

**Reprint  
as at 2 July 2011**



**Securities Act (Taxation Changes  
Affecting Investment Statement  
Disclosures) Exemption Notice  
2010**

(SR 2010/272)

Securities Act (Taxation Changes Affecting Investment Statement Disclosures)  
Exemption Notice 2010: expired, on 2 July 2011, 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).

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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.**

## Notice

### 1 Title

This notice is the Securities Act (Taxation Changes Affecting Investment Statement Disclosures) Exemption Notice 2010.

### 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 1 July 2011.

### 4 Interpretation

- (1) In this notice, unless the context otherwise requires,—  
**1983 regulations** means the Securities Regulations 1983  
**2009 regulations** means the Securities Regulations 2009  
**Act** means the Securities Act 1978.
- (2) Any term or expression that is defined in the Act or the 2009 regulations and used, but not defined, in this notice has the same meaning as in the Act or the 2009 regulations.

### 5 Exemptions from regulation 7A(1) and (4) of 1983 regulations and regulations 19(1) and 21 of 2009 regulations

Every issuer and every person acting on behalf of an issuer are exempted from the following regulations in respect of information that must be disclosed in an investment statement because of changes to tax rates arising from any provision of the Taxation (Budget Measures) Act 2010:

- (a) regulation 7A(1) and (4) of the 1983 regulations;
- (b) regulations 19(1) and 21 of the 2009 regulations.

### 6 Conditions of exemptions in clause 5

The exemptions in clause 5 are subject to the conditions that any supplementary information necessary to update the investment statement—

- (a) must have been distributed to investors when the exemption is relied on; and

- (b) must be set out in a style and format that are consistent with the investment statement in such a way that the supplementary information can be clearly identified as relating to particular questions addressed in the investment statement.

Dated at Wellington this 24th day of August 2010.

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

[Seal]

N O Todd,  
Member.

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### **Statement of reasons**

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 1 July 2011, exempts issuers from regulation 7A(1) and (4) of the Securities Regulations 1983 (the **1983 regulations**) and regulations 19(1) and 21 of the Securities Regulations 2009 (the **2009 regulations**) in relation to information that must be disclosed in an investment statement because of changes to tax rates arising from the Taxation (Budget Measures) Act 2010. The exemptions are subject to conditions.

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

- some investment statements include specific information about tax rates and their effect on potential returns and fees. Changes to tax rates provided for in the Taxation (Budget

Measures) Act 2010 may mean that such information should be updated:

- additionally, it is possible that in some cases the effect of the tax changes may require information to be disclosed to ensure that the existing disclosure in the investment statement is not false or misleading in a material particular, so that the ongoing allotment of the securities is not prevented in terms of section 37A(1)(b) of the Securities Act 1978:
- this transitional exemption allows any relevant information about the changes to be provided by means of a supplementary document for a limited period so that issuers are not required to immediately redesign, reprint, and redistribute investment statements:
- any changes arising from tax rate changes are likely to relate to the impact on returns and fees and be relatively discrete. The conditions of the exemptions require the supplementary information necessary to update the investment statement to have been distributed to investors when the exemption is relied on, and require that the information be set out in a style and format that are consistent with the existing investment statement so that the information can be clearly identified as relating to particular questions addressed in the existing investment statement:
- for this reason, in cases where the supplementary information is information applicable to particular securities described in an existing investment statement, but is not information required to be disclosed to ensure the existing disclosure is not false or misleading in a material particular, the exemption enables issuers to distribute the supplementary information without having to simultaneously provide the existing investment statement:
- no exemption, however, is provided from section 37A(1)(b) of the Securities Act 1978, so no securities may be allotted if the existing investment statement is known to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances. Accordingly, in the event that any changes render an existing investment statement materially misleading then either a new investment statement will need to be prepared and distributed before securities

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Exemption Notice 2010**

Statement of  
reasons

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are allotted or the existing investment statement will need to be distributed with the supplementary document so that when they are read together the requirements of section 37A(1)(b) are met. The exemptions from the ordering requirements of regulation 21 of the 2009 regulations and regulation 7A(4) of the 1983 regulations avoid the need for immediate redesign and reprinting of the existing investment statement.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 26 August 2010.

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## Notes

### **1** *General*

This is a reprint of the Securities Act (Taxation Changes Affecting Investment Statement Disclosures) Exemption Notice 2010. The reprint incorporates all the amendments to the notice as at 2 July 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 (Taxation Changes Affecting Investment Statement Disclosures)  
Exemption Notice 2010 (SR 2010/272): clause 3

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