



Securities Act (Minimum Subscription) Exemption Notice 2000

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

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Notice

1 Title

This notice is the Securities Act (Minimum Subscription) Exemption Notice 2000.

2 Commencement

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

3 Expiry

This notice expires on the close of 30 June 2004.

4 Interpretation

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

Act means the Securities Act 1978

Regulations means the Securities Regulations 1983

specified participatory securities means participatory securities the terms of which require that the price for the securities

is payable by instalments over a period specified in the registered prospectus and the investment statement relating to the securities with the first instalment payable on subscription for the securities

specified units means units in a unit trust the terms of which require that the price for the units is payable by instalments over a period specified in the registered prospectus and the investment statement relating to the units with the first instalment payable on subscription for the units

trust deed,—

- (a) in the case of specified participatory securities, means the deed of participation required in respect of those securities by section 33(3) of the Act;
 - (b) in the case of specified units, has the same meaning as in section 2(1) of the Unit Trusts Act 1960.
- (2) Any term or expression defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from section 37(2) of Act for certain participatory securities and units

- (1) Every issuer and every person acting on its behalf are exempted, in respect of specified participatory securities and specified units, from compliance with section 37(2) of the Act in so far as the minimum amount referred to in that subsection must be paid to, and received by, the issuer within 4 months after the date of the registered prospectus.
- (2) The exemption is subject to the condition that subscribers for the specified participatory securities or specified units have, within 4 months after the date of the registered prospectus, become legally bound to pay the minimum amount referred to in section 37(2) of the Act to the issuer under the trust deed relating to those specified participatory securities or specified units.

6 Exemption from section 37A(2) of Act for certain participatory securities

- (1) Every issuer and every person acting on its behalf are exempted from section 37A(2) of the Act in respect of specified participatory securities.

- (2) The exemption is subject to the conditions that—
- (a) subscribers for the specified participatory securities become legally bound, at the time of subscription, to meet the full subscription price of the specified participatory securities in the manner and at the time specified in the investment statement relating to the specified participatory securities; and
 - (b) the only condition of the obligation referred to in paragraph (a) is that the specified participatory securities are allotted; and
 - (c) no specified participatory securities are allotted unless—
 - (i) the manager holds subscriptions for all the specified participatory securities offered; and
 - (ii) all the specified participatory securities are allotted at the same time.

7 Revocation

The Securities Act (Minimum Subscription) Exemption Notice (No 2) 1999 (SR 1999/365) is revoked.

Dated at Wellington this 19th day of September 2000.

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 comes into force on the day after the date of its notification in the *Gazette* and expires on 30 June 2004.

The notice replaces the Securities Act (Minimum Subscription) Exemption Notice (No 2) 1999.

The notice applies to participatory securities and units in unit trusts the terms of which require the price to be paid by instalments over a period specified in the registered prospectus with the first instalment payable on subscription.

Clause 5 of the notice continues the exemption in the Securities Act (Minimum Subscription) Exemption Notice (No 2) 1999. The clause exempts issuers of participatory securities and units from the prohibition against allotment in section 37(2) of the Securities Act 1978 if the minimum amount referred to in that subsection is not paid to the issuer within 4 months after the date of the registered prospectus.

The exemption is subject to the condition that subscribers have, within 4 months after the date of the registered prospectus, become legally bound to pay that amount to the issuer under the participation deed or the trust deed relating to the securities.

Clause 6 is new. The clause exempts issuers of participatory securities from section 37A(2) of the Act. Section 37A(2) prohibits allotments of participatory securities unless the amount payable on application for the security is at least 10% of the nominal amount of the security.

The exemption is subject to the conditions that—

- (a) subscribers for the participatory securities become legally bound, at the time of subscription, to meet the full subscription price of the participatory securities in the manner and at the time specified in the investment statement relating to the participatory securities; and
- (b) the only condition of subscribers becoming legally bound to meet the subscription price is that the participatory securities are allotted; and
- (c) no participatory securities are allotted unless—
 - (i) the manager holds subscriptions for all the participatory securities offered; and
 - (ii) all the participatory securities are allotted at the same time.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 21 September 2000.

This notice is administered in the Securities Commission.
