

**Reprint
as at 1 December 2014**



**Securities Markets Act (Disclosure
of Relevant Interests by Directors
and Officers) Exemption
Amendment Notice 2009**

(SR 2009/112)

Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Amendment Notice 2009: revoked, on 1 December 2014, pursuant to clause 3 of the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Notice 2004 (SR 2004/105).

Pursuant to section 48(1)(a) of the Securities Markets Act 1988, 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 subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.

Note 4 at the end of this reprint provides a list of the amendments incorporated.

This notice is administered by the Financial Markets Authority.

Notice

- 1 Title**

This notice is the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Amendment Notice 2009.
- 2 Commencement**

This notice comes into force on its notification in the *Gazette*.
- 3 Principal notice amended**

This notice amends the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Notice 2004.
- 4 Expiry**

Clause 3 is amended by omitting “2009” and substituting “2014”.
- 5 New clause 9 substituted**

Clause 9 is revoked and the following clause substituted:
- “9 Exemption from section 19T of Act for directors and officers if disclosure made in Australia or United Kingdom**

Every director and officer of a public issuer is exempted from section 19T of the Act in respect of any relevant interest in a security of the public issuer or a related body corporate that that director or officer has, or acquires or disposes of, if that director or officer has made a valid disclosure in relation to that relevant interest under the listing rules of a stock exchange in Australia or the United Kingdom on which securities of the public issuer are listed and that disclosure has been disclosed to NZX for the purpose of making the information to which that disclosure relates available to participants in the securities market operated by NZX on which securities of the public issuer are listed.”
- 6 Conditions to exemption in clause 13**

Clause 14(1)(c) is amended by revoking subparagraph (iii) and substituting the following subparagraph:

“(iii) may aggregate multiple acquisitions and multiple disposals in the manner permitted by regulation 12 of the regulations, but as if the reference in subclause (1) of that regulation to the 5 trading day period referred to in section 19T(2) of the Act were a reference to the 30-day disclosure period referred to in paragraph (b) of this subclause; and”.

Dated at Wellington this 28th day of April 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 its notification in the *Gazette*, amends the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Notice 2004 (the **principal notice**).

The Commission extended the term of the principal notice, except in respect of redundant exemptions, because it considers the reasons justifying the exemptions remain valid.

The Commission granted an exemption from section 19T of the Securities Markets Act 1988 (the **Act**) in respect of relevant interests that are held, acquired, or disposed of in, or in relation to—

- (a) debt securities that are unlisted, unquoted, and for which there is no established market; and
- (b) life insurance and superannuation scheme products and passive index funds; and
- (c) unlisted investment products of passive fund issuers and related bodies corporate (if the directors or officers holding those relevant interests would otherwise have a disclosure obligation in respect of that passive fund issuer or related body corporate only because they are directors or officers of that passive fund issuer); and
- (d) unlisted unit trusts and unlisted group investment funds offered by a related body corporate of an issuer.

The Commission considers it was appropriate to grant these exemptions because the risk of insider trading in these securities is minimal and without an exemption directors and officers holding the interests would be subject to disclosure obligations that would raise significant privacy and practical compliance issues. Further, the Commission considered compliance with the disclosure regime in these circumstances would not provide information that furthers the market information or anti-insider trading purposes of the disclosure regime. The Commission granted an exemption from section 19T of the Act, subject to conditions, in respect of holdings, acquisitions, or disposals of relevant interests that have already been validly disclosed under rule 10.9.3 or 10.9.4 of the Listing Rules of NZX. These rules were revoked when the Act's directors' and officers' disclosure regime came into force, as the Act's regime replaced and extended the regime in the Listing Rules for disclosure in relation to New Zealand listed issuers.

The Commission considered it was appropriate to grant this exemption because requiring disclosures made under the Listing Rules to be made again would cause unnecessary duplication. With the Listing Rules regime revoked, these exemptions are now redundant and can be revoked.

The Commission granted an exemption from section 19T of the Act, subject to conditions, in respect of holdings, acquisitions, or disposals of relevant interests that have already been validly disclosed under

the listing rules of a stock exchange in Australia or the United Kingdom and under the Listing Rules of NZX, which require the issuer to provide NZX with the same information they are required to give their home exchange.

The Commission considered this exemption was appropriate to avoid unnecessary duplication.

The Commission granted an exemption from section 19T of the Act in respect of a director or an officer of an issuer that would be an overseas listed public issuer but for the fact that the issuer maintains a primary listing on more than 1 overseas registered exchange.

The Commission considered it was appropriate to grant this exemption to extend the policy of the exemption contained in regulation 22 of the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations 2003 relating to overseas listed issuers to such directors and officers.

The Commission granted an exemption from section 19T of the Act in respect of certain relevant interests in non-listed securities of a co-operative company.

The Commission considered it was appropriate to grant this exemption to extend the practical effect of the statutory exemption afforded by section 19X of the Act, namely the exemption for directors and officers of co-operative companies who have relevant interests in non-listed securities of that company, to directors and officers of co-operative companies whose relevant interests in non-listed securities of co-operative companies are held indirectly through a vehicle like a partnership, company, or trust.

The Commission granted an exemption from section 19T(2) of the Act in respect of relevant interests acquired or disposed of under share top-up plans, dividend reinvestment schemes, and employee share schemes, subject to conditions such as allowing 30 days, rather than the statutory prescribed 5 trading days, within which transactions may be disclosed.

The Commission considered it was appropriate to grant this exemption because such transactions are not affected by contemporaneous market information.

In this notice the Commission extends the scope of the exemption available in respect of overseas listed issuers that are listed on the NZX and in Australia or the United Kingdom to also cover circum-

stances where issuers are dual listed in Australia and on any of NZX's markets or have a primary listing in both New Zealand and the United Kingdom. This exemption is granted to avoid unnecessary duplication of disclosure.

In this notice the Commission also amends the conditions of the exemption relating to the manner of disclosure of aggregated multiple transactions in respect of relevant interests acquired under share top-up plans, dividend reinvestment schemes, and employee share schemes because consistency of disclosure requirements assists ease of compliance and accessibility of the information.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 30 April 2009.

Reprints notes

1 *General*

This is a reprint of the Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Amendment Notice 2009 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Securities Markets Act (Disclosure of Relevant Interests by Directors and Officers) Exemption Notice 2004 (SR 2004/105): clause 3
