



**THE SECURITIES ACT (CONTINUOUS ISSUES) 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 (Continuous Issues) 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:

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

“Guaranteeing group” means the group comprising—

(a) The specified issuer named in the first column of the Second Schedule to this notice; and

(b) The company named opposite the specified issuer in the second column of that Schedule; and

(c) Every subsidiary of the company referred to in paragraph (b) of this definition that—

(i) Is unconditionally liable (whether or not jointly or severally with the specified issuer or any other person) to repay the securities; or

(ii) Is liable to repay the securities subject only to the condition that the specified issuer or any other person has failed to do so:

“The Regulations” means the Securities Regulations 1983:

“Specified issuer” means a person named in the First Schedule to this notice.

(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. Specified issuers exempted from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of debt securities—(1) Subject to subclauses (2) and (3) of this clause, every specified issuer, and every person acting on behalf of a

specified issuer, is exempted from compliance with the provisions of sections 37A (1) (a) to (d) and 38 (a) and (b) of the Act and regulation 10 of the Regulations in respect of any offer of debt securities made by that specified issuer.

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

(a) That copies of the registered prospectus relating to the debt securities are on display and available to members of the public during normal business hours at each place of business of the specified issuer at which offers of the debt securities are made; and

(b) That at the date of allotment, the registered prospectus is not known by the specified issuer of the security, or any director of the specified issuer, to be false or misleading in a material particular by reason of failing to refer, to 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) The exemption granted by subclause (1) of this clause is subject, in the case of every specified issuer named in the first column of the Second Schedule to this notice, to the following further conditions:

(a) That the registered prospectus contains, or is accompanied by,—

(i) The most recent audited consolidated financial statements of the guaranteeing group that comply with the Financial Reporting Act 1993; and

(ii) Where the date of the registered prospectus is more than 9 months after the date of those statements, interim financial statements of the guaranteeing group; and

(b) That where the registered prospectus contains, or is accompanied by, interim financial statements of the guaranteeing group (whether pursuant to subparagraph (ii) of paragraph (a) of this subclause or not), those interim financial statements—

(i) Relate to a period that ends not more than 9 months after the period to which the most recent audited consolidated financial statements of the guaranteeing group relate; and

(ii) Contain all the information required to be included in the annual consolidated financial statements of the guaranteeing group, except that they need not be audited.

(4) Nothing in subclause (3) of this clause applies to a registered prospectus that contains an offer of debt securities made by a specified issuer and that is dated as at, or earlier than, the date specified opposite the name of that specified issuer in the third column of the Second Schedule to this notice.

(5) Subject to subclause (6) of this clause, every specified issuer, and every person acting on behalf of a specified issuer, is exempted from compliance with the provisions of clause 5 (1) of the Second Schedule to the Regulations in respect of any offer of debt securities made by that specified issuer.

(6) The exemption granted by subclause (5) of this clause is subject to the condition that the registered prospectus states, in relation to every director of the specified issuer,—

(a) The name of the director; and

- (b) The city, town, or district in which the principal place of residence of the director is situated; and
- (c) The technical or professional qualifications (if any) of the director; and
- (d) An address to which any document or communication relating to the offer of debt securities or the debt securities themselves may be sent to the director.

4. Specified issuers exempted from section 52 (1) and (2) of the Securities Act 1978 in relation to register of securities required to be kept under section 51 (1) (b) of that Act—(1) Subject to subclause (2) of this clause, every specified issuer that is a company is exempted from compliance with the provisions of section 52 (1) and (2) of the Act in respect of the register kept by the specified issuer under section 51 (1) (b) of the Act.

(2) The exemption from section 52 (1) of the Act granted by subclause (1) of this clause is subject to the condition that every register of securities kept under section 51 (1) (b) of the Act by the specified issuer must, except when duly closed (but subject to such reasonable restrictions as the specified issuer may impose, so that not less than 2 hours in each day must be allowed for inspection), be open to the inspection of any holder of securities entered on the register, or the representative of the holder, in respect of the securities of that holder, without fee.

5. Specified issuers allotting debt securities exempted from section 54 of the Securities Act 1978—(1) Subject to subclause (2) of this clause, every specified issuer is exempted from compliance with the provisions of section 54 of the Act in respect of any debt security allotted by that specified issuer.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that the specified issuer must 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 that properly evidences the nature, ownership, terms, and conditions of the security.

6. Revocations—The notices specified in the Third Schedule to this notice are hereby revoked.

SCHEDULES

FIRST SCHEDULE**SPECIFIED ISSUERS**

AA Finance Limited
Allied Finance Limited
Australian Guarantee Corporation (N.Z.) Limited
Centurion Finance Limited
Colonial Motor Company Limited
Electricity Corporation of New Zealand Limited
FCOS Finance Limited
Finance and Discounts Limited
Fisher & Paykel Finance Limited
Foodstuffs (South Island) Limited
Marac Finance Limited
Medical Securities Limited
Motor Trade Finances Limited
Reid Farmers Finance (Otago) Limited
Southland Development Corporation Limited
Speirs Group Limited
The Public Service Investment Society Limited
TCNZ Finance Limited
Trans Power Finance Limited
UDC Finance Limited
Wrightson Farmers Finance Limited

SECOND SCHEDULE

Trans Power Finance
LimitedTrans Power New
Zealand Limited

6 April 1995

THIRD SCHEDULE
NOTICES REVOKED

Notice	Statutory Regulations Serial Number
The Securities Act (Continuous Issues) Exemption Notice 1993	1993/189
The Securities Act (Continuous Issues) Exemption Notice 1993, Amendment No. 3	1994/154
The Securities Act (Continuous Issues) Exemption Notice 1993, Amendment No. 4	1994/214
The Securities Act (Continuous Issues) Exemption Notice 1993, Amendment No. 5	1995/73

Dated at Wellington this 22nd day of August 1995.

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

[L.S.]

E. H. ABERNETHY,
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*, replaces the Securities Act (Continuous Issues) Exemption Notice 1993. The notice is the same as that notice except in 2 respects. The first is the addition of a new condition in relation to the exemption from sections 37A (1) (a) to (d) and 38 (a) and (b) of the Securities Act 1978 and regulation 10 of the Securities Regulations 1983. This condition applies only to a specified issuer named in the Second Schedule to the notice. The second involves changes to the list of specified issuers named in the First Schedule as follows:

- (a) The addition of Trans Power Finance Limited, Reid Farmers Finance (Otago) Limited, and FCOS Finance Limited;
- (b) The omission of Mascot Finance Limited and The National Trading Company of New Zealand Limited;
- (c) The omission of UPC Securities Limited and substitution of Marac Finance Limited as a result of a change of name of UPC Securities Limited.

Clause 3 of the notice exempts the issuers named in the First Schedule to the notice from compliance with the provisions of 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 the case of offers of debt securities made by those issuers.

The exemption is subject to the conditions—

- (a) That copies of the registered prospectus relating to the debt securities are on display and available to the public during normal business hours at each place of business of the issuer at which offers of the securities are made; and
- (b) That at the date of allotment, the registered prospectus is not known by the issuer 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 it became misleading as a result of circumstances occurring after the date of the registered prospectus).

The exemption is subject, in the case of a specified issuer named in the first column of the Second Schedule to the notice, to the following further conditions:

- (a) That the registered prospectus contains, or is accompanied by,—
 - (i) The most recent audited consolidated financial statements of the guaranteeing group (as that term is defined) that comply with the Financial Reporting Act 1993; and
 - (ii) Where the date of the registered prospectus is more than 9 months after the date of those statements, interim financial statements of the guaranteeing group; and
- (b) That where the registered prospectus contains, or is accompanied by, interim financial statements of the guaranteeing group (whether pursuant to paragraph (a) (ii) above or not), those interim financial statements—
 - (i) Relate to a period that ends not more than 9 months after the period to which the most recent audited consolidated financial statements of the guaranteeing group relate; and
 - (ii) Contain all the information required to be included in the annual consolidated financial statements of the guaranteeing group, except that they need not be audited.

These particular conditions, that are new, do not apply to any existing prospectus of the specified issuer.

Clause 3 also exempts the issuers named in the First Schedule from compliance with the requirement of clause 5 (1) of the Second Schedule to the Securities Regulations 1983 that every prospectus containing an offer of debt securities must state the residential address of the directors of the issuer.

The exemption is subject to the condition that the prospectus states the city, town, or district in which the principal residence of each director is situated and an address to which communications relating to the securities may be sent to each director.

Clause 4 exempts the issuers named in the First Schedule that are companies from compliance with the provisions of section 52 (1) and (2) of the Securities Act 1978 in relation to the register of debt securities kept under section 51 (1) (b) of that Act.

Clause 5 exempts the issuers named in the First Schedule from compliance with section 54 of the Securities Act 1978 in respect of debt securities.

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

Date of notification in *Gazette*: 24 August 1995.

This notice is administered in the Securities Commission.