



**THE SECURITIES ACT (CONTINUOUS ISSUES) EXEMPTION  
NOTICE 1996**

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

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NOTICE

**1. Title and commencement**—(1) This notice may be cited as the Securities Act (Continuous Issues) Exemption Notice 1996.

(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 that 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 that 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) to (4) 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 does not apply to any offer by a specified issuer named in the first column of the Third Schedule to this notice of debt securities of the kind referred to opposite that specified issuer in the second column of that Schedule.

(3) 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, 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).

(4) 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 condition:

(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) Comply with any applicable requirements of the Financial Reporting Act 1993 with respect to interim financial statements as if those requirements related to financial statements to be included in a registered prospectus (which interim financial statements need not be audited).

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

(6) Subject to subclause (7) 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.

(7) The exemption granted by subclause (6) 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 that 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 subclauses (2) and (3) 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 does not apply to any offer by a specified issuer named in the first column of the Third Schedule to this notice of debt securities of the kind referred to opposite that specified issuer in the second column of that Schedule.

(3) 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 Securities Act (Continuous Issues) Exemption Notice 1995\* and the Securities Act (Continuous Issues) Exemption Notice 1995, Amendment No. 1† are hereby revoked.

SCHEDULES

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FIRST SCHEDULE  
SPECIFIED ISSUERS

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

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SECOND SCHEDULE

Trans Power Finance Limited	Trans Power New Zealand Limited	6 April 1995
Foodstuffs Properties (Wellington) Limited	Foodstuffs (Wellington) Co-operative Society Limited	4 July 1996

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THIRD SCHEDULE

Speirs Group Limited Subordinated notes

Dated at Wellington this 25th day of September 1996.

The Common Seal of the Securities Commission was hereunto 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 the day after the date of its notification in the *Gazette*, replaces the Securities Act (Continuous Issues) Exemption Notice 1995. The notice is essentially the same as that notice except in 3 respects. The first is that 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 does not apply to offers by a specified issuer named in the new Third Schedule to the notice of certain kinds of debt securities listed in that Schedule. The second involves changes to the list of specified issuers named in the First and Second Schedules as follows:

- (a) The addition of AMP/Ergo Mortgage and Savings Limited to the First Schedule;
- (b) The addition of Foodstuffs Properties (Wellington) Limited to the First and Second Schedules;
- (c) The omission of AA Finance Limited and Southland Development Corporation Limited from the First Schedule;
- (d) The correction of the name of The Colonial Motor Company Limited.

The third is that the exemption from section 54 of the Securities Act 1978 does not apply to certain debt securities issued by a specified issuer named in the new Third Schedule.

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) Comply with any applicable requirements of the Financial Reporting Act 1993 with respect to interim financial statements as if those requirements related to financial statements to be included in a registered prospectus (which interim financial statements need not be audited).

These particular conditions do not apply to a prospectus of the specified issuer that is dated earlier than the date referred to in the Second Schedule.

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. This exemption does not apply to any offer by a specified issuer named in the Third Schedule to the notice of certain kinds of debt securities listed in that Schedule.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 27 September 1996.  
This notice is administered in the Securities Commission.