



Securities Act (New Zealand Post Limited Pre-paid Debit Cards) Exemption Notice 2007

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

Contents

		Page
1	Title	1
2	Commencement	1
3	Expiry	2
4	Interpretation	2
5	Exemptions	2
6	Conditions of exemption in clause 5(a)	2
7	Conditions of exemptions in clause 5(b)	3
8	Condition of exemption in clause 5(c)	4
9	Condition of exemption in clause 5(d)	4
10	Condition of exemption in clause 5(e)	5
11	Further condition relating to statement of fees and charges	5

Notice

- 1 **Title**
This notice is the Securities Act (New Zealand Post Limited Pre-paid Debit Cards) Exemption Notice 2007.

- 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 November 2012.

4 Interpretation

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

Act means the Securities Act 1978

company means New Zealand Post Limited

net amount, in relation to specified debt securities, means an amount equivalent to the face value of all specified debt securities issued by the company on a particular day less any amounts paid by the company for the redemption or cancellation of specified debt securities on that day

Regulations means the Securities Regulations 1983

specified debt securities means call debt securities in the form of pre-paid debit cards issued by the company in favour of security holders.

(2) Any term or expression that is 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 Exemptions

The company and every person acting on its behalf are, in respect of the specified debt securities, exempted from—

- (a) section 33(2) of the Act; and
- (b) section 37A(1)(c) of the Act and clauses 7, 8, 13, 15 to 32, 35, and 36 of Schedule 2 of the Regulations; and
- (c) section 52(1) of the Act; and
- (d) section 52(3) of the Act; and
- (e) section 54 of the Act.

6 Conditions of exemption in clause 5(a)

The exemption in clause 5(a) is subject to the conditions that,—

- (a) as soon as practicable, the company deposits the net amount received in respect of specified debt securities into a bank account kept specially for that purpose with a registered bank; and

- (b) the company is liable as a term of the offer to repay the face value of any specified debt securities from the time the payment for the specified debt securities is received.

7 Conditions of exemptions in clause 5(b)

- (1) The exemptions in clause 5(b) are subject to the conditions that—
 - (a) every registered prospectus containing or referring to an offer of specified debt securities contains, or is accompanied by, a copy of the most recent—
 - (i) audited financial statements of the company that—
 - (A) comply with the Financial Reporting Act 1993; and
 - (B) have either been presented to the House of Representatives in accordance with section 17(2) of the State-Owned Enterprises Act 1986 or have been published in accordance with section 17(2A) of that Act; and
 - (ii) certificate prepared in accordance with paragraph (b); and
 - (b) during the period that the offer of specified debt securities remains open for subscription, the company lodges with the Registrar certificates that—
 - (i) refer to the most recent audited financial statements of the company; and
 - (ii) are signed on behalf of the directors by at least 2 directors of the company; and
 - (iii) except as provided in subclause (2), are dated not later than 4 months after the balance date in respect of the most recent audited financial statements of the company; and
 - (iv) state that, in the opinion of the directors of the company after due enquiry by them, the registered prospectus is not, at the date of the certificate, false or misleading in a material particular by reason of failing to refer or give proper emphasis to adverse circumstances; and
 - (v) either—

- (A) state that the information contained in the registered prospectus under clause 12 of Schedule 2 of the Regulations is correct; or
 - (B) contain a current statement of the information specified in clause 12 of Schedule 2 of the Regulations; and
 - (c) except as provided in subclause (2), the company lodges the certificates referred to in paragraph (b) with the Registrar not later than 4 months after the balance date in respect of the most recent audited financial statements of the company.
- (2) Subclause (1)(b)(iii) and (c) do not apply to the certificate that—
- (a) is lodged by the company with the Registrar when the prospectus containing or referring to an offer of specified debt securities is delivered to the Registrar for registration; and
 - (b) refers to the company's audited financial statements in respect of the 30 June 2007 balance date.

8 Condition of exemption in clause 5(c)

The exemption in clause 5(c) is subject to the condition that the register kept by the company under section 51(1)(b) of the Act is, except when duly closed (but subject to any reasonable restrictions that the company may impose, so that not less than 2 hours in each day is allowed for inspection), open, without fee, to the inspection of any holder of a specified debt security in respect of the specified debt security of that holder.

9 Condition of exemption in clause 5(d)

The exemption in clause 5(d) is subject to the condition that, on payment by a holder of a specified debt security of the fee prescribed for the purposes of section 52(4) of the Act, the company provides to the holder of the specified debt security a copy of any part of the register kept under section 51(1)(b) of the Act that relates to the specified debt security of the security holder.

10 Condition of exemption in clause 5(e)

The exemption in clause 5(e) is subject to the condition that, immediately after a person subscribes for a specified debt security, the company delivers to that person a pre-paid debit card representing that specified debt security.

11 Further condition relating to statement of fees and charges

The exemptions in clause 5 are subject to the further condition that a person who subscribes for a specified debt security must, before subscribing, have received a statement of the fees and charges associated with the specified debt security.

Dated at Wellington this 20th day of November 2007.

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

[Seal]

J Diplock,
Chairperson.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 30 November 2012, exempts New Zealand Post Limited, subject to conditions, from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of pre-paid debit cards issued by New Zealand Post Limited.

The Securities Commission considers that it is appropriate to grant the exemptions because—

- the nature and features of the pre-paid debit cards are such that they are not intended to be investment products. Cardholders can withdraw their money at any time, and cardholders' funds will be held in a special purpose bank account. The effect of the conditions of the exemptions is that potential purchasers of pre-paid debit cards will be provided with sufficient disclosure, including advance disclosure of the fees and charges that will apply, to enable them to make an informed decision about whether to purchase, and deposit funds onto, a pre-paid debit card:
- the Securities Commission considers that full compliance with the Securities Act 1978 and the Securities Regulations 1983 would not provide additional benefits to purchasers of pre-paid debit cards that would offset the costs of compliance.

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

Date of notification in *Gazette*: 22 November 2007.

This notice is administered by the Securities Commission.
