



**THE SECURITIES ACT (COMMERCIAL BILL DEALERS)
EXEMPTION NOTICE 1993**

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 (Commercial Bill Dealers) Exemption Notice 1993.

(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:

“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.

(2) Any term or expression that is not defined in this notice, but that is defined in the Act, has the meaning given to it by the Act.

PART I

3. Designated dealers exempt from certain provisions of Securities Act 1978 and Securities Regulations 1983 in respect of offers of promissory notes endorsed by such dealers, bills of exchange, and other negotiable debt securities—(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 paragraph (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 a debt security made by a designated dealer and which is—

- (a) A promissory note which is endorsed (without negating or limiting liability) but not made by that designated dealer; or

- (b) A bill of exchange which is drawn, accepted, or endorsed (without negating or limiting liability) by that designated dealer; or
 - (c) A negotiable or transferable debt security, not being a promissory note or a bill of exchange, in respect of which that designated dealer is directly or indirectly liable otherwise than as the issuer.
- (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 the debt security, a registered prospectus which—
 - (i) Relates to a class of debt security 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 or that director duly authorised in writing; and
 - (b) That copies of the registered prospectus relating to the debt security are on display and available to the public during normal business hours at each place of business of the designated dealer and its agents at which offers of the debt security are made; and
 - (c) That at the date of allotment, the registered prospectus is not known by the designated dealer, or any director of the designated dealer, 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).

PART II

4. Designated dealers exempt from certain provisions of Securities Act 1978 and Securities Regulations 1983 in respect of offers of promissory notes made by such dealers and deposits—(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 paragraph (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 a debt security made by a designated dealer and which is either—

- (a) A promissory note made by that designated dealer; or
 - (b) A deposit that is, or is to be, made with 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 the debt security, a registered prospectus which—
 - (i) Relates to a class of debt security 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) That copies of the registered prospectus relating to the debt security are on display and available to the public during normal business hours at each place of business of the designated dealer and its agents at which offers of the debt security are made; and
- (c) That at the date of allotment, the registered prospectus is not known by the designated dealer, or any director of the designated dealer, 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).

PART III

5. 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.

6. Revocations—The following notices are hereby revoked—

- (a) The Securities Act (Commercial Bill Dealers) Exemption Notice 1987*;
- (b) The Securities Act (Commercial Bill Dealers) Exemption Notice 1987, Amendment No. 7†.

*S.R. 1987/367
†S.R. 1990/74

SCHEDULE

UDC Finance Limited
UPC Securities Limited

Dated at Wellington this 10th day of November 1993.

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

[L.S.]

P. D. McKENZIE,
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 (Commercial Bill Dealers) Exemption Notice 1987.

Part I exempts a designated dealer (as that term is defined) from compliance with certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in the case of any offer of a debt security which is—

- (a) A promissory note which is endorsed (without negating or limiting liability) but not made by the designated dealer; or
- (b) A bill of exchange which is drawn, accepted, or endorsed (without negating or limiting liability) by the designated dealer; or
- (c) A negotiable or transferable debt security, not being a promissory note or bill of exchange, in respect of which the designated dealer is liable otherwise than as the issuer.

The exemption is subject to the conditions—

- (a) That there is, at the time when the offer is made, a registered prospectus which—
 - (i) Relates to a class of debt security which includes the debt security offered;
 - (ii) Contains the information, statements, certificates and other matters specified in the Second Schedule to the Regulations that are applicable;
 - (iii) Is signed by every person who, at the time when the prospectus was delivered for registration, was a director of the designated dealer or an agent of that director authorised in writing;
- (b) That copies of the prospectus are on display and available to the public during normal business hours at each place of business of the designated dealer and its agents;
- (c) That at the date of allotment, the prospectus is not known by the designated dealer or any director 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 prospectus).

The exemption contained in Part I of the notice differs from that contained in Part I of the Securities Act (Commercial Bill Dealers) Exemption Notice 1987 in that the requirement that the promissory note, bill of exchange, or negotiable or transferable debt security be for an amount of not less than \$20,000 is removed.

Part II exempts a designated dealer from compliance with certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in the case of any offer of a debt security which is—

- (a) A promissory note made by the designated dealer; or
- (b) A deposit with the designated dealer.

The exemption is subject to the same conditions as apply in respect of Part I of the notice.

The exemption contained in Part II of the notice differs from that contained in Part II of the Securities Act (Commercial Bill Dealers) Exemption Notice 1987 in that the requirement that the promissory note or deposit be for an amount of not less than \$20,000 is removed.

Part III of the notice is the same as Part III of the Securities Act (Commercial Bill Dealers) Exemption Notice 1987. Part III exempts from compliance with certain provisions of the Securities Act 1978 any person, not being a designated dealer, who allots or is an issuer of a debt security of the kind referred to in Part I of the notice.

The notice contains a new Schedule of designated dealers.

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

Date of notification in *Gazette*: 11 November 1993.

This notice is administered in the Securities Commission.