



Financial Reporting Act (TOWER Financial Services Group Limited) Exemption Notice 2011

Pursuant to section 4B of the Financial Reporting Act 1993, 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 Financial Reporting Act (TOWER Financial Services Group Limited) Exemption Notice 2011.
- 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 31 March 2016.

4 Application

The exemption granted by this notice applies to the following accounting periods of TFSG:

- (a) the accounting period ending on 30 September 2011;
- (b) subsequent accounting periods.

5 Interpretation

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

Act means the Financial Reporting Act 1993

specified debt securities means the debt securities—

- (a) offered to the public by TOWER Capital Limited; and
- (b) allotted on 24 March 2009; and
- (c) that TOWER and TFSG are liable to repay if TOWER Capital Limited fails to do so

TFSG means TOWER Financial Services Group Limited

TOWER means TOWER Limited.

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

6 Exemption from section 4(1)(ba) of Act

TFSG is exempt from being an issuer under section 4(1)(ba) of the Act in respect of the specified debt securities.

7 Conditions of exemption in clause 6

The exemption in clause 6 is subject to the following conditions:

- (a) financial statements and group financial statements for TOWER must be prepared and audited in accordance with the Act;
- (b) copies of the financial statements referred to in paragraph (a) and a copy of the auditor's report on those statements must be delivered to the Registrar for registration in accordance with the Act;
- (c) TOWER must ensure that, within 5 days after receiving a request from a holder of a specified debt security for a copy of the financial statements referred to in paragraph (a), the holder of that security is sent, free of charge,

a copy of the statements together with a copy of the auditor's report on the statements.

Dated at Wellington this 21st day of April 2011.

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

[Seal]

D W Mayhew,
Member.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on the close of 31 March 2016, exempts TOWER Financial Services Group Limited (**TFSG**) from being an issuer for the purposes of the Financial Reporting Act 1993 (the **Act**). TFSG would otherwise be an issuer under section 4(1)(ba) of the Act because it has received more than 75% of the money raised by TOWER Capital Limited from debt securities offered to the public by TOWER Capital Limited and allotted on 24 March 2009.

The effect of the exemption is that, subject to certain conditions, TFSG is not required to file audited financial statements and group financial statements under the Act.

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

- the conduit issuer provisions of the Act were introduced to require public reporting by entities that have the effective use of

funds raised from the public, but which have structured themselves in such a way as to avoid being issuers under the Act:

- in the situation covered by this notice, investors will receive consolidated group reports that include all the financial information of the borrowing group:
- the consolidated group reports are a good indication of the financial position and performance of the group as a whole.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 28 April 2011.
This notice is administered by the Securities Commission.
