

**Reprint
as at 1 April 2011**



**Securities Act (Industrial and
Provident Societies) Exemption
Notice 2002**

(SR 2002/404)

Securities Act (Industrial and Provident Societies) Exemption Notice 2002:
revoked, on 1 April 2011, by clause 12 of the Securities Act (Industrial and
Provident Societies) Exemption Notice 2011 (SR 2011/60).

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

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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.

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Notice

- 1 Title**
This notice is the Securities Act (Industrial and Provident Societies) Exemption Notice 2002.

- 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.
Clause 3: amended, on 21 September 2007, by clause 3 of the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 (SR 2007/277).

- 4 Interpretation**
(1) In this notice, unless the context otherwise requires,—

 - Act** means the Securities Act 1978
 - member** means a person who is a member of a society and who is the holder of a specified participatory security in accordance with the rules of the society
 - Regulations** means the Securities Regulations 1983
 - society** means a society registered under the Industrial and Provident Societies Act 1908 that is named in the Schedule
 - specified debt securities** means amounts owing by a society to a member that are—
 - (a) credited to the account of the member and that are calculated by reference to purchases of goods or services made by the member; or

- (b) credited to the account of the member from the earnings of the society where the total amount to be credited to all members has been determined by the members of the society in general meeting

specified participatory securities means shares issued by a society under the Industrial and Provident Societies Act 1908.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the meaning given to it by the Act or the Regulations.

5 Exemptions

- (1) A society and every person acting on its behalf are exempted from—
 - (a) section 33(3) of the Act in respect of specified participatory securities; and
 - (b) section 37A(1)(c) of the Act in respect of specified participatory securities and specified debt securities; and
 - (c) *[Revoked]*
 - (d) section 54 of the Act in respect of specified participatory securities and specified debt securities; and
 - (e) regulation 3(3) of the Regulations in respect of specified participatory securities; and
 - (f) clauses 5 to 11, 15 to 32, and 34 to 36 of Schedule 2 of the Regulations in respect of specified debt securities.
- (2) However, the exemption from clause 34 of Schedule 2 of the Regulations does not apply to a first offer to the public of a class of specified debt securities of the society.

Clause 5(1)(c): revoked, on 21 September 2007, by clause 3 of the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 (SR 2007/277).

6 Condition that securities allotted only to members

The exemptions in clause 5 are subject to the condition that the securities are allotted only to persons who are, or after allotment will be, members of the society.

7 Condition about payments on account of participatory securities

The exemption in clause 5(1)(a) is subject to the further condition that the society does not require a member to pay money to the society on account of specified participatory securities (other than specified participatory securities forming part of the member's original application) that have been, or are to be, allotted to the member unless—

- (a) the members of the society have agreed at a general meeting to the requirement to make the payments; and
- (b) adequate provision has been made for members who object to making the payments to withdraw from the society and to be paid, within 6 months of notifying the society of their intention to withdraw, the amounts they are entitled to be paid as holders of specified participatory securities or that are payable to them or that are credited to their accounts.

8 Condition that directors' statement must be attached to investment statement

- (1) The exemptions in clause 5(1)(b), (e), and (f) are subject to the further condition that every copy of the investment statement that is sent or made available more than 9 months after the date of the most recent statement of financial position of the society registered under the Financial Reporting Act 1993 has attached to it (or contained in it) a statement—
 - (a) that is dated 9 months after the date of that statement of financial position; and
 - (b) that is signed by each of the directors of the society (or his or her agent who has been authorised in writing).
- (2) The statement must contain the following matters:
 - (a) particulars of any material matters relating to the offer of securities other than—
 - (i) matters set out elsewhere in the investment statement, registered prospectus, or most recent financial statements; and
 - (ii) contracts entered into in the ordinary course of business; and

- (b) a statement as to whether, after due inquiry by them in relation to the period between the date of the society's most recent statement of financial position and the date of the directors' statement referred to in this clause, 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 the assets of the society; or
 - (iii) the ability of the society to pay its liabilities due within the next 12 months.

9 Condition about financial statements

The exemption in clause 5(1)(b) is subject to the further condition that a copy of the most recent audited financial statements of the society, being financial statements that comply with the Financial Reporting Act 1993, is attached to, or contained in, every copy of the registered prospectus sent to a person under section 54B of the Act.

Clause 9: amended, on 21 September 2007, by clause 3 of the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 (SR 2007/277).

10 Condition about statement of shareholding in lieu of certificate evidencing securities

- (1) The exemption in clause 5(1)(d) is subject to the further condition that the society sends to each member annually, and at any time on request, a written statement that sets out—
 - (a) the class or classes of securities held by that member; and
 - (b) the number of securities in each class held by that member.
- (2) However, this condition does not require a society to send an annual statement to a member if the total number of securities in each class held by the member has not changed since the most recent of the following dates:
 - (a) the date on which this notice comes into force;
 - (b) the date on which a written statement was sent to the member under this clause:

- (c) the date on which a certificate was sent to the member under section 54 of the Act.

11 Condition about information in prospectus

The exemption from clause 5(1)(e) is subject to the further condition that the registered prospectus contains the information specified in clauses 1 to 3, 10, 21, 39, and (in the case of the first offer to the public of a class of participatory securities) clause 40 of Schedule 1 of the Regulations, in all respects as if the specified participatory securities were equity securities.

Schedule

Industrial and provident societies to which this notice applies

cl 4(1)

Ashburton Trading Society Limited
Ashburton/Lyndhurst Irrigation Society Limited
Canterbury Education Services Society Limited
Combined Rural Traders Society Limited
Composite Retail Society Limited
Farmlands Trading Society Limited
Foodstuffs (Wellington) Co-operative Society Limited
Mayfield Hinds Irrigation Society Limited
Rural Couriers Society Limited

Schedule Canterbury Education Services Society Limited: inserted, on 10 July 2009, by clause 4 of the Securities Act (Industrial and Provident Societies) Exemption Amendment Notice 2009 (SR 2009/194).

Schedule Foodstuffs (Wellington) Co-operative Society Limited: inserted, on 11 April 2008, by clause 4 of the Securities Act (Industrial and Provident Societies) Exemption Amendment Notice 2008 (SR 2008/100).

Schedule GreenFields Society Limited: revoked, on 21 September 2007, by clause 3 of the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 (SR 2007/277).

Schedule Independent Timber Merchants Society Limited: revoked, on 21 September 2007, by clause 3 of the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 (SR 2007/277).

Schedule Landbase Trading Society Limited: revoked, on 21 September 2007, by clause 3 of the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 (SR 2007/277).

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Schedule

Schedule Mayfield Hinds Irrigation Society Limited: inserted, on 19 December 2002, by clause 3 of the Securities Act (Industrial and Provident Societies) Exemption Notice 2002 Amendment Notice 2002 (SR 2002/407).

Dated at Wellington this 11th day of December 2002.

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

[Seal]

J Diplock,
Chairperson.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 12 December 2002.

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Notes**1 General**

This is a reprint of the Securities Act (Industrial and Provident Societies) Exemption Notice 2002. The reprint incorporates all the amendments to the notice as at 1 April 2011, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, see <http://www.pco.parliament.govt.nz/reprints/>.

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/editorial-conventions/> or Part 8 of the *Tables of New Zealand 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 (Industrial and Provident Societies) Exemption Notice 2011 (SR 2011/60): clause 12

Securities Act (Industrial and Provident Societies) Exemption Amendment Notice 2009 (SR 2009/194)

Securities Act (Industrial and Provident Societies) Exemption Amendment Notice 2008 (SR 2008/100)

Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 (SR 2007/277): clause 3

Securities Act (Industrial and Provident Societies) Exemption Notice 2002 Amendment Notice 2002 (SR 2002/407)

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Notes