



**THE SECURITIES ACT (CONTINUOUS ISSUES)  
EXEMPTION NOTICE 1987**

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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 (Continuous Issues) Exemption Notice 1987.

(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:

“Debt security” does not include a security which renews or varies the terms of an existing security:

“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 or the Regulations shall have the meaning given to it by the Act or the Regulations.

**3. Persons issuing debt securities to current or previous security holders exempt from certain provisions of the Securities Act 1978 and the Securities Regulations 1983**—(1) Subject to subclause (2) of this clause, every person is exempted from compliance with the provisions of sections 37A (1) (a) to (d) and 38 (a) and (b) of the Act and the provisions of regulation 10 of the Regulations in respect of—

(a) Any offer of debt securities made to a person who is at the time the security is offered or allotted, or who was at any time before the offer or allotment of the security, the holder of a debt security of the same class; or

(b) Any offer of debt securities made in conjunction with any offer of debt securities made to a person who is at the time the security is offered or allotted, or who was at any time before the offer or allotment of the security, the holder of a debt security of the same class.

(2) The exemption granted by subclause (1) of this clause is subject to the following terms and conditions:

- (a) Before allotment of the security the issuer has delivered to the person to whom the offer is made, or sent to that person at his or her address last known to the issuer, the most recent registered prospectus that relates to the securities to which the offer relates and that is, at the date of allotment, a registered prospectus; and
  - (b) At the date of allotment, the registered prospectus referred to in paragraph (a) of this subclause is not known by the issuer of the security, or any director of the issuer, to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances (whether or not the registered prospectus became so misleading as a result of circumstances occurring after the date of the registered prospectus).
- (3) For the purposes of this clause, a debt security is a debt security of the same class as another debt security if—
- (a) The issuer; and
  - (b) The terms of both securities (except terms relating to amount, maturity, and interest)—
- are identical in all material respects.

**4. Persons accepting deposits exempt from the provisions of section 54 of the Securities Act 1978**—(1) Subject to subclause (2) of this clause, every person is exempted from compliance with the provisions of section 54 of the Act in respect of any deposit with that person.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that the person shall send, or cause to be sent, to the security holder at any time upon request and at least once every 6 months a written statement which properly evidences the nature, ownership, terms, and conditions of the security.

**5. Revocations**—The Securities Act (Continuous Issues) Exemption Notice 1983\* and the Securities Act (Continuous Issues) Exemption Notice 1983, Amendment No. 1† are hereby revoked.

Dated at Wellington this 10th day of August 1987.

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 replaces the Securities Act (Continuous Issues) Exemption Notice 1983, as amended by the Securities Act (Continuous Issues) Exemption Notice 1983, Amendment No. 1.

Clause 3 exempts, subject to the conditions specified in the notice, issuers of debt securities from compliance with sections 37A (1) (a) to (d) and 38 (a) and (b) of the Securities Act 1978 and regulation 10 of the Securities Regulations 1983 in respect of—

- (a) Offers of debt securities to persons who already hold or have previously held securities of the same class;
- (b) Offers of debt securities made in conjunction with another offer of debt securities made to persons who already hold or have previously held securities of the same class.

Clause 4 exempts persons accepting deposits from compliance with section 54 of the Act (which relates to the issue of certificates) upon the condition specified in that clause.

This notice is substantially the same as the Securities Act (Continuous Issues) Exemption Notice 1983 (as amended). The only differences are that—

- (a) Clause 3 of this notice also provides an exemption in respect of an offer of debt securities made in conjunction with another offer of debt securities made to persons who already hold or have previously held securities of the same class; and
- (b) The condition contained in clause 4 (2) has been amended to provide that a person accepting deposits must send to the security holder at any time upon request and at least once every 6 months a written statement which properly evidences the nature, ownership, terms, and conditions of the security.

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Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 13 August 1987.

This notice is administered in the Securities Commission.