



**THE SECURITIES ACT (CO-OPERATIVE COMPANIES)
EXEMPTION NOTICE 1996**

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 (Co-operative Companies) Exemption Notice 1996.

(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:

“Co-operative company” means a co-operative company registered under Part II of the Co-operative Companies Act 1996:

“The Regulations” means the Securities Regulations 1983:

“Specified equity securities” means equity securities, of which a co-operative company is the issuer, offered for subscription to any person who is or is to be a transacting shareholder within the meaning of section 4 of the Co-operative Companies Act 1996.

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

3. Co-operative companies exempt from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of certain offers of equity securities—(1) Subject to subclause (2) of this clause, a co-operative company and every person acting on its behalf are exempted from compliance with the provisions of—

(a) Sections 37A (1) (e), 37A (2), and 54 of the Act; and

(b) Regulation 3 (1) of the Regulations in so far as that subclause requires the registered prospectus containing an offer of specified equity securities to contain the information, statements, certificates, and other matters specified in clauses 4 to 20, 22 to 38, and 40 to 42 of the First Schedule to the Regulations—

in respect of any offer or allotment of specified equity securities made to any person who does not, at the time the offer is made, hold equity securities issued by the co-operative company.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that a copy of the most recent audited group financial statements of the issuing group that comply with the Financial Reporting Act 1993 is attached to, or contained in, the registered prospectus given or sent to every person to whom the offer is made.

(3) Subject to subclause (4) of this clause, a co-operative company and every person acting on its behalf are exempted from compliance with the provisions of—

(a) Sections 37A (1) (a) to (e), 37A (2), and 54 of the Act; and

(b) Regulation 3 (1) of the Regulations in so far as that subclause requires the registered prospectus containing an offer of specified equity securities to contain the information, statements, certificates, and other matters specified in clauses 4 to 20, 22 to 38, and 40 to 42 of the First Schedule to the Regulations—

in respect of any offer or allotment of specified equity securities made to any person who, at the time the offer is made, is the holder of equity securities issued by the co-operative company.

(4) The exemption granted by subclause (3) of this clause is subject to the following terms and conditions:

(a) That before allotment of the specified equity securities a copy of the most recent registered prospectus relating to the offer of specified equity securities has been given or sent to the persons to whom the offer is made; and

(b) That a copy of the most recent audited group financial statements of the issuing group that comply with the Financial Reporting Act 1993—

(i) Has, before allotment of the security, been given or sent to the persons to whom the offer is made; or

(ii) Is attached to, or contained in, the registered prospectus given or sent to the persons to whom the offer is made; and

(c) That at the date of allotment of the specified equity securities, the most recent registered prospectus that relates to the specified equity securities 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 the registered prospectus became so misleading as a result of circumstances occurring after the date of the registered prospectus).

Dated at Wellington this 30th day of October 1996.

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

[L.S.]

E. H. ABERNETHY,
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*, exempts co-operative companies registered under Part II of the Co-operative Companies Act 1996 from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of equity securities to transacting shareholders (as that term is defined in section 4 of the Co-operative Companies Act 1996).

The notice extends to co-operative companies registered under Part II of the Co-operative Companies Act 1996 the same exemptions as are available under the Securities Act (Co-operative Companies) Exemption Notice 1986 to co-operative companies registered under the Co-operative Companies Act 1956, the Co-operative Freezing Companies Act 1960, and the Co-operative Forestry Companies Act 1978. A number of other changes are also made to make the terminology in the notice consistent with the Financial Reporting Act 1993.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 7 November 1996.
This notice is administered in the Securities Commission.