



**THE SECURITIES ACT (TELECOM CORPORATION OF NEW  
ZEALAND LIMITED) EXEMPTION NOTICE 1992**

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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 (Telecom Corporation of New Zealand Limited) Exemption Notice 1992.

(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:

“Company” means Telecom Corporation of New Zealand Limited:

“Consolidation subsidiaries” means those subsidiaries and other associated entities of the company from time to time whose assets, liabilities, revenues, and expenses would, in accordance with generally accepted accounting practice, relevant accounting standards, and legal requirements, ordinarily be combined with the assets, liabilities, revenues, and expenses of the company for general financial reporting purposes; and “consolidation subsidiary” means any of the consolidation subsidiaries:

“Non-guaranteeing subsidiary” means, in relation to an offer of debt securities, a consolidation subsidiary which is not a guaranteeing subsidiary:

“The Regulations” means the Securities Regulations 1983:

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

“Telecom group” means the company, and all former consolidation subsidiaries of the company in respect of all periods during which they were such subsidiaries, and all present consolidation subsidiaries of the company in respect of the periods since they became such subsidiaries:

“Telecom issuing group” means, in relation to a prospectus, the company and all consolidation subsidiaries at the specified date

and, in relation to an advertisement, the company and all consolidation subsidiaries at the specified date of the registered prospectus that relates to the offer of debt securities referred to in the advertisement.

(2) For the purposes of this notice, an amount or an item is significant in comparison to a class of amounts or items if the aggregate monetary value of that amount or item exceeds 5 percent of the aggregate monetary value of the relevant class of amounts or items; and “significantly” has a corresponding meaning.

(3) 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. Telecom Corporation of New Zealand Limited exempted from certain provisions of the Securities Regulations 1983 in respect of offers of debt securities—**(1) Subject to subclauses (2) to (6) of this clause, the company and every person acting on its behalf, is exempted, in respect of any offer of debt securities of which it is the issuer, from compliance with the provisions of clauses 6 to 10, 12, 13 (2), 16 to 30, 32, 34, 35, and 36 (1) of the Second Schedule.

(2) Subject to subclause (3) of this clause, the exemption granted by subclause (1) of this clause is subject to the conditions—

- (a) That the information, statements, and other matters required to be contained in the registered prospectus, but for subclause (1) of this clause, in respect of the borrowing group, are contained in the registered prospectus in respect of the Telecom issuing group;
- (b) That the information, statements, and other matters required to be contained in the registered prospectus, but for subclause (1) of this clause, in respect of the group, other than pursuant to clauses 24 (b) (i) and 28 (b) (i), are contained in the registered prospectus in respect of the Telecom group;
- (c) That the information, statements, and other matters required to be contained in the registered prospectus, but for subclause (1) of this clause, in respect of a guaranteeing subsidiary, are contained in the registered prospectus in respect of a consolidation subsidiary.

(3) The information, statements, and other matters referred to in paragraphs (a), (b), and (c) of subclause (2) of this clause (including the total of investments in associated bodies corporate) may include amounts derived by using the equity method of accounting if, but only if—

- (a) The aggregate amount of all investments by the Telecom group in associated bodies corporate calculated by using the equity method of accounting as at the date of the balance sheet or interim balance sheet set out in the registered prospectus is, and remains thereafter, not significant in comparison to the net tangible assets of the Telecom group at that date and thereafter;
- (b) The Telecom group’s share of the aggregate net earnings before taxation of all associated bodies corporate calculated by using the equity method of accounting for the most recently completed accounting period is, and remains thereafter, not significant in comparison to the aggregate net earnings before taxation of the Telecom group for the same period.

(4) The exemption granted by subclause (1) of this clause is subject to the further condition that the registered prospectus relating to an offer of debt securities by the company contains—

- (a) A statement setting out the total of investments by the company and the company's guaranteeing subsidiaries in the non-guaranteeing subsidiaries at cost (less amounts written off) or market value (if ascertainable), whichever is the lesser, as at the date of the most recent balance sheet contained in the registered prospectus:
- (b) A statement setting out the aggregate amounts of—
  - (i) Total assets:
  - (ii) Total tangible assets:
  - (iii) Total liabilities (including (as a separate item), liabilities owed to the company and the company's guaranteeing subsidiaries):
  - (iv) Total issued capital and reserves—  
of the non-guaranteeing subsidiaries as at the date of the most recent balance sheet set out in the registered prospectus:
- (c) A statement setting out the aggregate amounts of—
  - (i) Net earnings after taxation and extraordinary items of the Telecom group:
  - (ii) Such part of the profit or loss referred to in subparagraph (i) of this paragraph as is attributable to persons other than the company and its guaranteeing subsidiaries—  
for the most recently completed accounting period and, where the registered prospectus contains an interim balance sheet, for the period from the last day of such accounting period to the date of such interim balance sheet.

(5) The exemption granted by subclause (1) of this clause is subject to the further conditions that—

- (a) The aggregate amount of the assets and liabilities of all of the non-guaranteeing subsidiaries; and
- (b) The aggregate amount of all investments by the company and the company's guaranteeing subsidiaries in the non-guaranteeing subsidiaries—

at the date of the latest balance sheet or interim balance sheet set out in the registered prospectus is, and remains thereafter, not significant in comparison to, respectively, the assets and liabilities and net tangible assets of the Telecom group at that date and thereafter.

(6) The exemption granted by subclause (1) of this clause is subject to the further condition that the aggregate net earnings after taxation and extraordinary items of all of the non-guaranteeing subsidiaries for the most recently completed accounting period is, and thereafter remains, not significant in comparison to the aggregate net earnings after taxation and extraordinary items, and prior to the deduction of all minority interests, of the Telecom group for the relevant period.

**4. Telecom Corporation of New Zealand Limited exempted from regulation 12 of the Securities Regulations 1983 in respect of advertisements in relation to offers of debt securities—**(1) Subject to subclauses (2) to (4) of this clause, the company and every person acting on its behalf, is exempted, in respect of any advertisement in relation to an offer of debt securities of which the company is the issuer, from compliance with regulation 12 of the Regulations.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that any advertisement in relation to an offer of debt securities of which the company is the issuer complies, where applicable, with the requirements of regulation 12 of the Regulations as if references in that regulation to the terms "borrowing group" and "group" were references to the Telecom issuing group.

(3) The exemption granted by subclause (1) of this clause is subject to the further condition that—

(a) The aggregate amount of the assets and liabilities of all of the non-guaranteeing subsidiaries; and

(b) The aggregate amount of all investments by the company and the company's guaranteeing subsidiaries in the non-guaranteeing subsidiaries—

is, at the date of distribution of the advertisement, not significant in comparison to, respectively, the assets and liabilities and net tangible assets of the Telecom issuing group at that date.

(4) The exemption granted by subclause (1) of this clause is subject to the further condition that the aggregate net earnings after taxation and extraordinary items of all of the non-guaranteeing subsidiaries for the most recently completed accounting period is not significant in comparison to the aggregate net earnings after taxation and extraordinary items, and prior to the deduction of all minority interests, of the Telecom group for that period.

Dated at Wellington this 17th day of June 1992.

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

[L.S.]

P. D. McKENZIE,  
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 Telecom Corporation of New Zealand Limited, subject to conditions, from provisions of the Second Schedule to the Securities Regulations 1983 that relate to the inclusion in any registered prospectus containing an offer of debt securities of information in respect of the financial position and operations of the group and borrowing group (as those terms are defined in the Regulations).

The exemption is subject to a number of conditions of which the principal ones are—

- (a) That the registered prospectus contains equivalent information in relation to the Telecom group and the Telecom issuing group (as those terms are defined in the notice); and
- (b) That the aggregate amount of assets and liabilities of all non-guaranteeing subsidiaries and the aggregate amount of investments in non-guaranteeing subsidiaries does not exceed 5 percent of the assets and liabilities and net tangible assets, respectively, of the Telecom group; and
- (c) The aggregate amount of the net earnings of non-guaranteeing subsidiaries does not exceed 5 percent of the aggregate net earnings of the Telecom group.

The exemption permits the use of the equity method of accounting for the purposes of clause 3 (2) of the notice subject to compliance with certain conditions.

The notice also exempts the company in the case of offers of debt securities, subject to conditions, from compliance with regulation 12 of the Securities Regulations 1983 (which relates to statements of assets and liabilities in advertisements containing offers of securities).

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 18 June 1992.  
This notice is administered in the Securities Commission.