



**THE SECURITIES ACT (COMBINED RURAL TRADERS)
EXEMPTION NOTICE 1992**

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 (Combined Rural Traders) Exemption Notice 1992.

(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:

“Member” means a person who is a member of a specified issuer and who is the holder of a specified participatory security in accordance with the rules of that specified issuer:

“The Regulations” means the Securities Regulations 1983:

“Specified debt securities” means amounts owing by the specified issuer to a member that are—

(a) Credited to the account of the member and that are calculated by reference to purchases of goods or services made by the member:

(b) Credited to the account of the member from the earnings of the specified issuer where the total amount to be credited to all members has been determined by the members of the specified issuer in general meeting:

“Specified issuer” means a person named in the Schedule to this notice:

“Specified participatory securities” means shares which are issued by a specified issuer pursuant to the Industrial and Provident Societies Act 1908.

(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. Specified issuers exempt from certain provisions of Securities Act 1978 and Securities Regulations 1983—(1) Subject to subclause (3) of this clause, every specified issuer is exempted from compliance with the provisions of—

- (a) Sections 37A (1), 38 (a) to (c), and 54 of the Act; and
- (b) Regulation 3 (2) of the Regulations in so far as that regulation requires the registered prospectus containing an offer of debt securities to contain the information, statements, certificates, and other matters specified in clauses 7 to 13, 15 to 32, 33 (b), 35, and 36 of the Second Schedule to the Regulations—

in respect of any offer or allotment of specified debt securities.

(2) Subject to subclause (3) of this clause, every specified issuer is exempted from compliance with the provisions of—

- (a) Sections 33 (3), 37A (1), 38 (a) to (c), and 54 of the Act; and
- (b) Regulation 3 (3) of the Regulations in so far as that regulation requires the registered prospectus containing an offer of participatory securities to contain the information, statements, certificates, and other matters specified in clauses 6 to 18, 20 to 35, 37, and 38 of the Third Schedule to the Regulations—

in respect of any offer of specified participatory securities.

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

- (a) That before allotment of the securities a copy of the most recent registered prospectus relating to the offer of securities has been given or sent to the persons to whom the offer is made; and
- (b) That a copy of an audited consolidated balance sheet as at the end of, and an audited consolidated profit and loss account for, the most recently completed accounting period of the specified issuer, which give a true and fair view of the state of affairs and results thereof in accordance with the provisions relating to accounts contained in the Companies Act 1955—

(i) Has, before allotment of the security, been given or sent to the persons to whom the offer is made; or

(ii) Is attached to, or contained in, the registered prospectus given or sent to the persons to whom the offer is made; and

- (c) That the accounts of the specified issuer referred to in subclause (3) (b) of this clause contain a statement, signed by or on behalf of the directors of the specified issuer, as to whether, after due enquiry by them in relation to the period between the date of those accounts and the date that the accounts are distributed in accordance with subclause (3) (b) of this clause, there have, in their opinion, arisen any circumstances that materially adversely affect—

(i) The trading or profitability of the specified issuer; or

(ii) The value of its assets; or

(iii) The ability of the specified issuer to pay its liabilities due within the next 12 months; and

- (d) That no allotment of the securities is made if the date of allotment would be more than 15 months after the date of the balance sheet referred to in paragraph (b) of this subclause; and

- (e) That at the date of allotment of the securities, the most recent registered prospectus that relates to the securities is not known

by the specified issuer, or any director of the specified issuer, 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); and

- (f) That the specified issuer shall not require any person who is a member to make any payments to the specified issuer on account of any specified participatory securities issued or to be issued to that member, other than specified participatory securities which form part of a member's original application for specified participatory securities, unless the members have agreed in general meeting to the requirement to make such payments and adequate provision has been made for members who object to making any such payment to withdraw from the specified issuer and to be paid, within 6 months of notifying the specified issuer of their intention to withdraw, all amounts that in respect of specified debt securities and specified participatory securities they have a right to receive or that are payable to them or that are credited to their accounts.

4. Revocation—The Securities Act (Combined Rural Traders) Exemption Notice 1990* is hereby revoked.

*S.R. 1990/15

SCHEDULE

Combined Rural Traders (Canterbury) Society Limited.
Combined Rural Traders (Otago) Society Limited.
Combined Rural Traders (Nelson) Society Limited.
Combined Rural Traders (South Canterbury) Society Limited.
Combined Rural Traders (Marlborough) Society Limited.
Combined Rural Traders (Southland) Society Limited.

Dated at Wellington this 24th day of September 1992.

The Common Seal of the Securities Commission was hereunto affixed in the presence of:

[L.s.]

P. D. MCKENZIE,
Chairman.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice exempts certain members of the Combined Rural Traders group from compliance with provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of certain debt and participatory securities.

The notice replaces the Securities Act (Combined Rural Traders) Exemption Notice 1990. The principal differences between that notice and this notice are as follows:

- (a) This notice contains an exemption from clause 33 (b) of the Second Schedule to the Securities Regulations 1983 in respect of offers of specified debt securities:
- (b) It is a condition of the exemptions granted by this notice that no allotment of securities is made more than 15 months after the date of the balance sheet given or sent to members:
- (c) This notice does not apply to Combined Rural Traders (Northern) Society Limited.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 1 October 1992.
This notice is administered in the Securities Commission.