

**Reprint
as at 1 April 2013**



**Securities Act (Rights, Options, and
Convertible Securities) Exemption
Amendment Notice (No 2) 2009**

(SR 2009/265)

Securities Act (Rights, Options, and Convertible Securities) Exemption Amendment Notice (No 2) 2009: revoked, on 1 April 2013, pursuant to clause 15 of the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 2013 (SR 2013/65).

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 Financial Markets Authority.

Notice

1 Title

This notice is the Securities Act (Rights, Options, and Convertible Securities) Exemption Amendment Notice (No 2) 2009.

2 Commencement

This notice comes into force on 1 October 2009.

3 Principal notice amended

This notice amends the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 2002.

4 Interpretation

Clause 4(1) is amended by revoking the definition of **Regulations** and substituting the following definition:

“**Regulations** means the Securities Regulations 2009”.

5 Exemption relating to rights issue

- (1) The heading to clause 10 is amended by omitting “**Exemption**” and substituting “**Exemptions**”.
- (2) Clause 10 is amended by omitting “Regulations” and substituting “Securities Regulations 1983 or regulation 6(1)(a) and (2) of the Regulations”.
- (3) Clause 10 is amended by adding the following subclause as subclause (2):
“(2) Every person is exempted from section 37A(1)(ab)(i) of the Act in respect of an allotment of securities to a subscriber for those securities in whose favour an offer of those securities has been renounced to the extent that the offer is an offer made to persons who already hold securities of the issuer.”

Dated at Wellington this 21st day of September 2009.

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 1 October 2009, amends the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 2002.

Section 37A(1)(a) of the Securities Act 1978 requires an investment statement relating to securities to be given to a person before that person subscribes for those securities. The principal notice provides an exemption from this requirement if the subscription arises from the subscriber taking up a right that has been renounced by the person originally entitled to that right.

The exemption recognises that as rights trade on a securities market (when renounced), it is not possible for the issuer of securities to ensure that an investment statement is given to the eventual subscriber. Offers of securities that are made using a simplified disclosure prospectus (an **SDP**) do not require an investment statement. However, section 37A(1)(ab)(i) of the Securities Act 1978 requires that in the case of a security offered in an SDP, the subscriber must receive a copy of the SDP before subscription. This raises the same difficulty as is encountered in respect of the investment statement.

The Securities Commission considers that it is appropriate to amend the principal notice because—

- as rights that have been renounced trade on a securities market, it is not possible for the issuer of securities to ensure that an investment statement is delivered to the eventual subscriber. Accordingly, the principal notice exempts the issuer from the requirement to give an investment statement relating to secur-

ities to a person before that person subscribes for those securities in those circumstances:

- this notice amends the principal notice to ensure that the relief that is provided for rights offers made under the Securities Regulations 1983 is also available for rights offers made under the Securities Regulations 2009:
- offers made using an SDP will not have an investment statement. However, section 37A(1)(ab)(i) of the Securities Act 1978 requires that in the case of a security offered in an SDP, the subscriber must receive a copy of the SDP before subscription. This requirement raises the same difficulty as is encountered in respect of investment statements:
- this exemption provides the same relief for renounceable rights offers under an SDP as is available for an offer in an investment statement.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 24 September 2009.

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Notes

1 *General*

This is a reprint of the Securities Act (Rights, Options, and Convertible Securities) Exemption Amendment Notice (No 2) 2009. The reprint incorporates all the amendments to the notice as at 1 April 2013, 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 (Rights, Options, and Convertible Securities) Exemption Notice 2013 (SR 2013/65): clause 15
