



**SECURITIES ACT (LLOYD'S OF LONDON) EXEMPTION NOTICE
1997**

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

NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Lloyd's of London) Exemption Notice 1997.

(2) This notice comes into force on the day after the date of its notification in the *Gazette*.

(3) This notice expires on the close of 31 August 2002.

2. Application—This notice applies to securities offered for subscription both before and after the commencement, on 1 October 1997, of the Securities Amendment Act 1996.

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

“The Act” means the Securities Act 1978:

“Byelaw” means a byelaw of Lloyd's made pursuant to the Lloyd's Act 1982 (UK):

“Issuer” has the same meaning as in section 2 (1) of the Act; and includes, in the case of specified securities that are interests in a limited partnership constituted under the laws of Scotland, that limited partnership:

“Lloyd's” means the society incorporated by the name of Lloyd's pursuant to the Lloyd's Act 1871 (UK):

“Qualifying member” means a person who is a member of Lloyd's at the date when an offer of specified securities is made to that person and who was a member of Lloyd's on 1 July 1997:

“The Regulations” means the Securities Regulations 1983:

“Rules” means the Conditions and Requirements Applicable to Conversion and Related Arrangements made from time to time under paragraph 5 (1) of the Conversion and Related Arrangements Byelaw:

“Specified security” means a security that is offered in accordance with the Rules to a qualifying member in connection with the transfer to the issuer of the security of all or part of the qualifying member's right to participate in underwriting business at Lloyd's.

(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.

4. Issuers exempt from provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of securities offered to members of Lloyd's—(1) Every issuer of specified securities and every person acting on its behalf are exempted from sections 33, 37, 37A, and 38A of the Act and from the Regulations (except regulation 8) in respect of any offer of those securities.

(2) The exemption is subject to the condition that the document that contains the offer of the specified securities contains, or is accompanied by a document that contains, prominent statements that—

- (a) Persons to whom the offers are made should satisfy themselves of the tax implications of investing in the specified securities; and
- (b) The offer and allotment of the specified securities will be governed by the offer document and will be made in accordance with the laws of the jurisdiction in which the issuer is constituted and the Rules; and
- (c) The issuer may not be subject in all respects to New Zealand law; and
- (d) The contract in respect of the specified securities may not be enforceable in New Zealand courts; and
- (e) The financial reporting requirements applying in New Zealand and those applying to the issuer may be different, and the financial statements of the issuer may not be compatible in all respects with financial statements prepared in accordance with the Act and the Financial Reporting Act 1993; and
- (f) The offer document is not a registered prospectus under New Zealand law and may not contain all the information that a New Zealand registered prospectus is required to contain; and
- (g) Persons to whom the offers are made may obtain, on request and free of charge, from the issuer a copy of:
 - (i) The Rules; and
 - (ii) The Conversion and Related Arrangements Byelaw; and
 - (iii) The most recent version of the document entitled “Conversion: a guide” prepared by Lloyd's.

5. Issuers of specified securities exempt from sections 51 to 54B of the Securities Act 1978—Every issuer of specified securities and every person acting on its behalf are exempted from sections 51 to 54B of the Act in respect of those securities.

Dated at Wellington this 12th day of August 1997.

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 the day after the date of its notification in the *Gazette*, exempts issuers of securities offered to members of Lloyd's from compliance with certain provisions of the Securities Act 1978 and the Securities Regulations 1983.

The securities are those that will be offered by companies, limited partnerships, and other entities to members of Lloyd's in exchange for the transfer of those members' rights to participate in Lloyd's underwriting business. The offers are being made as part of schemes for converting the unlimited liability of those members to limited liability.

The notice applies both before and after the new disclosure requirements for securities come into effect on 1 October 1997.

Prior to 1 October 1997, the notice will exempt the securities from sections 33, 37, 37A, 38A, and 51 to 54 of the Act and from the Regulations (except regulation 8). The effect of this exemption is that the offers will be exempt from the requirement that they be made by means of a registered prospectus or an authorised advertisement. In addition, issuers of the securities will be exempt from sections 51 to 54. Section 51 relates to the requirement for issuers to keep registers of securities. Section 52 confers a right to inspect securities registers. Section 53 relates to accounting records, and section 54 relates to the issue of certificates for securities.

After 1 October 1997, the notice will exempt the securities from sections 33, 37, 37A, 38A, and 51 to 54B of the Act, and from the Regulations (except regulation 8). This means that the offers will be exempt from the investment statement and prospectus requirements. In addition to the exemption from sections 51 to 54, there will be an exemption from any obligation under sections 54A and 54B to send prescribed information to security holders.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 14 August 1997.
This notice is administered in the Securities Commission.