



**THE SECURITIES ACT (INTEREST RATE DISCLOSURE)
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 (Interest Rate Disclosure) 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;

“The Regulations” means the Securities Regulations 1983;

“The Second Schedule” means the Second Schedule to the Regulations.

(2) Any term or expression which is not defined in this notice, but which is defined in the Act or the Regulations shall have the meaning given to it by the Act or the Regulations.

3. Issuers exempt from requirement to state interest rates imposed by clause 14 of the Second Schedule to the Securities Regulations 1983—(1) Subject to subclause (2) of this clause, every issuer, and every person acting on behalf of an issuer, is exempt from compliance with clause 14 of the Second Schedule, to the extent that that clause requires a registered prospectus that relates to an offer of debt securities to contain the rate or rates of interest that may be earned on those debt securities, in respect of any offer of debt securities made by that issuer.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that the registered prospectus relating to the offer of debt securities contains,—

- (a) A statement to the effect that the interest rate or rates that may be earned by holding the debt securities will be the interest rate or rates set by the issuer; and
- (b) A statement of the method by which the interest rate or rates may be ascertained.

(3) Nothing in subclause (2) (a) of this clause shall limit or prevent an issuer from varying the rate or rates of interest payable on debt securities after the allotment of those securities in accordance with the terms of those securities.

Dated at Wellington this 26th day of February 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 issuers of debt securities from compliance with clause 14 of the Second Schedule to the Securities Regulations 1983. The exemption applies to the extent that the clause requires a registered prospectus that relates to an offer of debt securities to contain the rate or rates of interest that may be earned by holding the securities. The exemption is subject to the condition that the registered prospectus contains a statement to the effect that the interest rate or rates that may be earned by holding the securities will be the rate or rates set by the issuer and also states the method for ascertaining the interest rate or rates.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 28 February 1985.
This notice is administered in the Securities Commission.