



## SECURITIES ACT (BLOODSTOCK) EXEMPTION NOTICE 1997

PURSUANT to the Securities Act 1978, the Securities Commission gives the following notice.

### NOTICE

**1. Title, commencement, and expiry**—(1) This notice may be cited as the Securities Act (Bloodstock) Exemption Notice 1997.

(2) This notice comes into force on 1 October 1997.

(3) This notice expires on the close of 30 September 2002.

**2. Interpretation**—(1) In this notice, unless the context otherwise requires,—

“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 Harness Racing New Zealand; or

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

“Regulations” means the Securities Regulations 1983:

“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. Exemption relating to equity securities**—(1) Every specified issuer and every person acting on behalf of a specified issuer are exempted from sections 37 (1) to (4), 37A, and 54 of the Act in respect of any equity securities of which that specified issuer is the issuer.

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

**4. Exemption relating to specified participatory securities**—(1) Every specified issuer and every person acting on behalf of a specified issuer are exempted from sections 33 (3), 37 (1) to (4), 37A, and 54 of the Act in respect of any specified participatory securities of which that specified issuer is the issuer.

(2) The exemption granted by subclause (1) 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 and of 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.

Dated at Wellington this 29th day of September 1997.

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

[L.S.]

M. R. H. WEBB,  
Member.

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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 1 October 1997 and expires on 30 September 2002, replaces the Securities Act (Bloodstock) Exemption Notice 1995. This notice is required as a result of the coming into force, on 1 October 1997, of new disclosure and other requirements under the Securities Act 1978.

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, and 54 of the Securities Act 1978 in respect 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 is subject to the condition that a copy of the audited financial statements of the company and 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 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, 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 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.

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

Date of notification in *Gazette*: 30 September 1997.

This notice is administered in the Securities Commission.