

Reprint
as at 1 October 2015



Securities Act (Dividend Reinvestment) Exemption Notice 1998

(SR 1998/293)

Securities Act (Dividend Reinvestment) Exemption Notice 1998: expired, on 1 October 2015, by clause 1(4).

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice.

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Notice

1 Title, commencement, and expiry

- (1) This notice may be cited as the Securities Act (Dividend Reinvestment) Exemption Notice 1998.
- (2) This notice (except clause 6) comes into force on the day after the date of its notification in the *Gazette*.
- (3) Clause 6 comes into force on 1 January 1999.
- (4) This notice expires on the close of 30 September 2015.

Clause 1(4): amended, on 24 September 2010, by clause 4 of the Securities Act (Dividend Reinvestment) Exemption Amendment Notice 2010 (SR 2010/323).

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.

2 Interpretation

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

Act means the Securities Act 1978

dividend means,—

- (a) in relation to equity securities, a dividend within the meaning of the Companies Act 1993; and
- (b) in relation to a unit in a unit trust or an interest in a group investment fund, a distribution of the income or gains (whether in the nature of capital or income) of the trust or fund to a holder of a unit in the trust or of an interest in the fund

group investment fund means a group investment fund established under section 29 of the Trustee Companies Act 1967 or section 42A of the Public Trust Office Act 1957

Regulations means the Securities Regulations 2009

scheme—

- (a) has the meaning given to it by the Act; and
- (b) includes, in relation to an interest in a group investment fund, that group investment fund

specified securities means the following kinds of securities:

- (a) equity securities; or
 - (b) units in a unit trust; or
 - (c) interests in a group investment fund.
- (2) Any term or expression that is not defined in this notice, but that is defined in the Act or the Regulations, has the meaning given to it by the Act or the Regulations.

Clause 2(1) **Regulations**: amended, on 24 September 2010, by clause 5 of the Securities Act (Dividend Reinvestment) Exemption Amendment Notice 2010 (SR 2010/323).

3 Application of notice

This notice applies to any specified securities offered by the issuer of those securities only to a person who already holds securities of the issuer that are the same kind as the securities being offered, on terms which—

- (a) entitle that person to subscribe for those securities by applying all or any specified part of any dividends declared by the issuer and payable to that person; or
- (b) require the issuer to allot those specified securities to that person as fully paid securities in consideration only for that person forgoing the right to receive all or any specified part of any dividends declared by the issuer and otherwise payable to that person.

4 Exemption

Every issuer and every person acting on its behalf are exempted from sections 37 and 37A of the Act and the Regulations (except regulation 23) in respect of any specified securities to which this notice applies.

Clause 4: amended, on 24 September 2010, by clause 6 of the Securities Act (Dividend Reinvestment) Exemption Amendment Notice 2010 (SR 2010/323).

5 Conditions

- (1) The exemption granted by clause 4 is subject to the condition that (before a holder of securities subscribes for, or requires the issuer to allot, specified securities) the holder receives a document that contains—
 - (a) an offer of specified securities pursuant to a dividend reinvestment plan; and
 - (b) a description of the dividend reinvestment plan and its terms and conditions; and
 - (c) a statement that there is available from the issuer, on request and free of charge, a copy of the most recent annual report (if any) and financial statements complying with the Financial Reporting Act 1993 of—
 - (i) the issuer, if the specified securities are equity securities; or
 - (ii) the scheme, if the specified securities are units in a unit trust or interests in a group investment fund.
- (2) The exemption granted by clause 4 is subject to the further condition that the dividend reinvestment plan contains provisions requiring that,—
 - (a) at the time the price of the specified securities is set, the issuer has no information that is not publicly available that would, or would be likely to, have a material adverse affect on the realisable price of the security if the information were publicly available; and
 - (b) the right to subscribe for, or require the issuer to allot, specified securities is offered to all holders of securities of the issuer of the same kind, other than securities holders who are resident outside New Zealand and who are excluded by the issuer to avoid a risk of breaching the laws of the relevant overseas country; and
 - (c) every securities holder to whom the right is offered is given a reasonable opportunity to accept it; and
 - (d) the specified securities issued to the securities holder are—
 - (i) issued on the terms disclosed to the holder; and
 - (ii) subject to the same rights as the securities issued to all holders of securities of the same kind who agree to receive the securities.

6 Revocation

The Securities Act (Dividend Reinvestment) Exemption Notice 1997 (SR 1997/228) is revoked.

Dated at Wellington this 29th day of September 1998.

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

[Seal]

M R H Webb,
Member.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 1 October 1998.

Reprints notes

1 *General*

This is a reprint of the Securities Act (Dividend Reinvestment) Exemption Notice 1998 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 Act (Dividend Reinvestment) Exemption Amendment Notice 2010 (SR 2010/323)

Securities Act (Dividend Reinvestment) Exemption Notice 1998 (SR 1998/293): clause 1(4)