

Securities Act (Dividend Reinvestment) Exemption Amendment Notice 2005

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

- (1) This notice is the Securities Act (Dividend Reinvestment) Exemption Amendment Notice 2005.
- (2) In this notice, the Securities Act (Dividend Reinvestment) Exemption Notice 1998 (SR 1998/293) is called “the principal notice”.

2 Commencement

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

3 Extension of period of exemption

Clause 1(4) of the principal notice is amended by omitting the expression “30 September 2005”, and substituting the expression “30 September 2010”.

Dated at Wellington this 27th day of September 2005.

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

[Seal]

C A N Beyer,
Member.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette*, extends the expiry date of the Securities Act (Dividend Reinvestment) Exemption Notice 1998 (“the principal notice”) from 30 September 2005 to 30 September 2010.

The Securities Commission considers that the extension of the period of exemption is appropriate for the following reasons:

- the principal notice exempts issuers from the need to prepare a registered prospectus and investment statement for equity securities, units in a unit trust, or interests in a group investment fund that are offered under a dividend reinvestment plan only to persons who already hold securities of the issuer that are of the same kind as those being offered. The principal notice recognises that existing holders of the securities of the issuer will already have access to key relevant information about the issuer:
- the conditions of the exemption in the principal notice reduce the costs associated with a dividend reinvestment plan, while providing protection for investors by requiring the provision of alternative disclosure and by preventing the allotment of securities under the principal notice if an issuer has any undisclosed

information that would be likely to have an adverse effect on
share price.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 29 September 2005.
