



Securities (Local Authority Exemption) Amendment Act 2008

Public Act 2008 No 23
Date of assent 8 April 2008
Commencement see section 2

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Securities (Local Authority Exemption) Amendment Act 2008.
- 2 Commencement**
This Act comes into force on the day after the date on which it receives the Royal assent.
- 3 Principal Act amended**
This Act amends the Securities Act 1978.

4 Interpretation

Section 2(1) is amended by inserting the following definition in its appropriate alphabetical order:

“**local authority** has the meaning set out in section 5(1) of the Local Government Act 2002”.

5 Exemptions from this Act

(1) Section 5 is amended by inserting the following subsections after subsection (3):

“(3A) Nothing in sections 37, 37A(1)(c) and (d) and (1A), and 39 to 44 applies in respect of a debt security the issuer of which is a local authority.

“(3B) The exemption in subsection (3A) is subject to the conditions that—

“(a) the investment statement relating to the debt securities refers to the most recent audited financial statements, and audited consolidated financial statements, for the local authority; and

“(b) if the date of allotment of the debt securities would be more than 9 months after the balance date of the financial statements referred to in paragraph (a), the investment statement relating to the debt securities refers to interim financial statements, and interim consolidated financial statements, for the local authority that have been prepared in accordance with generally accepted accounting practice (within the meaning of section 5(1) of the Local Government Act 2002) for a period beginning on the day after that balance date and ending on a date that is not more than 9 months later; and

“(c) it is a term of the offer of the debt securities to the public that the local authority will, upon the request of a security holder or a prospective investor for a copy of any financial statements referred to in paragraph (a) or (b), without fee, send, or cause to be sent, to that security holder or prospective investor, a copy of those statements; and

“(d) the investment statement relating to the debt securities contains, unless the debt securities are expressly guaranteed by the Crown under the Public Finance Act 1989,

a statement that the debt securities being offered are not guaranteed by the Crown.

“(3C) The conditions in subsection (3B) apply despite anything to the contrary in any regulations made under this Act.

“(3D) The financial statements referred to in subsection (3B)(a) and (b) must, for the purposes of this Act, be treated as forming part of the investment statement relating to the debt securities.”

(2) Section 37AC(1)(e)(i) is consequentially amended by omitting “section 5A” and substituting “section 5(3A) or 5A”.

(3) Section 37AD(1)(b)(iii) is consequentially amended by omitting “section 5A” and substituting “section 5(3A) or 5A”.

Legislative history

5 September 2007	Introduction (Bill 152–1)
12 September 2007	First reading and referral to Commerce Committee
10 March 2008	Reported from Commerce Committee (Bill 152–2)
19 March 2008	Second reading
1 April 2008	Committee of the whole House
3 April 2008	Third reading
8 April 2008	Royal assent

This Act is administered by the Ministry of Economic Development.
