



**SECURITIES ACT (TOWER LIFE (N.Z.) LIMITED) EXEMPTION
NOTICE (NO. 2) 1999**

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

ANALYSIS

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NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Tower Life (N.Z.) Limited) Exemption Notice (No. 2) 1999.

(2) This notice comes into force on 30 October 1999.

(3) Except as provided in clauses 3 (4) and 5 (3), this notice expires on the close of 31 March 2002.

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

“Act” means the Securities Act 1978;

“FRS-34” means Financial Reporting Standard FRS-34 ‘Life Insurance Business’ issued by the Institute of Chartered Accountants of New Zealand in November 1998;

“Regulations” means the Securities Regulations 1983;

“Schedule 3B” means Schedule 3B of the Regulations;

“Tower Life” means Tower Life (N.Z.) Limited;

“Transfer of life business” means the transfer of the life insurance business from Tower Corporation to Tower Life that took place on or about 1 October 1999 under the scheme for conversion of Tower Corporation from a statutory corporation to a company limited by shares under Part IV of the Tower Corporation Act 1990 (as confirmed by the High Court under section 18 of that Act).

(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 from clauses 5 and 7 (2) of Schedule 3B until 28 February 2001—(1) Tower Life, and every person acting on its behalf, are exempted, in respect of any registered prospectus relating to life insurance policies, from—

- (a) Clause 5 of Schedule 3B, to the extent that that clause requires disclosure in the registered prospectus of financial information for Tower Life in relation to the year ended 30 September 1998 and prior years; and
 - (b) Clause 7 (2) of Schedule 3B, to the extent that that clause requires disclosure in the registered prospectus of information relating to the business acquired by Tower Life under the transfer of life business.
- (2) The exemption is subject to the condition that the registered prospectus contains or is accompanied by—
- (a) Pro forma financial statements for Tower Life for the years ended 30 September 1997 and 30 September 1998, prepared on the basis that FRS-34 had applied throughout those years and on the assumption that the transfer of life business had taken place on 30 September 1996 and 30 September 1997 respectively; and
 - (b) Pro forma interim financial statements for Tower Life for the 6 months ended 31 March 1999, prepared on the basis that FRS-34 had applied throughout those months and on the assumption that the transfer of life business had taken place on 30 September 1998; and
 - (c) A copy of a statement by a qualified auditor to the effect that, in his or her opinion, the pro forma financial statements and interim financial statements of Tower Life that are contained in or accompany the registered prospectus—
 - (i) Comply with the terms and conditions of this notice; and
 - (ii) So far as the accounting policies and calculations are concerned, have been properly compiled on the footing of the assumptions set out in the notes to the financial statements, and are presented on a basis consistent with the accounting policies set out in those notes.
- (3) The exemption is subject to the further condition that the registered prospectus contains—
- (a) A pro forma summary financial statement for Tower Life for each of the years ended 30 September 1997 and 30 September 1998 prepared—
 - (i) As if clause 5 (2) to (6) of Schedule 3B applied; and
 - (ii) On the basis that FRS-34 had applied throughout those years; and
 - (iii) On the assumption that the transfer of life business had taken place on 30 September 1996 and 30 September 1997 respectively; and
 - (b) A summary financial statement for the life insurance business of Tower Corporation for each of the years ended 30 September 1995 and 30 September 1996, prepared as if clauses 5 (2),

5 (3) (a) (i) to (v) and (vii) to (xiii), 5 (3) (b) (ii), and 5 (4) to (6) of Schedule 3B applied; and

- (c) A copy of a statement by a qualified auditor as to whether the amounts stated in the summary financial statements referred to in paragraphs (a) and (b) have been correctly taken from the financial statements referred to in subclause (2) (a) and the audited financial statements of Tower Corporation for the years ended 30 September 1995 and 30 September 1996 respectively.

(4) This clause expires on the close of 28 February 2001.

4. Exemption from clauses 5 and 7 (2) of Schedule 3B from 28 February 2001—(1) Tower Life, and every person acting on its behalf, are exempted, in respect of any registered prospectus relating to life insurance policies, from—

- (a) Clause 5 of Schedule 3B, to the extent that that clause requires disclosure in the registered prospectus of financial information for Tower Life in relation to the year ended 30 September 1999 and prior years; and
- (b) Clause 7 (2) of Schedule 3B, to the extent that that clause requires disclosure in the registered prospectus of information relating to the business acquired by Tower Life under the transfer of life business.

(2) The exemption is subject to the condition that the registered prospectus contains a pro forma summary financial statement for Tower Life for each of the years ended 30 September 1997, 30 September 1998, and 30 September 1999 prepared—

- (a) As if clause 5 (2) to (6) of Schedule 3B applied; and
- (b) On the basis that FRS-34 had applied throughout those years; and
- (c) On the assumption that the transfer of life business had taken place on 30 September 1996, 30 September 1997, and 30 September 1998 respectively.

5. Exemption from section 37A (1) (c) of Act until 28 February 2001—(1) Tower Life, and every person acting on its behalf, are exempted from section 37A (1) (c) of the Act in respect of life insurance policies of which Tower Life is the issuer.

(2) The exemption is subject to the conditions that—

- (a) The most recent registered prospectus relating to the life insurance policies contains or is accompanied by—
- (i) The financial statements described in clause 3 (2) (a); and
- (ii) Until 29 February 2000, the financial statements described in clause 3 (2) (b); and
- (iii) On and from 1 March 2000, pro forma financial statements for Tower Life for the year ended 30 September 1999 that are prepared on the basis that FRS-34 had applied throughout that year and on the assumption that the transfer of life business had taken place on 30 September 1998; and
- (iv) A copy of a statement by a qualified auditor to the effect that, in his or her opinion, the pro forma financial statements of Tower Life that are contained in or accompany the registered prospectus—

- (A) Comply with the terms and conditions of this notice; and
 - (B) So far as the accounting policies and calculations are concerned, have been properly compiled on the footing of the assumptions set out in the notes to the financial statements, and are presented on a basis consistent with the accounting policies set out in those notes; and
- (b) A copy of the most recent specified directors certificate (if any) accompanies each copy of the registered prospectus that is distributed to any person by or on behalf of Tower Life.
- (3) This clause expires on the close of—
- (a) 29 February 2000, if Tower Life has not delivered to the Registrar for registration during February 2000 a specified directors certificate dated during that month;
 - (b) 30 June 2000, if Tower Life has not delivered to the Registrar for registration during June 2000 a specified directors certificate dated during that month;
 - (c) 28 February 2001, in any other case.
- (4) In this clause, “specified directors certificate” means a certificate that relates to the most recent registered prospectus and that—
- (a) Is signed on behalf of all the directors by at least 2 directors of Tower Life; and
 - (b) States that, in the opinion of all directors of Tower Life after due enquiry by them,—
 - (i) The financial position shown in the financial statements referred to in subclause (2)(a)(iii) has not materially and adversely changed during the period from the date of those financial statements to the date of the certificate; and
 - (ii) The registered prospectus is not, as at the date of the certificate, false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to, adverse circumstances.

6. Revocation—The Securities Act (Tower Life (N.Z.) Limited) Exemption Notice 1999 (S.R. 1999/328) is revoked.

Dated at Wellington this 26th day of October 1999.

The Common Seal of the Securities Commission was 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 30 October 1999, exempts Tower Life (N.Z.) Limited, subject to conditions, from clauses 5 and 7 (2) of Schedule 3B of the Securities Regulations 1983 and section 37A (1) (c) of the Securities Act 1978 in relation to life insurance policies issued by the company.

Clauses 3 and 5 of this notice expire on 28 February 2001. The rest of this notice expires on 31 March 2002.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 28 October 1999.
This notice is administered in the Securities Commission.