



## Securities Act (Takeovers) Exemption Amendment Notice 2006

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 (Takeovers) Exemption Amendment Notice 2006.

**2 Commencement**

This notice comes into force on its notification in the *Gazette*.

**3 Principal notice amended**

This notice amends the Securities Act (Takeovers) Exemption Notice 2001.

**4 Clause 3 amended**

Clause 3 is amended by omitting “2006” and substituting “2011”.

Dated at Wellington this 27th day of July 2006.

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

[Seal]

J Diplock,  
Chairperson.

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### Statement of reasons

This notice, which comes into force on its notification in the *Gazette*, amends the Securities Act (Takeovers) Exemption Notice 2001 (the **principal notice**) to extend the expiry date of the principal notice from 31 July 2006 to 31 July 2011.

The Commission considers it appropriate to amend the principal notice because its exemptions avoid duplication and unnecessary compliance costs for issuers of securities who are required to provide disclosure under 2 separate regimes (the Securities Act 1978 and the Takeovers Code).

The principal notice distinguishes between quoted and unquoted securities, setting out fewer disclosure requirements for quoted securities in recognition of the regulatory framework that applies to listed issuers under the New Zealand Exchange Limited (NZX) listing rules. This framework includes—

- arrangements for securing accurate, timely, and regular information about the issuer of securities:
- arrangements for securing accurate and timely information about transactions being carried out in the securities:
- the likely liquidity of the securities, recognising the spread provisions in the NZX listing rules:
- the availability of information about the past performance and track record of the issuer of the securities:
- standard governance rules, for example, NZX listing rules about the appointment of directors.

The Commission considers that there should be a minimum listing period for issuers of quoted securities in order to ensure that there is a base level of information about the issuer's past performance available to the market at the time of the offer.

The Commission considers that it is desirable that both the registered prospectus and the investment statement for any scrip offer accompany the takeover notice sent to a target company. Provision of this information will allow the directors of the target company to be better informed about the offer and assist in the preparation of the target company statement for investors under the Code.

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

Date of notification in *Gazette*: 31 July 2006.

This notice is administered by the Securities Commission.

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