



**THE SECURITIES ACT (SHORT FORM PROSPECTUS)
EXEMPTION NOTICE 1985**

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 (Short Form Prospectus) Exemption Notice 1985.

(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;

“Convertible securities” has the meaning given to that term by regulation 4 (4) of the Regulations.

“The Regulations” means the Securities Regulations 1983.

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

3. Certain persons exempted from regulation 4 (1) (c) and (d) of the Securities Regulations 1983 in respect of offers of debt securities to existing security holders—(1) Subject to subclause (2) of this clause, every issuer, and every person acting on its behalf, is exempted from compliance with the provisions of regulation 4 (1) (c) and (d) of the Regulations in respect of any offer of debt securities (not being convertible securities or other securities that may be converted into equity securities) made by the issuer to persons who, at the time when the offer is made, already hold equity securities, convertible securities, or debt securities of the issuer.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that a copy of an audited consolidated balance sheet as at the end of, and an audited consolidated profit and loss account for, the most recently completed accounting period of the borrowing group, or where the issuer has been in existence for less than a year, the period from the date the issuer commenced operations to its first balance date, or to any stated date that is not more than four months before the specified date,

which give a true and fair view of the state of affairs and results thereof in accordance with the provisions relating to group accounts contained in the Companies Act 1955—

- (a) Has previously been given or sent to the persons who were, at the time that balance sheet and profit and loss account were given or sent, holders of the same class of securities as that held by the persons to whom the offer is made; or
- (b) Is attached to, or contained in, the registered prospectus given or sent to every person to whom the offer is made.

4. Certain persons exempted from compliance with regulation 4 (1) (c) of the Securities Regulations 1983 in respect of offers of equity securities or convertible securities to existing security holders—(1) Subject to subclause (2) of this clause, every issuer, and every person acting on its behalf, is exempted from compliance with the provisions of regulation 4 (1) (c) of the Regulations in respect of any offer of equity securities or convertible securities made by the issuer, being an offer which is made to—

- (a) Persons who, at the time when the offer is made, are holders of equity securities or convertible securities of the issuer (whether or not the offer is renounceable in favour of any other person); or
- (b) Persons in whose favour an offer to which paragraph (a) of this subclause applies has been renounced.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that a copy of an audited consolidated balance sheet as at the end of, and an audited consolidated profit and loss account for, the most recently completed accounting period of the issuing group, or, where the issuer has been in existence for less than a year, the period from the date the issuer commenced operations to its first balance date, or to any stated date that is not more than four months before the specified date, which give a true and fair view of the state of affairs and results thereof in accordance with the provisions relating to group accounts contained in the Companies Act 1955,—

- (a) Has previously been given or sent to the persons who were, at the time that balance sheet and profit and loss account were given or sent, holders of the same class of securities as that held by the persons to whom the offer is made; or
- (b) Is attached to, or contained in, the registered prospectus given or sent to every person to whom the offer is made.

5. Revocation—The Securities Act (Short Form Prospectus) Exemption Notice 1984 is hereby revoked.

Dated at Wellington this 26th day of November 1985.

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

[L.S.]

C. I. PATTERSON,
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*, is in substantially the same terms as the Securities Act (Short Form Prospectus) Exemption Notice 1984 except that clause 4 is extended to apply to offers of convertible securities (as well as equity securities) and the conditions of the exemption are altered to allow an issuer which has been in business for less than a year to use financial statements for the period when it commenced operations to its first balance date or a date which is not more than 4 months before the date the prospectus was delivered for registration.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 28 November 1985.
This notice is administered in the Securities Commission.