



**THE SECURITIES ACT (BLOODSTOCK) EXEMPTION
NOTICE 1995**

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 (Bloodstock) Exemption Notice 1995.

(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:

“Approved code of practice” means a code of practice for the regulation of offers of equity securities or specified participatory securities to the public for subscription that is—

- (a) Administered by a designated association; and
- (b) Approved by the Securities Commission:

“Designated association” means—

- (a) The New Zealand Racing Conference;
- (b) Harness Racing New Zealand:

“Registered” means—

(a) Registered under:

- (i) The New Zealand Rules of Racing of the New Zealand Racing Conference; or
- (ii) The New Zealand Rules of Harness Racing of the New Zealand Harness Racing Conference; or

(b) Recorded on a Foaling Return, Stud Book Certificate, Certificate of Export, or equivalent document, deposited with the New Zealand Racing Conference or the New Zealand Harness Racing Conference:

“The Regulations” means the Securities Regulations 1988:

“Specified issuer” means—

- (a) In relation to an offer of equity securities, any company—
 - (i) That is bound by the rules of a designated association to comply with an approved code of practice relating to the making of offers of equity securities to the public for subscription; and

(ii) The business of which consists of—

(A) The ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing; or

(B) The ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing and any progeny of that horse or horses or any interest or interests in that progeny being progeny that is eligible to be, but is not, registered:

(b) In relation to an offer of specified participatory securities, any person that is bound by the rules of a designated association to comply with an approved code of practice relating to the making of offers of specified participatory securities to the public for subscription:

“Specified participatory security” means a participatory security relating exclusively to—

(a) Any scheme in respect of the ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing; or

(b) Any scheme in respect of the ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing and any progeny of that horse or horses or any interest or interests in that progeny being progeny that is eligible to be, but is not, registered.

(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. Certain issuers of equity securities exempted from compliance with provisions of the Securities Act 1978—(1) Subject to subclause (2) of this clause, every specified issuer and every person acting on behalf of a specified issuer are exempted from compliance with the provisions of sections 37 (1) to (4), 37A, 38 (a) to (c), 39 to 44, 45 to 50, and 54 of the Act in respect of any offer of equity securities made by that specified issuer.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that a copy of the audited financial statements of the specified issuer together with the auditor’s report are sent to every member or shareholder of the specified issuer within 3 months after the end of each financial year.

4. Certain issuers of equity securities temporarily exempted from compliance with provisions of the Securities Act 1978—(1) Subject to subclause (2) of this clause, every specified issuer that is bound by the rules of Harness Racing New Zealand to comply with an approved code of practice relating to the making of offers of equity securities to the public for subscription and every person acting on behalf of that specified issuer are exempted from compliance with the provisions of sections 51, 52, and

53 of the Act in respect of any equity securities issued by that specified issuer.

(2) The exemption granted by subclause (1) of this clause shall expire on the close of the 31st day of August 1995.

5. Certain issuers of specified participatory securities exempted from compliance with provisions of the Securities Act 1978—(1) Subject to subclause (2) of this clause, every specified issuer and every person acting on behalf of a specified issuer are exempted from compliance with the provisions of sections 33 (3), 37 (1) to (4), 37A, 38 (a) to (c), 39 to 44, 45 to 50, and 54 of the Act in respect of any offer of specified participatory securities made by that specified issuer.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that the financial statements relating to the scheme to which the specified participatory securities relate are audited at least once a year by a qualified auditor and a copy of those statements together with the auditor's report is sent to every person who is the holder of such securities within 3 months after the end of each financial year of the scheme.

(3) Subclause (2) of this clause shall commence to apply in relation to a specified issuer that is bound by the rules of Harness Racing New Zealand to comply with an approved code of practice relating to the making of offers of specified participatory securities to the public for subscription on and after the 1st day of September 1995.

6. Certain issuers of specified participatory securities temporarily exempted from compliance with provisions of the Securities Act 1978—(1) Subject to subclause (2) of this clause, every specified issuer that is bound by the rules of Harness Racing New Zealand to comply with an approved code of practice relating to the making of offers of specified participatory securities to the public for subscription and every person acting on behalf of that specified issuer are exempted from compliance with the provisions of sections 51, 52, and 53 of the Act in respect of any specified participatory securities issued by that specified issuer.

(2) The exemption granted by subclause (1) of this clause shall expire on the close of the 31st day of August 1995.

7. Revocation—The Securities Act (Bloodstock) Exemption Notice 1994* is hereby revoked.

Dated at Wellington this 27th day of March 1995.

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 replaces the Securities Act (Bloodstock) Exemption Notice 1994.

Clause 3 of the notice exempts certain companies whose business consists of the ownership of registered horses or interests in registered horses that are used or intended to be used for breeding or racing and progeny and interests in progeny from compliance with sections 37 (1) to (4), 37A, 38 (a) to (c), 39 to 44, 45 to 50, and 54 of the Securities Act 1978 in respect of offers of equity securities.

This exemption applies to companies that are bound by the rules of the New Zealand Racing Conference or Harness Racing New Zealand to comply with a code of practice administered by that organisation and approved by the Securities Commission for regulating the offering of equity securities to the public.

The exemption for companies that are bound by the rules of the New Zealand Racing Conference to comply with a code of practice is new.

The exemption is subject to the condition that the audited financial statements of the company together with the auditor's report are sent to every member or shareholder of the company within 3 months of the end of each financial year.

Clause 4 exempts companies that are bound by the rules of Harness Racing New Zealand to comply with a code of practice from sections 51, 52, and 53 of the Act until 31 August 1995. This, in effect, continues the current exemption from those sections until that date.

Clause 5 of the notice exempts persons offering participatory securities that relate to schemes for the ownership of registered horses or interests in registered horses that are used or intended to be used for breeding or racing and progeny and interests in progeny from compliance with sections 33 (3), 37 (1) to (4), 37A, 38 (a) to (c), 39 to 44, 45 to 50, and 54 of the Securities Act 1978.

This exemption applies to persons who are bound by the rules of the New Zealand Racing Conference or Harness Racing New Zealand to comply with a code of practice administered by that organisation and approved by the Securities Commission for regulating the offering of such securities to the public.

The exemption for persons that are bound by the rules of the New Zealand Racing Conference to comply with a code of practice is new.

The exemption is subject to the condition that the financial statements of the scheme are audited each year by a qualified auditor and a copy of those statements and the auditor's report is sent to the holders of the securities within 3 months of the end of each financial year. Persons that are bound by the rules of Harness Racing New Zealand to comply with a code of practice will not be subject to this condition until 1 September 1995.

Clause 6 exempts persons that are bound by the rules of Harness Racing New Zealand to comply with a code of practice from sections 51, 52, and 53 of the Act, in the case of specified participatory securities, until 31 August 1995. This, in effect, continues the current exemption from those sections until that date.

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

Date of notification in *Gazette*: 30 March 1995.

This notice is administered in the Securities Commission.