



Securities Act (Overseas Companies) Exemption Amendment Notice 2007

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

- 1 Title**
 This notice is the Securities Act (Overseas Companies) Exemption Amendment Notice 2007.
- 2 Commencement**
 This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Principal notice amended**
 This notice amends the Securities Act (Overseas Companies) Exemption Notice 2002.
- 4 Exemption for overseas quoted securities exchanged for other overseas quoted securities**
 - (1) The heading of clause 6 is amended by omitting “**for other overseas quoted securities**” and substituting “, etc”.

(2) Clause 6 is amended by revoking paragraph (b) and substituting the following paragraph:

“(b) the securities—

“(i) are offered as all or part of the consideration for the acquisition or cancellation of any securities of which another overseas company is the issuer; or

“(ii) are offered to holders of securities in another overseas company under an arrangement that results in a capital reduction of that overseas company; and”.

Dated at Wellington this 26th day of October 2007.

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

[Seal]

J Diplock,
Chairperson.

Statement of reasons

This notice, which comes into force on the day after its notification in the *Gazette*, amends the Securities Act (Overseas Companies) Exemption Notice 2002 (the **principal notice**). It extends the exemptions granted under clause 6 of the principal notice to securities that are offered to holders of securities in another overseas company under an arrangement that results in a capital reduction of that overseas company.

The Securities Commission considers that the amendment is appropriate because—

- the principal notice, which is a class notice, recognises that people who already hold securities in overseas companies have taken on the risks associated with those securities and can be assumed to have some familiarity with those companies and with the risks of ownership of securities in overseas

companies. The exemptions provided by the notice mean that New Zealanders who are shareholders in listed overseas companies can participate in rights offers and offers arising from reconstructions that might otherwise not be extended to shareholders in New Zealand because of compliance costs:

- clause 6 of the principal notice facilitates the extension to New Zealand shareholders of offers arising from reconstructions, mergers, and acquisitions involving listed overseas companies. The amendment extends this part of the notice so that it applies where securities are being offered to shareholders of an overseas company under an arrangement involving the reduction of the capital of that overseas company. This is consistent with the existing application of the notice to offers where the consideration for the securities being offered is an agreement by shareholders of an overseas company to the acquisition or cancellation of shares held by them.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 30 October 2007.
This notice is administered by the Securities Commission.
