

**Reprint
as at 1 December 2016**

**Securities Act (Group Investment Index Funds)
Exemption Amendment Notice (No 2) 2004
(SR 2004/224)**

Securities Act (Group Investment Index Funds) Exemption Amendment Notice (No 2) 2004: revoked, on 1 December 2016, pursuant to Schedule 1 clause 26 of the Financial Markets Conduct Regulations 2014 (LI 2014/326).

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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1 Title

- (1) This notice is the Securities Act (Group Investment Index Funds) Exemption Amendment Notice (No 2) 2004.
- (2) In this notice, the Securities Act (Group Investment Index Funds) Exemption Notice 2002 is called “the principal notice”.

2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this eprint. See the notes at the end of this eprint for further details.

This notice is administered by the Financial Markets Authority.

3 Matters specified in Schedule 3A of Regulations

Clause 8 of the principal notice is amended by adding, as subclause (2), the following subclause:

- (2) However, the registered prospectus does not have to contain the information specified in clause 6(3)(a)(ii) of Schedule 3A of the Regulations to the extent that the provision requires financial statements to distinguish between realised and unrealised net gains or losses on investments.

4 Revocation

The Securities Act (NZ Mid Cap Index Fund and TORTIS-OZZY Fund) Exemption Notice 2003 (SR 2003/261) is revoked.

Dated at Wellington this 27th day of July 2004.

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

J Diplock,

Chairperson.

[LS]

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette*, amends the Securities Act (Group Investment Index Funds) Exemption Notice 2002 (the class notice) by amending the condition of the exemption from regulation 3(3) of the Securities Regulations 1983.

That exemption currently provides that disclosure in the registered prospectus can be based on the Schedule 3A requirements for unit trust disclosure, rather than based on the Schedule 3 requirements for participatory security disclosure.

Group investment index funds are unable to comply fully with regulation 3(3) of the Securities Regulations 1983 (for example, with the Schedule 3 requirement to include prospective statements of cash flows).

The underlying policy of allowing group investment index funds to make disclosure based on the Schedule 3A disclosure requirements is that group investment index funds are closely analogous to unit trusts (which are required to include in their registered prospectuses the disclosures referred to in Schedule 3A). The Commission confirms that policy.

This amendment allows persons relying on the class notice not to have to distinguish, in the summary financial statement in the registered prospectus, between realised and unrealised net gains and losses on investments.

The Securities Commission considers it appropriate to amend the class notice in this way because separation of realised and unrealised net gains and losses on investments appears to be impracticable for group investment index funds and of little value to investors. The Commission considers that the exemption from regulation 3(3) for group

investment index funds should be conditional on disclosing all of the matters referred to in Schedule 3A with the exception of the requirement to separately disclose realised and unrealised net gains and losses on investments.

The notice revokes the Securities Act (NZ Mid Cap Index Fund and TORTIS-OZZY Fund) Exemption Notice 2003, which contains a similar exemption for the accounting period that ended on 31 March 2003 and preceding accounting periods. That exemption, which was due to expire on 30 September 2007, is now overtaken by the revised class notice.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 29 July 2004.

Eprint notes

1 *General*

This is an eprint of the Securities Act (Group Investment Index Funds) Exemption Amendment Notice (No 2) 2004 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *About this eprint*

This eprint is not an official version of the legislation under section 18 of the Legislation Act 2012.

3 *Amendments incorporated in this eprint*

Financial Markets Conduct Regulations 2014 (LI 2014/326): Schedule 1 clause 26