



**THE SECURITIES ACT (EXCHANGE OF DEBT SECURITIES)
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 (Exchange of Debt Securities) 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:

“Extraordinary resolution” means a resolution passed by not less than three-fourths of the holders of the debt securities to whom an offer of specified debt securities is made present in person or by proxy at a meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given provided that there is present in person or by authorised representative of the holders of such debt securities, a clear majority in nominal amount of those debt securities that are outstanding:

“Specified debt securities” means debt securities issued to any person who is the holder of outstanding debt securities issued by any other company in exchange for those debt securities.

(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.

3. Certain issuers of debt securities exempt from provisions of the Securities Act 1978—(1) Subject to subclause (2) of this clause, every company is exempted from compliance with the provisions of section 37A (1) (a) to (d) of the Act in respect of any offer of specified debt securities.

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

- (a) Before allotment of the specified debt securities the exchange of debt securities for those specified debt securities is approved by an extraordinary resolution of the holders of the debt securities to whom the offer is made; and
- (b) Before allotment of the specified debt securities the company has delivered to the person to whom the offer is made, or sent to him at his address last known to the company, the most recent registered prospectus that relates to the specified debt securities to which the offer relates that is, at the date of allotment, a registered prospectus; and
- (c) At the date of allotment, the registered prospectus relating to the specified debt securities being offered is not known by the company, or any director of the company, 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).

Dated at Wellington this 18th 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 exempts companies, subject to certain conditions, from compliance with the provisions of section 37A (1) (a) to (d) of the Securities Act 1978 in respect of offers of debt securities to persons who hold debt securities issued by another company where the debt securities are offered in exchange for the debt securities issued by that other company.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 21 November 1985.
This notice is administered in the Securities Commission.