



**THE SECURITIES ACT (DIVIDEND REINVESTMENT)
EXEMPTION NOTICE 1987**

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 (Dividend Reinvestment) Exemption Notice 1987.

(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:

“Convertible securities” means debt securities that will be converted, or are or will become convertible at the option of the security holder, into equity securities of the issuer of the debt securities:

“The Regulations” means the Securities Regulations 1983.

(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. Application—This notice applies to any offer of equity securities made by the issuer of those securities to any person who already holds equity securities or convertible securities of the issuer, being an offer made on terms which—

- (a) Entitle that person to subscribe for those equity securities by applying all or any specified part of any dividends declared by the issuer and payable to that person; or
- (b) Require the issuer to allot those equity securities to that person as fully paid shares in consideration for that person foregoing the right to receive all or any specified part of any dividends declared by the issuer and otherwise payable to that person.

4. Issuers exempt from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of certain offers of equity securities—(1) Subject to subclause (3) of this clause, every issuer, and every person acting on behalf of that issuer, is exempted from

compliance with the provisions of paragraphs (e) and (f) of subsection (1) and subsection (2) of section 37A of the Act in respect of any offer of equity securities to which this notice applies.

(2) Subject to subclause (3) of this clause, every issuer, and every person acting on behalf of that issuer, is exempted, in respect of any offer of equity securities to which this notice applies, from compliance with the provisions of subclause (1) of regulation 3 of the Regulations in so far as that subclause requires a registered prospectus to contain the information, statements, certificates, and other matters specified in clauses 1 (3), 2 to 18, 19 (2), 20, and 22 to 42 of the First Schedule to the Regulations.

(3) The exemptions granted by subclauses (1) and (2) of this clause are subject to the following conditions—

- (a) That copies of the audited consolidated balance sheet as at the end of, and the audited consolidated profit and loss account for, the most recently completed accounting period of the issuer may be obtained free of charge by any person to whom the offer is made; and
- (b) That the registered prospectus states the place or places where copies of such audited consolidated balance sheet and audited consolidated profit and loss account may be so obtained.

5. Revocation—The Securities Act (Dividend Reinvestment) Exemption Notice 1984* is hereby revoked.

Dated at Wellington this 4th day of August 1987.

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 comes into force on the day after the date of its notification in the *Gazette*.

The notice applies to offers of equity securities made to existing holders of equity or convertible securities on terms which entitle the person to whom the offer is made to subscribe for such securities by applying dividends declared and payable to that person or which require the issuer to allot such securities as fully paid up in consideration for that person foregoing the right to receive dividends declared by the issuer and payable to that person.

The notice exempts issuers, in the case of such offers, from compliance with the requirements of section 37A (1) (e) and (f) and (2) of the Securities Act 1978 and regulation 3 (1) of the Securities Regulations 1983 in so far as that subclause requires a registered prospectus to contain the information, statements, certificates, and other matters specified in clauses 1 (3), 2 to 18, 19 (2), 20 and 22 to 42 of the First Schedule to those regulations.

The notice replaces the Securities Act (Dividend Reinvestment) Exemption Notice 1984. That notice also applied to such offers but exempted issuers from compliance with the requirements of section 37A (1) (e) and (f) and (2) of the Securities Act 1978, regulation 4 (1) (c) of the Securities Regulations 1983 and regulation 4 (1) (e) of those regulations in so far as that paragraph required a registered prospectus to state or contain the matters specified in clauses 1 (3) and 9 of the First Schedule to those regulations. Regulation 4 of those regulations relates to short form prospectuses.

Although this notice exempts issuers from requirements of regulation 3 of the Securities Regulations 1983 (which relates to prospectuses generally) the effect of the exemption is the same in all material respects as the Securities Act (Dividend Reinvestment) Exemption Notice 1984 except that whereas that notice applied to offers of equity securities made by companies, this notice applies to companies and any other person or body issuing equity securities.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 6 August 1987.

This notice is administered in the Securities Commission.