



**SECURITIES ACT (RURAL WATER SCHEMES) EXEMPTION
NOTICE 1999**

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

ANALYSIS

1. Title, commencement, and expiry
2. Interpretation
3. Exemptions
4. Conditions

SCHEDULE
Specified Issuers

NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Rural Water Schemes) Exemption Notice 1999.

(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 October 2003.

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

“Act” means the Securities Act 1978:

“Regulations” means the Securities Regulations 1983:

“Specified issuer” means a person that is named in the Schedule:

“Specified securities” means equity securities or participatory securities that relate to a water scheme:

“Water scheme” means a non-profit scheme for the construction, development, and maintenance of water facilities to supply water solely for rural residential purposes.

(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.

3. Exemptions—Every specified issuer and every person acting on its behalf are exempted from sections 33 (3), 37, and 51 to 54 of the Act in respect of specified securities.

4. Conditions—(1) The exemptions granted by clause 3 are subject to the condition that every investment statement containing an offer of specified securities contains, or is accompanied by, a copy of each of the following documents:

- (a) The rules of the specified issuer, if the issuer is a society incorporated under either the Incorporated Societies Act 1908 or the Industrial and Provident Societies Act 1908, or, if the specified issuer is a company and has a constitution, the constitution of the issuer:
 - (b) A feasibility study of the water scheme that states—
 - (i) The assumptions on which the study is based; and
 - (ii) The prospective capital costs related to the scheme, including a separate statement of the prospective annual operating costs:
 - (c) A report by a qualified auditor on the feasibility study.
- (2) The exemptions granted by clause 3 are subject to the further condition that the specified issuer must—
- (a) Repay to subscribers all subscriptions received if the minimum amount that, in the opinion of the directors of the issuer, must be raised by the issue of specified securities in order for the water scheme to proceed is not received by the issuer within 4 months of the date on which the first offer of the securities is made; and
 - (b) Give to every holder of specified securities a copy of the audited financial statements of the issuer for the most recently completed accounting period, within 4 months of the completion of that accounting period.

Cl. 2

SCHEDULE
SPECIFIED ISSUERS

Highbank Water Society Limited.

Dated at Wellington this 19th day of February 1999.

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 31 October 2003.

The notice exempts, subject to conditions, offers of equity and participatory securities made in connection with non-commercial rural water schemes from sections 33 (3), 37, and 51 to 54 of the Securities Act 1978. The exemption applies only to specified issuers listed in the Schedule.

Specified issuers are exempted from the requirements in the Act regarding prospectuses, the keeping of securities registers, accounting records, and the issuing of certificates. Where the securities are participatory securities, specified issuers are also exempted from the requirement that a statutory supervisor be appointed.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 25 February 1999.
This notice is administered in the Securities Commission.