is an issuer of a debt security referred to in clause 3 (1) of this notice is exempted from compliance with the provisions of sections 33 (2), 37 (1), and 37A (1) of the Act.

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### SCHEDULE

AGC Merchant Securities Limited  
A.M.P. Acceptances (New Zealand) Limited  
Auric Securities Limited  
BNZ Finance Limited  
Broadbank Corporation Limited  
CBA Merchant Finance Limited  
Citicorp New Zealand Limited  
Development Finance Corporation of New Zealand  
General Bills Limited  
Lombank (New Zealand) Limited

SCHEDULE—*continued*

Marac Corporation Limited  
New Zealand United Corporation  
N.Z.I. Securities Limited  
Rediscount Acceptance (New Zealand) Limited  
Secured Bills Limited  
South Pacific Merchant Finance Limited  
TKM (New Zealand) Limited  
UDC Mercantile Securities Limited  
United Discount Company Limited

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.

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EXPLANATORY NOTE

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

This notice exempts certain named commercial bill dealers from compliance with a number of requirements under the Securities Act 1978 and the Securities Regulations 1983.

Part I, which comes into force on 1 February 1984, exempts a dealer who endorses (but does not himself make) a promissory note for not less than \$20,000, or who issues any bill of exchange for not less than \$20,000, from the provisions of the Act and Regulations specified in that Part.

Part II, which comes into force on 1 February 1984, exempts a dealer from certain provisions of the Act and Regulations in respect of the offer or allotment of debt securities being either—

(a) A promissory note for not less than \$20,000; or

(b) A deposit where—

(i) The amount is not less than \$20,000; or

(ii) The amount is less than \$20,000 and the person making the deposit has made a deposit of not less than \$20,000 within the preceding 6 months. The provisions of clause 4 (1) (c) should be noted with respect to the calculation of the amount of such deposits.

Part III, which comes into force on 1 September 1983, exempts a dealer from compliance with certain provisions of the Act in respect of any offer of debt securities made before 1 February 1984.

Part IV, which comes into force on 1 September 1983, exempts any person (not being a person named in the Schedule) who allots or is an issuer of a debt security of the kind referred to in Part I from the requirements of the Act specified in that Part.

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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.