

**Reprint
as at 1 September 2010**



**Securities Act (Loan and Building
Society) Exemption Notice 2005**

(SR 2005/271)

Securities Act (Loan and Building Society) Exemption Notice 2005: expired,
on 1 September 2010, by clause 3.

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	2
2 Commencement	2
3 Expiry	2
4 Interpretation	2
5 Exemption from regulation 3(3) of Regulations	3
6 Conditions of exemption	3

Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

This notice is administered by the Securities Commission.

Notice

1 Title

This notice is the Securities Act (Loan and Building Society) Exemption Notice 2005.

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 31 August 2010.

4 Interpretation

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

Act means the Securities Act 1978

Regulations means the Securities Regulations 1983

rights prospectus means a registered prospectus issued by the society that relates only to an offer of specified participatory securities made by the society to persons who already hold specified participatory securities of the society, whether or not the offer is renounceable in favour of any other person

society means the Loan and Building Society

specified date, in relation to a prospectus, means the date the prospectus is delivered in registrable form to the Registrar for registration under section 42 of the Act

specified participatory securities means shares issued or to be issued by the society under section 11 of the Building Societies Act 1965 that—

- (a) carry the right to payment of a dividend from the annual surplus or accumulated reserves of the society; and
- (b) are irredeemable or redeemable only at the option of the society; and
- (c) entitle the holders to participate in the assets of the society on liquidation after the payment of all other liabilities of the society.

- (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 Exemption from regulation 3(3) of Regulations

The society and every person acting on its behalf are exempted from regulation 3(3) of the Regulations in respect of a rights prospectus.

6 Conditions of exemption

The exemption in clause 5 is subject to the following conditions:

- (a) a copy of the most recent annual financial statements of the society laid before the society at its annual general meeting in accordance with section 91(2) of the Building Societies Act 1965, and a copy of all reports required by that Act to be annexed or attached to those financial statements,—
- (i) have previously been given or sent to the persons who were, at the time those financial statements were given or sent, holders of specified participatory securities; or
 - (ii) are attached to every rights prospectus given or sent to any person under the Act; and
- (b) all of the following matters are stated or contained in every rights prospectus:
- (i) the matters specified in clauses 1, 9, 19(1), and 21 of Schedule 1 of the Regulations as if the specified participatory securities were equity securities;
 - (ii) the date of the statement of financial position included in the financial statements referred to in paragraph (a);
 - (iii) the place or places where copies of the financial statements and reports referred to in paragraph (a) can be obtained free of charge by any person to whom an offer of specified participatory securities is made; and

- (c) every rights prospectus contains a statement by the directors of the society as to whether, after due inquiry by them in relation to the period between the date referred to in paragraph (b)(ii) and the specified date, there have, in their opinion, arisen any circumstances that materially adversely affect—
- (i) the trading or profitability of the society; or
 - (ii) the value of its assets; or
 - (iii) the ability of the society to pay its liabilities due within the next 12 months.

Dated at Wellington this 9th day of September 2005.

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

[Seal]

J Diplock,
Chairperson.

Statement of reasons

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on 31 August 2010.

The notice exempts, subject to conditions, the Loan and Building Society (the **society**) from regulation 3(3) of the Securities Regulations 1983 in respect of a registered prospectus that relates only to an offer of building society shares by the society to members who already hold shares in the society.

The Securities Commission considers that it is appropriate to grant the exemption for the following reasons:

- building society shares are participatory securities in terms of the Securities Act 1978. However, some of those shares have the characteristics of equity securities. The Commission has recognised this in the Securities Act (Building Societies) Exemption Notice 2002, which allows a prospectus for building society shares to contain the information usually required in a prospectus for equity securities:
- it is consistent with the policy of the Securities Act (Building Societies) Exemption Notice 2002 to allow a building society undertaking a rights offer to use a short form prospectus, as could a company. The exemption achieves that, with conditions requiring investors to be given disclosure equivalent to that provided to company shareholders in a rights offer.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 15 September 2005.

Contents

- 1 General
 - 2 Status of reprints
 - 3 How reprints are prepared
 - 4 Changes made under section 17C of the Acts and Regulations Publication Act 1989
 - 5 List of amendments incorporated in this reprint (most recent first)
-

Notes**1 General**

This is a reprint of the Securities Act (Loan and Building Society) Exemption Notice 2005. The reprint incorporates all the amendments to the notice as at 1 September 2010, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that have yet to come into force or that contain relevant transitional or savings provisions are also included, after the principal enactment, in chronological order.

2 Status of reprints

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 How reprints are prepared

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and provisions that are repealed or revoked are omitted. For a detailed list of the editorial conventions, *see*

<http://www.pco.parliament.govt.nz/legislation/reprints.shtml>
or Part 8 of the *Tables of Acts and Ordinances and Statutory Regulations, and Deemed Regulations in Force*.

4 Changes made under section 17C of the Acts and Regulations Publication Act 1989

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)
- position of the date of assent (it now appears on the front page of each Act)

- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

5 *List of amendments incorporated in this reprint
(most recent first)*

Securities Act (Loan and Building Society) Exemption Notice 2005 (SR 2005/271): clause 3
