



Securities Act (New Zealand Greyhound Racing Association Incorporated) Exemption Notice 2009

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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Notice

- 1 Title**
This notice is the Securities Act (New Zealand Greyhound Racing Association Incorporated) Exemption Notice 2009.
- 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 September 2014.

4 Interpretation

(1) In this notice, unless the context otherwise requires,—

Act means the Securities Act 1978

approved code of practice means the code of practice for regulating offers of equity securities and specified participatory securities to the public for subscription that is—

- (a) administered by Greyhound Racing NZ; and
- (b) approved by the Commission

Greyhound Racing NZ means New Zealand Greyhound Racing Association Incorporated

registered greyhound means a greyhound that is—

- (a) used, or is intended to be used, for the purpose of breeding or racing (or both); and
- (b) registered with Greyhound Racing NZ

registered greyhound ownership, in relation to a registered issuer or scheme, includes—

- (a) the ownership of an interest in registered greyhounds:
- (b) the ownership of, or of an interest in, the progeny of registered greyhounds that are eligible to be, but are not, registered with Greyhound Racing NZ:
- (c) the breeding or racing (or both) of the following greyhounds that the registered issuer or scheme owns or owns an interest in:
 - (i) registered greyhounds:
 - (ii) greyhounds referred to in paragraph (b)

registered issuer means,—

- (a) in relation to an offer of equity securities, a company, the principal business of which relates to registered greyhound ownership, that—
 - (i) has agreed to comply with the approved code of practice; and
 - (ii) is registered with Greyhound Racing NZ:
- (b) in relation to an offer of specified participatory securities, a person who—
 - (i) has agreed to comply with the approved code of practice; and
 - (ii) is registered with Greyhound Racing NZ

Regulations means the Securities Regulations 2009

specified participatory security means a participatory security that relates exclusively to a scheme in respect of registered greyhound ownership.

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

5 Exemptions relating to equity securities

Every registered issuer and every person acting on behalf of a registered issuer is exempted from sections 37(1) to (4), 37A, and 54 of the Act in respect of equity securities of which the registered issuer is the issuer.

6 Conditions of exemptions in clause 5

The exemptions in clause 5 are subject to the conditions that—

- (a) the terms of the offer of equity securities are approved in writing by Greyhound Racing NZ before the offer is made; and
- (b) the document in which the offer is made complies with the approved code of practice; and
- (c) it is a term of the offer that a copy of the audited financial statements of the registered issuer and a copy of the auditor's report are sent to every shareholder of the registered issuer within 3 months after the end of each accounting period of the registered issuer.

7 Exemptions relating to specified participatory securities

Every registered issuer and every person acting on behalf of a registered issuer is exempted from sections 33(3), 37(1) to (4), 37A, and 54 of the Act in respect of specified participatory securities of which the registered issuer is the issuer.

8 Conditions of exemptions in clause 7

The exemptions in clause 7 are subject to the conditions that—

- (a) the terms of the offer of specified participatory securities are approved in writing by Greyhound Racing NZ before the offer is made; and

lates the offer to the public of securities relating to greyhounds registered with Greyhound Racing NZ.

The Securities Commission considers it is appropriate to grant the exemptions for the following reasons:

- greyhound racing in New Zealand, along with horse racing, is regulated under the Racing Act 2003. Public offers of shares in horse bloodstock syndicates already operate under exemptions from the Act granted by the Securities Act (Bloodstock) Exemption Notice 2002 (SR 2002/303), which recognises the statutory regime in place for the regulation of horse racing. This notice provides the same exemptions for greyhound syndicates:
- the exemptions will reduce costs for issuers of shares in greyhound syndicates:
- investor protection is maintained by the enforcement of the approved code of practice by Greyhound Racing NZ and the requirement on Greyhound Racing NZ to approve the terms of each offer:
- the individual levels of investment in greyhound syndicates are likely to be relatively low.

The operation of the exemptions will be monitored through annual reporting to the Securities Commission.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 24 September 2009.
This notice is administered by the Securities Commission.
