



**THE SECURITIES REGULATIONS 1983,
AMENDMENT NO. 1**

PAUL REEVES, Governor-General

ORDER IN COUNCIL

At Wellington this 16th day of May 1988

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to section 70 (1) of the Securities Act 1978, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, and in accordance with a recommendation of the Securities Commission, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Securities Regulations 1983, Amendment No. 1, and shall be read together with and deemed part of the Securities Regulations 1983* (hereinafter referred to as the principal regulations).

(2) These regulations shall come into force on the 1st day of July 1988.

2. First Schedule amended—(1) The First Schedule to the principal regulations is hereby amended by revoking clause 36, and substituting the following clause:

“36. **Statement of cash flows**—A consolidated statement of cash flows for the group giving a true and fair view of those cash flows—

“(a) For the period to which the profit and loss account set out in the registered prospectus pursuant to clause 34 (1) of this Schedule relates, which statement shall be audited; and

“(b) For the period to which any profit and loss account set out in the registered prospectus pursuant to clause 34 (2) of this Schedule relates, which statement need not be audited.”

(2) Clause 42 of the First Schedule to the principal regulations is hereby amended by omitting from subclause (1) (a) the words “changes in financial position”, and substituting the words “cash flows”.

3. Second Schedule amended—(1) The Second Schedule to the principal regulations is hereby amended by revoking clause 29, and substituting the following clause:

“29. **Statement of cash flows**—A consolidated statement of cash flows for the group giving a true and fair view of those cash flows—

“(a) For the period to which the profit and loss account set out in the registered prospectus pursuant to clause 27 (1) of this Schedule relates, which statement shall be audited; and

“(b) For the period to which any profit and loss account set out in the registered prospectus pursuant to clause 27 (2) of this Schedule relates, which statement need not be audited.”

(2) Clause 36 of the Second Schedule to the principal regulations is hereby amended by omitting from subclause (1) (a) the words “changes in financial position”, and substituting the words “cash flows”.

4. Third Schedule amended—(1) The Third Schedule to the principal regulations is hereby amended by revoking clause 33, and substituting the following clause:

“33. **Statement of cash flows**—A statement of cash flows for the scheme giving a true and fair view of those cash flows—

“(a) For the period to which the profit and loss account set out in the registered prospectus pursuant to clause 31 (1) of this Schedule relates, which statement shall be audited; and

“(b) For the period to which any profit and loss account set out in the registered prospectus pursuant to clause 31 (2) of this Schedule relates, which statement need not be audited.”

(2) Clause 38 of the Third Schedule to the principal regulations is hereby amended by omitting from subclause (1) (a) the words “changes in financial position”, and substituting the words “cash flows”.

5. Application to existing prospectuses—(1) Nothing in clause 36 of the First Schedule to the principal regulations (as substituted by regulation 2 (1) of these regulations) or clause 42 (1) (a) of that Schedule (as amended by regulation 2 (2) of these regulations) shall apply to a registered prospectus that is registered before the 1st day of July 1988. The provisions of clauses 36 and 42 (1) (a) of the First Schedule to the principal regulations, as in force immediately before the commencement of these regulations, shall apply in respect of any such prospectus.

(2) Nothing in clause 29 of the Second Schedule to the principal regulations (as substituted by regulation 3 (1) of these regulations) or clause 36 (1) (a) of that Schedule (as amended by regulation 3 (2) of these regulations) shall apply to a registered prospectus that is registered before

the 1st day of July 1988. The provisions of clauses 29 and 36 (1) (a) of the Second Schedule to the principal regulations, as in force immediately before the commencement of these regulations, shall apply in respect of any such prospectus.

(3) Nothing in clause 33 of the Third Schedule to the principal regulations (as substituted by regulation 4 (1) of these regulations) or clause 38 (1) (a) of that Schedule (as amended by regulation 4 (2) of these regulations) shall apply to a registered prospectus that is registered before the 1st day of July 1988. The provisions of clauses 33 and 38 (1) (a) of the Third Schedule to the principal regulations, as in force immediately before the commencement of these regulations, shall apply in respect of any such prospectus.

MARIE SHROFF,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 1 July 1988, alter a requirement relating to information which must be disclosed in registered prospectuses under the Securities Regulations 1983.

Registered prospectuses which contain offers of equity, debt, or participatory securities are required to contain a statement of changes in financial position.

This requirement is contained in the case of a registered prospectus containing offers of equity securities in clause 36 of the First Schedule to the regulations, in the case of a registered prospectus containing offers of debt securities in clause 29 of the Second Schedule to the regulations, and in the case of a registered prospectus containing offers of participatory securities in clause 33 of the Third Schedule to the regulations.

These regulations substitute a requirement that the prospectus in each case contains a statement of cash flows.

The regulations also make consequential amendments to clause 42 of the First Schedule to the regulations, clause 36 of the Second Schedule, and clause 38 of the Third Schedule. These clauses relate to the content of the auditor's report.

The new requirements do not apply to prospectuses registered before 1 July 1988.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 19 May 1988.

These regulations are administered in the Department of Justice.