Reprint

as at 1 July 2010

Securities Regulations 1983

(SR 1983/121)

Securities Regulations 1983: revoked, on 1 July 2010, by regulation 48(1) of the Securities Regulations 2009 (SR 2009/230).

PURSUANT to section 70(1) of the Securities Act 1978, His Excellency the Administrator of the Government, acting by and with the advice and consent of the Executive Council, and in accordance with a recommendation of the Securities Commission, hereby makes the following regulations.

Contents

		Page
1	Title and commencement	4
1A	Application of these regulations	4
2	Interpretation	5
2A	Exemption for term life insurance policies *[Revoked]*	21
2B	Meaning of **call building society share** and **call debt security** *[Revoked]*	21
2C	Meaning of **small employer superannuation scheme** *[Revoked]*	21

Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this eprint.

A general outline of these changes is set out in the notes at the end of this eprint, together with other explanatory material about this eprint.

These regulations are administered in the Ministry of Economic Development.

Part 1
Prospectuses

Content of registered prospectuses

3 Matters to be contained in full registered prospectus 21
4 Short form prospectus 22
5 Further provisions relating to content of registered prospectus 25
6 Restrictions imposed by Part 3 on content of registered prospectus 27

Registration of prospectus

7 Documents to be attached to prospectus delivered for registration 27

Part 1A
Investment statements

7A Matters to be contained in investment statement 28

Part 2
Advertisements

Content of advertisements

8 Misleading information 29
9 Advertisements to be consistent with prospectus or disclosure statement 29
10 Application forms *[Revoked]* 30
11 Guarantees 30
12 Assets 30
13 Capital 31
14 Unsecured and secured securities 31
15 Restrictions on distribution of certain advertisements 32
16 Restrictions imposed by Part 3 on content of advertisements 32
17 Restrictions on distribution of certain advertisements 32

Part 3
Restrictions on content of registered prospectuses and advertisements

18 Shareholders' names 36
19 Authorised trustee investments *[Revoked]* 36
20 Statements as to safety 36
21 Interest rates and taxation of interest 37
22 Mortgage debentures 37

23 Listing securities on registered exchange's securities market 38

Part 3A
Request disclosure
[Revoked]

23A Information to be disclosed by issuers on request *[Revoked]* 41

Part 4
Content of trust deeds and deeds of participation
[Revoked]

Trust deeds
[Revoked]

24 Clauses deemed to be contained in trust deeds *[Revoked]* 41

Deeds of participation
[Revoked]

25 Contents of deeds of participation *[Revoked]* 41
26 Clauses deemed to be contained in deeds of participation *[Revoked]* 41

Part 5
Miscellaneous provisions
[Revoked]

27 Form of declaration of non-disclosure *[Revoked]* 42
27A Prescribed rate of interest *[Revoked]* 42
28 Transitional provisions *[Revoked]* 42

Schedule 1 42
Matters required in registered prospectus for equity securities

Schedule 2 74
Matters required in registered prospectus for debt securities

Schedule 3 100
Matters required in a registered prospectus for participatory securities

Schedule 3A 126
Matters required in registered prospectus for unit trusts

Schedule 3B 137
Matters required in registered prospectus for life insurance policies

Schedule 3C 147
Matters required in registered prospectus for superannuation schemes

Schedule 3D 157
Matters required in investment statements

Schedule 4 169
Certificate in respect of advertisements

Schedule 5 169
Clauses deemed to be contained in trust deeds
[Revoked]

Schedule 6 170
Matters to be specified in deeds of participation
[Revoked]

Schedule 7 170
Clauses deemed to be contained in deeds of participation
[Revoked]

Schedule 8 170
Declaration of non-disclosure
[Revoked]

1 Title and commencement

(1) These regulations may be cited as the Securities Regulations 1983.

(2) These regulations shall come into force on the 1st day of September 1983.

1A Application of these regulations

(1) These regulations are subject to regulations 50 to 56 of the Securities Regulations 2009.

(2) In particular,—

(a) these regulations apply only in accordance with regulations 50 to 56 of the Securities Regulations 2009; and

(b) these regulations do not apply to an offer of securities if the Securities Regulations 2009 apply to the offer.

Regulation 1A: inserted, on 1 October 2009, by regulation 49 of the Securities Regulations 2009 (SR 2009/230).

2 Interpretation

(1) In these regulations, unless the context otherwise requires,—

Accounting period, in relation to an issuing group, borrowing group, group, body corporate, business, or scheme, means a year in respect of which the financial statements thereof or relating thereto have been made up; and, where by reason of any alteration of the financial year of the group, body corporate, business, or scheme, the financial statements have been made up for a period greater or less than a year, that greater or lesser period shall be deemed to be an accounting period

Accounting period: this definition was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the words "financial statements" for the word "account" in both places where they occurred.

The Act means the Securities Act 1978

Address means,—

(a) In the case of an individual, both—

(i) An address (not being a Post Office box address, document exchange box number, facsimile number, or other similar postal address) in New Zealand at which the person can be contacted; and

(ii) The city, town, or district (whether in New Zealand or elsewhere) in which the principal residence of the individual is situated:

(b) In any other case, both—

(i) An address (not being a Post Office box address, document exchange box number, facsimile number, or other similar postal address) in New Zealand at which the person can be contacted; and

(ii) The address, if that address is different from the address referred to in subparagraph (i), of the person's principal place of business in New Zealand (if any) or, if the person does not have a place

of business in New Zealand, the address of the person's principal place of business outside New Zealand:

Address: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Administration manager,—

(a) In relation to a superannuation scheme, has the same meaning as in section 2(1) of the Superannuation Schemes Act 1989; and

(b) In relation to a unit trust, means the person (if any) to whom the unit trustee or manager has contracted some or all of the administration of the trust:

Administration manager: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Associated persons or **persons associated with each other** are—

(a) Persons who are relatives within the meaning of the Income Tax Act 2007; or

(b) Persons who are partners to whom the Partnership Act 1908 applies; or

(c) Bodies corporate that consist substantially of the same members or shareholders or that are under the control of the same persons; or

(d) A body corporate and a person who has the power, directly or indirectly, to exercise, or control the exercise of, the rights to vote attached to 25% or more of the voting securities of the body corporate; or

(e) A body corporate and a person who is a director of the body corporate:

Borrowing group, in relation to an offer of debt securities, means the issuer of the securities and all guaranteeing subsidiaries at the specified date

Broadcasting has the same meaning as in the Broadcasting Act 1989; and includes the dissemination of any form of com-

munication by a diffusion service; and **broadcast** has a corresponding meaning

Broadcasting: a reference to the "Broadcasting Act 1989" was substituted for a reference to the Broadcasting Act 1976, as from 1 July 1989, pursuant to section 89(1) Broadcasting Act 1989 (1989 No 25).

Broadcasting station includes a diffusion service

Commission means the Securities Commission established by the Act

Company means a company within the meaning of the Companies Act 1955 or the Companies Act 1993, as the case may be, and includes an overseas company within the meaning of the Companies Act 1993

Company: this definition was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Contributory mortgage means a mortgage of land that—

(a) Secures money owing to 2 or more persons or to a nominee on behalf of 2 or more persons, whether or not the mortgage originally secured money owing to only one person; or

(b) Has the same priority in respect of the land as another mortgage or mortgages of that land;—

and, for the purposes of this definition, money owing to not more than 5 persons as joint tenants shall be deemed to be owed to one person

Current assets—

(a) Means—

(i) Cash; and

(ii) Assets—

(A) Which are held for the purpose of being available for conversion into cash or for consumption in the course of production of other current assets; and

(B) Which are expected to be converted into cash, or consumed, within a period not exceeding one year; and

(b) Includes—

(i) Amounts paid in respect of goods or services expected to be supplied within a period not exceeding one year; and

(ii) Any other asset regarded as a current asset according to generally accepted accounting practice:

Current assets: paragraph (b)(ii), of this definition was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "practice" for the word "principles".

Current liabilities means liabilities payable, or expected to be payable, within one year; and includes—

(a) Provisions for taxation, and dividends, so payable or expected to be so payable; and

(b) Amounts received in respect of goods or services to be supplied; and

(c) Any other liability regarded as a current liability according to generally accepted accounting practice:

Current liabilities: paragraph (c) of this definition was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "practice" for the word "principles".

Custodian does not include a bare trustee

Custodian: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Debt security means any interest in or right to be paid money that is, or is to be, deposited with, lent to, or otherwise owing by, any person (whether or not the interest or right is secured by a charge over any property); and includes—

(a) A debenture, debenture stock, bond, note, certificate of deposit, and convertible note; and

(b) An interest or right that is declared by regulations to be a debt security for the purposes of the Act; and

(c) A renewal or variation of the terms or conditions of any such interest or right or of a security referred to in paragraph (a) or paragraph (b);—

but does not include—

(d) An interest in a contributory mortgage where the interest is offered by a contributory mortgage broker; or

(e) Any such interest or right or a security referred to in paragraph (a) or paragraph (c) that is declared by regulations not to be a debt security for the purposes of the Act:

Debt security: this definition was substituted, as from 1 October 1997, by regulation 2(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Deferred taxation means income tax attributable to differences between—

(a) The net surplus or deficit for the period (but before charging or crediting any amounts in respect of either current or deferred income tax); and

(b) The amount upon which current income tax will be assessed—

being differences which result from the inclusion of items of revenue and expense in computations of the amount upon which current income tax will be assessed in periods different from those in which they are dealt with in the statement of financial performance

Deferred taxation: this definition was substituted, as from 1 October 1997, by regulation 2(3) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Diffusion service means a service whereby sounds or visual images are transmitted by the person operating the service to subscribers of the service over wires or other material substances for reception by apparatus designed to receive the transmissions

Disclosure statement, in relation to debt securities the issuer of which is a registered bank, means a disclosure statement published by the registered bank under section 81 of the Reserve Bank of New Zealand Act 1989

Disclosure statement: this definition was inserted, as from 1 January 1996, by section 2(1) Securities Regulations 1983, Amendment No 2 (SR 1995/285).

Equity method of accounting means a method of accounting relating to the investment by a body in another body carried out in accordance with generally accepted accounting practice

Equity method of accounting: this definition was substituted, as from 1 October 1997, by regulation 2(4) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Equity security means any interest in or right to a share in, or in the share capital of, a company; and includes—

(a) A preference share, and company stock; and

(b) A security that is declared by regulations to be an equity security for the purposes of the Act; and

(c) A renewal or variation of the terms or conditions of any such interest or right or a security referred to in paragraph (a) or paragraph (b);—

but does not include any such interest or right or a security referred to in paragraph (a) or paragraph (c) that is declared by regulations not to be an equity security for the purposes of the Act

Equity security: this definition was substituted, as from 1 October 1997, by regulation 2(5) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Exhibitor, in relation to any film, means any person who screens or arranges or organises the screening of, or assists any other person to screen or arrange or organise the screening of, the film—

(a) To the public, or any section of the public; or

(b) To any group or class of persons otherwise than in a private residence,—

whether or not a charge is made for admission to the premises in which the screening is held; and **exhibit** and **exhibition** have corresponding meanings

Expert means any person who holds himself out to be of a profession or calling that gives authority to a statement made by him; and includes an accountant, engineer, valuer, quantity surveyor, and geologist; but does not include a person acting in his capacity as an auditor or as a director or officer of a body whether corporate or unincorporate

Film—

(a) Means a cinematograph film; and

(b) Includes a videotape, and any other material record of visual images that is capable of being used for the subsequent projection of those images on to any screen; and

(c) Includes any part of any object that is a film by virtue of paragraph (a) or paragraph (b) of this definition, and any copy or part of a copy of the whole or any part of any such object:

Fixed assets includes land, buildings, machinery, equipment, forests, and mines; but does not include a current asset, an intangible asset, or an investment

Generally accepted accounting practice has the same meaning as in section 3 of the Financial Reporting Act 1993

Generally accepted accounting practice: this definition was inserted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Group means—

(a) In relation to an offer of equity securities, the issuer, and all former subsidiaries of the issuer in respect of the periods during which they were such subsidiaries, and all present subsidiaries of the issuer in respect of the periods since they became such subsidiaries:

(b) In relation to an offer of debt securities, the issuer and all guaranteeing subsidiaries in respect of the periods since they became such subsidiaries:

Guaranteeing subsidiary, in relation to an offer of debt securities, means a subsidiary of the issuer that—

(a) Is unconditionally liable (whether or not jointly or severally with the issuer or any other person) to repay the securities; or

(b) Is liable to repay the securities subject only to the condition that the issuer or any other person has failed to do so:

Holding company has the same meaning as in—

(a) Sections 158 and 158A of the Companies Act 1955, in relation to a company registered under that Act; or

(b) Sections 5 and 6 of the Companies Act 1993, in relation to any other body corporate;—

and includes an association of persons whether incorporated or not which has a subsidiary by virtue of section 27(3) of the Financial Reporting Act 1993

Holding company: this definition was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Immediate relative, in relation to any person, means any spouse of that person, or any parent, brother, sister, or child of the person or spouse

Intangible assets includes goodwill, patents, trade marks, or any asset of a similar nature to the extent that they have not been amortised or written down

Interest in a superannuation scheme means an interest or right to participate in any capital, assets, earnings, or other property of a superannuation scheme; and includes—

(a) Any interest or right that is declared by regulations to be an interest in a superannuation scheme for the purposes of the Act; and

(b) Any renewal or variation of the terms or conditions of any such interest or right or a security referred to in paragraph (a);—

but does not include any such interest or right, or a security referred to in paragraph (b), that is declared by regulations not to be an interest in a superannuation scheme for the purposes of the Act

Interest in a superannuation scheme: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Investment, in relation to a person, means any security owned by the person that is not a current asset

Investment manager,—

(a) In relation to a superannuation scheme, has the same meaning as in section 2(1) of the Superannuation Schemes Act 1989; and

(b) In relation to a unit trust, means the person (if any) to whom the unit trustee or manager has contracted the investment of some or all of the funds of the trust:

Investment manager: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Issuer means,—

(a) In relation to an equity security or a debt security, or to an advertisement, investment statement, prospectus, or registered prospectus that relates to an equity security or a debt security, or to a trust deed that relates to a debt security, the person on whose behalf any money paid in consideration of the allotment of the security is received:

(b) In relation to a participatory security, or to an advertisement, investment statement, prospectus, or registered

prospectus, or to a deed of participation that relates to a participatory security, the manager:

(c) In relation to an interest in a contributory mortgage offered by a contributory mortgage broker, or to an advertisement that relates to such an interest, the contributory mortgage broker:

(d) In relation to a unit in a unit trust, or to an advertisement, investment statement, prospectus, or registered prospectus that relates to such a unit, the manager:

(e) In relation to a life insurance policy, or to an advertisement, investment statement, prospectus, or registered prospectus that relates to a life insurance policy, the life insurance company that is liable under the policy:

(f) In relation to an interest in a superannuation scheme, or to an advertisement, investment statement, prospectus, or registered prospectus that relates to such an interest, the superannuation trustee of the scheme:

Issuer: this definition was substituted, as from 1 October 1997, by regulation 2(6) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Issuing group, in relation to an offer of equity securities, means the issuer of the securities and all subsidiaries of the issuer at the specified date

Latest balance sheet set out in the registered prospectus*[Revoked]*

Latest balance sheet set out in the registered prospectus: this definition was revoked, as from 1 October 1997, by regulation 2(11) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

[Revoked]

Life insurance company means any person or association of persons, whether incorporated or unincorporated, which, in the course of business issues, or is liable under, life insurance policies

Life insurance company: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Life insurance policy means a policy of life or endowment insurance, or a policy securing an annuity; and includes—

(a) A policy of insurance that is declared by regulations to be a life insurance policy for the purposes of the Act; and

(b) A renewal or variation of the terms or conditions of any such policy or a security referred to in paragraph (a);—

but does not include any such policy, or a security referred to in paragraph (b), or a term life insurance policy (within the meaning of regulations) that is declared by regulations not to be a life insurance policy for the purposes of the Act

Life insurance policy: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

manager has the same meaning as in section 2(1) of the Act

Manager: this definition was substituted, as from 1 October 1997, by regulation 2(7) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Manager: this definition was substituted, as from 15 April 2004, by section 25(1) Securities Amendment Act 2004 (2004 No 31).

Material transaction means, in clauses 15(4) and 16(2) of Schedule 1 to these regulations, and in clauses 13(2) and 14(3) of Schedule 3 to these regulations, a transaction whereby real or personal property is acquired by a person from another person, being property the value of which is material to any of the parties to the transaction

Monetary assets means cash, bank balances, amounts receivable at any time (less provisions, if appropriate, for interest not yet earned and for doubtful debts), and equity securities that are current assets

Monetary assets: this definition was amended, as from 1 October 1997, by regulation 2(8) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "interest not yet earned" for the words "income yet to mature".

Non-current liability means a liability other than a current liability, a contingent liability, or deferred taxation

Non-current liability: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Operator means—

(a) In relation to a broadcasting station (other than a diffusion service), any person authorised by a warrant or au-

thorisation under the Broadcasting Act 1976 to broadcast programmes from that station:

(b) In relation to a diffusion service, the person operating the service:

Participatory security means any security other than—

(a) An equity security; or

(b) A debt security; or

(c) A unit in a unit trust; or

(d) An interest in a superannuation scheme; or

(e) A life insurance policy:

Participatory security: this definition was substituted, as from 1 October 1997, by regulation 2(9) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Promoter, in relation to securities offered to the public for subscription,—

(a) Means a person who is instrumental in the formulation of a plan or programme pursuant to which the securities are offered to the public; and

(b) Where a body corporate is a promoter, includes every person who is a director thereof; but

(c) Does not include a director or officer of the issuer of the securities or a person acting solely in his professional capacity:

Prospective financial information has the meaning given to it under generally accepted accounting practice

Prospective financial information: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Prospectus means a document that contains an offer of securities to the public for subscription, and that is intended to be, or has been, delivered to the Registrar for registration under section 42 of the Act

Publisher, in relation to any newspaper or magazine, means the proprietor thereof

Qualified auditor's report includes an auditor's report that is not qualified but refers to an uncertainty which, in the opinion of the auditor, is fundamental

Qualified auditor's report: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Registered bank has the same meaning as in section 2(1) of the Reserve Bank of New Zealand Act 1989

Registered bank: this definition was inserted, as from 1 January 1996, by regulation 2(1) Securities Regulations 1983, Amendment No 2 (SR 1995/285).

registered exchange means a registered exchange within the meaning of section 2(1) of the Securities Markets Act 1988

registered exchange: this definition was inserted, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44).

registered exchange's securities market means a securities market operated by a registered exchange.

Registered prospectus means—

(a) Except where paragraph (b) of this definition applies—
  (i) A prospectus that has been registered under section 42 of the Act, and the registration of which has not been cancelled or suspended under section 44 of the Act; or
  (ii) A document that, except in the matters specified in paragraphs (a) and (b) of section 41 of the Act, is identical to such a prospectus:

(b) Where a memorandum of amendments to a prospectus of the kind specified in paragraph (a)(i) of this definition has been registered under section 43 of the Act, and the registration of that prospectus as so amended has not been cancelled or suspended under section 44 of the Act—
  (i) That prospectus as so amended; or
  (ii) A document that, except for the matters specified in paragraphs (a) and (b) of section 41 of the Act, is identical to that prospectus as so amended:

Remuneration includes—

(a) Salary, wages, allowances, gratuities, and other payments (whether as bonuses or not) in return for services; and

(b) Benefits and other emoluments (whether in money or not) in return for services:

Remuneration: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Returns, in relation to a security, includes payments of any kind, whether in the nature of capital, income, benefits, or otherwise

Returns: this defintion was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Scheme means,—

(a) In relation to a participatory security, the arrangement or scheme to which the security relates; and

(b) In relation to an interest in a superannuation scheme, that superannuation scheme; and

(c) In relation to a unit in a unit trust, that unit trust:

Scheme: this definition was substituted, as from 1 October 1997, by regulation 2(10) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Small employer superannuation scheme*[Revoked]*

Small employer superannuation scheme: this defintion was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Small employer superannuation scheme: this definition was revoked, as from 15 April 2004, by section 25(2)(a) Securities Amendment Act 2004 (2004 No 31).

[Revoked]

Specified date means,—

(a) In relation to a prospectus, the date the prospectus is delivered in registrable form to the Registrar for registration under section 42 of the Act:

(b) In relation to a disclosure statement, the date on which the disclosure statement is published in accordance with an Order in Council made under section 81 of the Reserve Bank of New Zealand Act 1989:

Specified date: this definition was substituted, as from 1 January 1996, by regulation 2(2) Securities Regulations 1983, Amendment No 2 (SR 1995/285).

Subsidiary has the same meaning as in section 2(1) of the Financial Reporting Act 1993

Subsidiary: this definition was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Superannuation scheme means a registered superannuation scheme within the meaning of section 2(1) of the Superannuation Schemes Act 1989

Superannuation scheme: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Superannuation trustee has the same meaning as the term **trustees** has in the Superannuation Schemes Act 1989

Superannuation trustee: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Term liability*[Revoked]*

Term liability: this definition was revoked, as from 1 October 1997, by regulation 2(11) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

[Revoked]

Trading exchange*[Revoked]*

Trading exchange: this definition was revoked, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44).

[Revoked]

Trust deed means a trust deed required by section 33(2)(a) of the Act

Trust deed: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Unit means an interest or right to participate in any capital, assets, earnings, or other property of a unit trust; and includes—

(a) Any interest or right that is declared by regulations to be a unit for the purposes of the Act; and

(b) Any renewal or variation of the terms or conditions of any such interest or right;—

but does not include any such interest or right or a security referred to in paragraph (b) that is declared by regulations not to be a unit for the purposes of the Act

Unit: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Unit trust has the same meaning as in section 2(1) of the Unit Trusts Act 1960

Unit trust: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Unit trustee has the same meaning as the term **trustee** has in section 2(1) of the Unit Trusts Act 1960

Unit trustee: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Voting security has the same meaning as in section 2 of the Securities Markets Act 1988.

Voting security: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Voting security: this definition was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the word "Markets" for the word "Amendment".

(2) In these regulations, for the purposes of a particular registered prospectus, a body corporate is associated with another body corporate if the other body corporate—

(a) Has adopted (in any statement in that registered prospectus) the equity method of accounting in relation to its holding of equity capital in the first-mentioned body corporate; or

(b) Holds not less than one-fifth, but not more than one-half, of the equity capital of the first-mentioned body corporate;—

and **associated body corporate** has a corresponding meaning.

(3) In these regulations, a body corporate is related to another body corporate if—

(a) The other body is its holding company or subsidiary; or

(b) There is another body corporate to which both bodies are related by virtue of paragraph (a) of this subclause;—

and **related body corporate** has a corresponding meaning.

(4) Where any term or expression used in these regulations is not defined in these regulations but is defined in the Act, that term or expression shall, unless the context otherwise requires, have, in these regulations, the meaning given to it by the Act.

(5) Where securities are paid up (whether in whole or in part) or allotted as part of an arrangement involving—

(a) The transfer of property or the provision of services to an issuer (or, in the case of participatory securities, to a scheme); and

(b) The exchange of cash or cheques or other negotiable instruments—

(whether or not the paying up or allotment, transfer or provision, and exchange take place at the same time), the securities shall, for the purposes of these regulations and to the extent of the value of the property or services, be deemed to be paid up or allotted in consideration of the transfer of the property or the provision of the services, and accordingly shall be deemed to be paid up, or allotted as paid up, (either fully or partly, as the case may be) otherwise than in cash.

(6) If, pursuant to clause 22(2) of Schedule 1 or clause 15(2) of Schedule 2 or clause 20(2) of Schedule 3, a registered prospectus does not contain a statement of financial position, statement of financial performance, or statement of cash flows, but refers to financial statements registered under the Financial Reporting Act 1993, any reference in these regulations to a statement of financial position or statement of financial performance or statement of cash flows is to be read as a reference to those financial statements.

Regulation 2(1) **associated persons** or **persons associated with each other** paragraph (a): amended, on 1 April 2008, by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Associated persons: this definition was inserted, as from 1 October 1997, by regulation 2(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Associated persons: paragraph (a) of this definition was amended, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35) by substituting the words "Income Tax Act 2004" for the words "Income Tax Act 1994".

Regulation 2(1) **call building society share**: revoked, on 1 October 2009, by regulation 48(2)(a) of the Securities Regulations 2009 (SR 2009/230).

Regulation 2(1) **call debt security**: revoked, on 1 October 2009, by regulation 48(2)(a) of the Securities Regulations 2009 (SR 2009/230).

Regulation 2(1) **registered exchange's market**: repealed, on 24 November 2009, by section 23(2) of the Securities Markets Amendment Act 2009 (2009 No 54).

registered exchange's market: this definition was inserted, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44).

Regulation 2(1) **registered exchange's securities market**: inserted, on 24 November 2009, by section 23(2) of the Securities Markets Amendment Act 2009 (2009 No 54).

Regulation 2(1) **term life insurance policy**: revoked, on 1 October 2009, by regulation 48(2)(a) of the Securities Regulations 2009 (SR 2009/230).

Subclause (6) was inserted, as from 1 October 1997, by regulation 2(12) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

2A Exemption for term life insurance policies

[Revoked]

Regulation 2A: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

2B Meaning of call building society share and call debt security

[Revoked]

Regulation 2B: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

2C Meaning of small employer superannuation scheme

[Revoked]

Regulations 2A to 2C were inserted, as from 1 October 1997, by regulation 3 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Regulation 2C was revoked, as from 15 April 2004, by section 25(2)(b) Securities Amendment Act 2004 (2004 No 31).

Part 1
Prospectuses

Content of registered prospectuses

3 Matters to be contained in full registered prospectus

(1) Subject to regulation 4 of these regulations, every registered prospectus that relates to an offer of equity securities shall contain all of the information, statements, certificates, and other matters specified in Schedule 1 to these regulations that are applicable.

(2) Subject to regulation 4 of these regulations, every registered prospectus that relates to an offer of debt securities shall contain all of the information, statements, certificates, and other

matters specified in Schedule 2 to these regulations that are applicable.

(3) Every registered prospectus that relates to an offer of participatory securities shall contain all of the information, statements, certificates, and other matters specified in Schedule 3 to these regulations that are applicable.

(4) Every registered prospectus that relates to an offer of units in a unit trust must contain all of the information, statements, certificates, and other matters specified in Schedule 3A that are applicable.

(5) Every registered prospectus that relates to an offer of life insurance policies must contain all of the information, statements, certificates, and other matters specified in Schedule 3B that are applicable.

(6) Every registered prospectus that relates to an offer of interests in a superannuation scheme must contain all of the information, statements, certificates, and other matters specified in Schedule 3C that are applicable.

Subclauses (4) to (6) were inserted, as from 1 October 1997, by regulation 4 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

4 Short form prospectus

(1) Regulation 3 of these regulations shall not apply in respect of a registered prospectus if—

(a) The registered prospectus relates only to—

(i) An offer of equity securities or convertible securities made by the issuer of the securities to persons who already hold equity securities or convertible securities of the issuer; or

(ii) An offer of debt securities (not being convertible securities or other securities that may be converted into equity securities) made by the issuer of the securities to persons who already hold equity securities, convertible securities, or debt securities of the issuer—

whether or not the offer is renounceable in favour of any other person; and

(b) The issuer of the securities is a company; and

(c) A copy of the most recent financial statements of the issuer, in the case of a company within the meaning of the Companies Act 1955, laid before members of the issuer in general meeting in accordance with section 152 of the Companies Act 1955, or deemed to have been laid before members of the issuer pursuant to section 362(2) of that Act, or in the case of a company within the meaning of the Companies Act 1993, sent to the shareholders of the company in accordance with that Act, and of all reports required by that Act to be annexed or attached thereto,—

(i) Have previously been given or sent to the persons who were, at the time those financial statements were given or sent, holders of the same class of securities as that held by the persons to whom the offer is being made; or

(ii) Are attached to every registered prospectus given or sent to any person under the Act; and

(d) In the case of an offer of debt securities guaranteed by guaranteeing subsidiaries of the issuer, the financial statements referred to in paragraph (c) of this subclause include group financial statements within the meaning of the Financial Reporting Act 1993 that relate to the borrowing group; and

(e) All of the matters specified in subclause (2) of this regulation that are applicable are stated or contained in the registered prospectus.

(2) For the purposes of subclause (1)(e) of this regulation, the matters required to be stated or contained in the registered prospectus are as follows:

(a) In the case of an offer of equity securities, the matters specified in clauses 1, 9, 19(1), and 21 of Schedule 1 to these regulations:

(b) In the case of an offer of debt securities, the matters specified in clauses 1, 4, 11, 12, 13, and 14 of Schedule 2 to these regulations:

(c) The date of the statement of financial position included in the financial statements referred to in subclause (1) of this regulation:

(d) The place or places where copies of the financial statements, and reports referred to in subclause (1) of this regulation can be obtained free of charge by any person to whom the offer is made:

(e) If an interim statement of financial position is contained in the registered prospectus in accordance with subclause (3) of this regulation, a statement of financial performance of, and, if required in accordance with an applicable financial reporting standard, within the meaning of section 2 of the Financial Reporting Act 1993, a statement of cash flows for, the issuing group or borrowing group for the period from the date of the last statement of financial position thereof—

(i) In the case of a company within the meaning of the Companies Act 1955, laid before the members of the issuer in general meeting or deemed to have been so laid pursuant to section 362(2) of that Act; or

(ii) In the case of a company within the meaning of the Companies Act 1993, sent to the shareholders of the company in accordance with that Act—

to the date of the interim statement of financial position (being a statement of financial performance and statement of cash flows that comply with the requirements of the Financial Reporting Act 1993, except that they need not be audited):

(f) A statement by the directors of the issuer as to whether, after due enquiry by them in relation to the period between—

(i) The date of the latest statement of financial position of the issuing group or borrowing group (as the case may be) set out or referred to in the registered prospectus in accordance with this regulation; and

(ii) The specified date—

there have, in their opinion, arisen any circumstances that materially adversely affect the trading or profitability of the issuing group or borrowing group or the value

of its assets, or the ability of the group to pay its liabilities due within the next 12 months.

(3) For the purposes of section 37A(1)(c) of the Act, a registered prospectus to which this regulation applies may contain (in addition to the statement of financial position included in the financial statements of the issuer and other financial statements required by subclause (1) of this regulation) an interim statement of financial position of the issuing group or borrowing group, as the case may be, that—

(a) Is drawn up as at a stated date that is not more than 9 months after the date of the above-mentioned statement of financial position of the issuer; and

(b) Complies with the requirements of the Financial Reporting Act 1993 (except that it need not be audited).

(4) In this regulation, the term **convertible securities** means debt securities that will be converted, or are or will become convertible at the option of the security holder, into equity securities of the issuer of the debt securities.

Regulation 4 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Subclause (1)(c)(ii) was substituted, as from 1 October 1997, by regulation 5(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Subclause (2)(c) to (f) were amended, as from 1 October 1997, by regulation 5(2)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Subclause (2)(e) was amended, as from 1 October 1997, by regulation 5(2)(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Subclause (3) was amended, as from 1 October 1997, by regulation 5(2)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Subclause (3) was amended, as from 1 October 1997, by regulation 5(3) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the expression "section 37A(1)(c)" for the expression "section 37A(1)(e)".

5 Further provisions relating to content of registered prospectus

(1) If a statement required to be included in a registered prospectus would be misleading if additional information were not also

included, the prospectus shall also contain that additional information.

(2) Where a valuation is included or referred to in a registered prospectus, the registered prospectus shall state—

(a) The method of valuation; and

(b) The date of the valuation; and

(c) The identity of the valuer:

[Revoked]

(3) Where a valuation to which subclause (2) of this regulation applies consists only of the expression of an opinion by the directors, the registered prospectus shall so state.

(4) Where a prospective financial information is included in a registered prospectus, the registered prospectus shall contain a statement of the principal assumptions on which the prospective financial information is based.

(5) Notwithstanding regulations 3 and 4 of these regulations, where these regulations require any information, statement, certificate, or other matter relating to an issuing group, borrowing group, group, body corporate, business, or scheme for a stated period, the information, statement, certificate, or other matter need not relate to any part of the stated period during which no part of the group, body corporate, business, or scheme was in existence.

(6) Where the matters required to be stated or contained in a registered prospectus by virtue of Schedule 1, Schedule 2, Schedule 3, Schedule 3A, Schedule 3B, or Schedule 3C to these regulations are not set out in the registered prospectus in the same order as they appear in the Schedule, the registered prospectus shall contain an index showing the page of the registered prospectus on which each such matter appears.

Subclause (2) proviso was revoked, as from 1 October 1997, by regulation 6(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Subclause (4) was amended, as from 1 October 1997, by regulation 6(2) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "prospective financial information" for the words "profit forecast" and "forecast".

Subclause (6) was amended, as from 1 October 1997, by regulation 6(3) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "Schedule 3, Schedule 3A, Schedule 3B, or Schedule 3C" for the words "or Schedule 3".

6 Restrictions imposed by Part 3 on content of registered prospectus

Nothing in this Part of these regulations limits the provisions of Part 3 of these regulations.

Registration of prospectus

7 Documents to be attached to prospectus delivered for registration

1Every prospectus delivered to the Registrar for registration under the Act shall have endorsed thereon or attached thereto or be accompanied by—

(a) A copy of any contract particulars of which are required by clause 17 of Schedule 1, or clause 9 of Schedule 2, or clause 15 of Schedule 3 or clause 12 of Schedule 3A, or clause 9 of Schedule 3B, or clause 9 of Schedule 3C, to these regulations to be stated in the registered prospectus, or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof; and, where any such contract is wholly or partly in a foreign language, a correct translation thereof in English:

Provided that this paragraph shall not apply in respect of a contract if such a copy or memorandum, and translation, has already been registered by, or filed with, the Registrar; and

(b) Where a copy of an auditor's report is required to be contained in the registered prospectus by virtue of clause 42 of Schedule 1, clause 36 of Schedule 2, or clause 38 of Schedule 3 or clause 16 of Schedule 3A, or clause 12 of Schedule 3B, or clause 12 of Schedule 3C to these regulations,—

(i) The signed report; and

(ii) A statement, dated not earlier than 7 days before the specified date and signed by the auditor (either in his own name or that of his firm), that he consents to the report appearing in the registered prospectus in the form in which it appears; and

(c) In the case of a prospectus to which regulation 4 of these regulations applies, copies of the documents required to

be given or sent to persons, or attached to the registered prospectus, by virtue of paragraphs (c) and (d) of subclause (1) of that regulation; and

(d) In the case of a prospectus to which Schedule 3B applies, specimen copies of life insurance policies to which the prospectus relates; and

(e) In the case of a prospectus to which Schedule 3C applies, a copy of the trust deed for the superannuation scheme to which the prospectus relates (incorporating or together with all amendments to the trust deed) except that—

(i) The copy of the trust deed need not include any provision of the trust deed that is information about an identifiable security holder or prospective investor; and

(ii) This paragraph does not apply in respect of such a prospectus if a copy of the trust deed (incorporating or together with all amendments to the trust deed) has already been registered by, or filed with, the Registrar.

Subclause (1)(a) was amended, as from 1 October 1997, by regulation 7(1) Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "or clause 12 of Schedule 3A, or clause 9 of Schedule 3B, or clause 9 of Schedule 3C".

Subclause (1)(b) was amended, as from 1 October 1997, by regulation 7(2) Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "or clause 16 of Schedule 3A, or clause 12 of Schedule 3B, or clause 12 of Schedule 3C".

Subclause (1)(d) and (e) were inserted, as from 1 October 1997, by regulation 7(3) Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "or clause 16 of Schedule 3A, or clause 12 of Schedule 3B, or clause 12 of Schedule 3C".

Part 1A
Investment statements

7A Matters to be contained in investment statement

(1) In addition to the other requirements set out in the Act, every investment statement must contain, in a succinct manner, all of the information, statements, and other matters specified in Schedule 3D that are applicable to the securities to which the investment statement relates.

(2) An investment statement may state that additional information about a matter specified in Schedule 3D is set out in a registered prospectus (or, in the case of a registered bank, disclosure statement).

(3) If a matter specified in Schedule 3D is not applicable to the securities to which an investment statement relates, the investment statement is not required to refer to that matter and, in particular, is not required to state that the matter is not applicable.

(4) All information, statements, and other matters specified under an italicised question set out in Schedule 3D that are required to be contained in an investment statement in respect of a security must be set out together in the investment statement under that question.

(5) Nothing in this regulation limits the information, statements, or other matters that may be contained in an investment statement.

Part 1A (comprising regulation 7A) was inserted, as from 1 October 1997, by regulation 8 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Part 2
Advertisements

Content of advertisements

8 Misleading information

No advertisement shall contain any information, sound, image, or other matter that is likely to deceive, mislead, or confuse with regard to any particular that is material to the offer of securities contained or referred to in the advertisement.

9 Advertisements to be consistent with prospectus or disclosure statement

No advertisement shall contain any information, sound, image, or other matter that is inconsistent with any registered prospectus or disclosure statement referred to in the advertisement.

Regulation 9 was substituted, as from 1 January 1996, by regulation 3 Securities Regulations 1983, Amendment No 2 (SR 1995/285).

10 Application forms

[Revoked]

Regulation 10 was revoked, as from 1 October 1997, by regulation 9 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

11 Guarantees

No advertisement shall state or imply that the securities to which it relates are guaranteed by any person without also stating—

(a) The name of the guarantor; and

(b) The nature and amount of the guarantee; and

(c) Whether or not the guarantee is secured and, if so, the nature and amount of the security:

Provided that paragraphs (b) and (c) of this regulation shall not apply if the Crown is the guarantor and its guarantee is unconditional, or is subject only to the condition that the issuer or any other person has failed to repay the securities.

12 Assets

(1) No advertisement shall—

(a) State the amount of assets or net assets, of any person or persons, other than the total assets, or net assets, of the issuing group or borrowing group or mortgagor under a contributory mortgage (as the case may be), or of a guarantor of the securities to which the advertisement relates; or

(b) State the amount of the total assets of an issuing group, borrowing group, or mortgagor under a contributory mortgage, or guarantor without also stating with equal prominence the amount of the total liabilities of the group, mortgagor, or guarantor; or

(c) State the amount of the net assets, or the amounts of the assets and liabilities, of an issuing group, borrowing group, guarantor, or mortgagor under a contribu-

tory mortgage unless the amounts shown appear in the most recent audited consolidated statement of financial position of the group, mortgagor, or guarantor (being a statement of financial position dated not earlier than 18 months before the date of distribution of the advertisement) and the advertisement states the date of the statement of financial position as being the date at which the amount, or amounts, have been calculated.

(2) In this regulation, the term **guarantor** means, in relation to securities, a person (other than the issuer of the securities) who—

(a) Is unconditionally liable (whether or not jointly or severally with the issuer or any other person) to repay the securities; or

(b) Is liable to repay the securities subject only to the condition that the issuer or any other person has failed to do so.

Subclause (1)(c) was amended, as from 1 October 1997, by regulation 10 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

13 Capital

(1) No advertisement shall state the amount of the authorised capital or issued capital of a company registered under the Companies Act 1955, unless that amount is described as such and the advertisement also states with equal prominence, and describes as such, the amount of the capital of the company that is credited as paid up.

(2) No advertisement shall state the number of shares issued by a body corporate, other than a company registered under the Companies Act 1955, without also stating the amount credited as paid up in respect of those shares.

Regulation 13 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

14 Unsecured and secured securities

(1) No advertisement shall refer to any debt securities (other than securities the issuer of which is the Crown) without also stating either that the securities are unsecured or the nature and ranking in point of security of the securities.

(2) An advertisement shall not state or imply that participatory securities are secured, other than by use of the word "secured" accompanied by a statement of the nature and ranking in point of security of the securities.

15 Restrictions on distribution of certain advertisements

(1) If there is a registered prospectus for securities to which an advertisement relates, the advertisement must not contain prospective financial information unless the advertisement refers to the registered prospectus and either—

(a) The prospective financial information is also contained in the registered prospectus; or

(b) In the case of an advertisement that contains prospective financial information that is personal to a person to whom the advertisement is distributed, the principal assumptions and method of calculation in accordance with which the information is calculated are set out in the registered prospectus.

(2) If there is no registered prospectus for securities to which an advertisement relates, the advertisement must not contain prospective financial information unless it also contains a statement of the principal assumptions and method of calculation in accordance with which the information is calculated.

Regulation 15 was substituted, as from 1 January 1996, by regulation 4 Securities Regulations 1983, Amendment No 2 (SR 1995/285).

Regulation 15 was substituted, as from 1 October 1997, by regulation 11 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

16 Restrictions imposed by Part 3 on content of advertisements

Nothing in this Part of these regulations limits the provisions of Part 3 of these regulations.

17 Restrictions on distribution of certain advertisements

(1) Subject to subclause (3) of this regulation, no advertisement shall be distributed to the public unless a certificate that complies with subclause (2) of this regulation has been completed

in respect of the advertisement at the time at which the advertisement is so distributed.

(2) A certificate for the purposes of subclause (1) of this regulation shall be in the form set out in Schedule 4 to these regulations and shall be signed—

(a) Where the issuer is the Crown, by a person authorised by a Minister of the Crown to sign such certificates; or

(b) Where the issuer has only one director, by that director if he or she is resident in New Zealand or, if he or she is not resident in New Zealand, by a person authorised by the director to sign such certificates; or

(c) Where the issuer has more than one director,—

(i) If only one director is resident in New Zealand, by that director; or

(ii) In every other case, by at least 2 persons, each of whom is one of the following persons—

(A) A director of the issuer of the securities to which the advertisement relates; or

(B) Where none of the directors of the issuer resides in New Zealand, a person authorised by the directors to sign such certificates.

(3) Subclause (1) of this regulation shall not apply—

(a) In respect of an authorised advertisement that contains no information or matter other than—

(i) The name, address, postal address, telephone number, and telex number of the issuer and the logo customarily used by the issuer; and

(ii) A description of the securities being offered, the terms of the offer, and a brief description of any rights or privileges attaching thereto; and

(iii) A statement of the rate or rates of interest (if any) that may be earned by holding the securities being offered; and

(iv) The information and matters specified in regulations 11, 14, and 21 of these regulations; and

(v) The names of the principal stockbroker to, and the underwriter of, the offer; and

(vi) A description, or the amounts or rates, of the fees and charges payable by a subscriber for the securities; and

(vii) In the case of an advertisement relating only to debt securities the issuer of which is a registered bank that has published a disclosure statement under section 81 of the Reserve Bank of New Zealand Act 1989, the information and matters specified in paragraphs (a) and (b) of section 38AA of the Act; and

(viii) The information specified in section 38 of the Act:

(b) In respect of any advertisement, if the only difference between the advertisement and another advertisement in respect of which a certificate that complies with subclause (2) of this regulation has been completed is that a rate or rates of interest shown in one of the advertisements differ from a rate or rates of interest shown in the other advertisement.

(c) In respect of any advertisement, if the only difference between the advertisement and another advertisement in respect of which a certificate that complies with subclause (2) has been completed is that the advertisement contains prospective financial information personal to a person to whom the advertisement is distributed calculated in accordance with assumptions and a method of calculation stated in both advertisements.

(4) Every certificate completed in respect of an advertisement for the purposes of this regulation shall be held by the issuer of the securities to which the advertisement relates for at least 12 months from the date of the last distribution of the advertisement.

(5) If an issuer fails to comply with subclause (4) of this regulation, the issuer, and every principal officer thereof, commits an offence:

Provided that it shall be a defence to a charge against a principal officer under this subclause if the defendant proves that the disposal of the certificate by the issuer took place without his knowledge or against his advice.

(6) Without limiting subclause (7) of this regulation, every person commits an offence who—

(a) Being a publisher of a newspaper or magazine, distributes an advertisement to the public in contravention of subclause (1) of this regulation by means of that newspaper or magazine; or

(b) Being the operator of a broadcasting station, distributes an advertisement to the public in contravention of subclause (1) of this regulation by means of a broadcast from that broadcasting station; or

(c) Being the exhibitor of a film, distributes an advertisement to the public in contravention of subclause (1) of this regulation by means of the exhibition of that film:

Provided that it shall be a defence to a charge under this subclause if the defendant proves that, at the time the advertisement was so distributed, he had reasonable grounds to believe, and did believe, that a certificate that complied with subclause (2) of this regulation had been completed in respect of the advertisement.

(7) Without limiting subclause (6) of this regulation, if an advertisement is distributed to the public in contravention of subclause (1) of this regulation, the issuer, and every principal officer thereof, commits an offence:

Provided that it shall be a defence to a charge under this subclause if—

(a) The defendant proves that the advertisement was distributed without his knowledge or against his advice; or

(b) The defendant is a principal officer and he proves that, at the time the advertisement was so distributed, he had reasonable grounds to believe, and did believe, that a certificate that complied with subclause (2) of this regulation had been completed in respect of the advertisement.

(8) Every person who commits an offence against this regulation is liable on summary conviction to a fine not exceeding $5,000.

Subclause (2)(b) and (c) were substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Subclause (3)(a)(i) was amended, as from 1 October 1997, by regulation 12(1) Securities Amendment Regulations 1997 (SR 1997/151) by omitting the word "business".

Subclause (3)(a)(vi) was amended, as from 1 January 1996, by regulation 5(a) Securities Regulations 1983, Amendment No 2 (SR 1995/285), by substituting the words "subsections (2A), (2B), (3), and (4)" for the words "subsections (2) to (4)".

Subclause (3)(a)(vi) was substituted, as from 1 October 1997, by regulation 12(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Subclause (3)(a)(vii) was substituted, and subclause (3)(a)(viii) was inserted, as from 1 January 1996, by regulation 5(2) Securities Regulations 1983, Amendment No 2 (SR 1995/285).

Subclause (3)(a)(viii) was substituted, as from 1 October 1997, by regulation 12(3) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Subclause (3)(c) was inserted, as from 1 October 1997, by regulation 12(4) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Part 3
Restrictions on content of registered prospectuses and advertisements

18 Shareholders' names

No registered prospectus or advertisement shall state or imply that a person is, or intends to become, a member or shareholder of the issuer of the securities to which it relates without also stating whether or not the securities are guaranteed by that person.

Regulation 18 was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by inserting the words "or shareholder".

19 Authorised trustee investments

[Revoked]

Regulation 19 was revoked, as from 1 January 1996, by regulation 6 Securities Regulations 1983, Amendment No 2 (SR 1995/285).

20 Statements as to safety

No registered prospectus or advertisement shall state that investment in the securities to which it relates is safe or free from risk.

21 Interest rates and taxation of interest

(1) No registered prospectus or advertisement shall state the rate or rates of interest that may be earned by holding securities unless the registered prospectus or advertisement states any minimum amount or amounts of the securities that would have to be held, and any minimum period or periods during which the securities would have to be held, in order to earn that rate or those rates.

(2) No advertisement (other than as required by clause 9(1)(d) of Schedule 3D) must—

(a) State a rate of interest payable in respect of a security that has been adjusted for the purposes of taking into account the incidence of taxation of the interest; or

(b) Otherwise refer to the taxation of interest earned by holding securities,—

except that, subject to regulations 8 and 9 of these regulations, an advertisement may include a statement to the effect that in certain circumstances there may be tax advantages in holding the securities referred to in the advertisement and that (where a registered prospectus or disclosure statement is referred to in the advertisement) there is set out in the prospectus or disclosure statement a full statement of those advantages.

(3) No registered prospectus shall refer to any liability for taxation of interest payable in respect of a security unless the registered prospectus makes it clear that the liability is that prescribed by current enactments.

Subclause (2) was amended, as from 1 January 1996, by regulation 7 Securities Regulations 1983, Amendment No 2 (SR 1995/285), by inserting, after the word "prospectus", in both places where it appears, the words "or disclosure statement".

Subclause (2) (that part before paragraph (a)) was substituted, as from 1 October 1997, by regulation 13 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

22 Mortgage debentures

No registered prospectus or advertisement shall refer to securities as mortgage debentures unless—

(a) The securities are secured by a first mortgage given to a trustee over land vested in a member of the borrowing group; and

(b) The mortgage has been registered, or is a registrable mortgage that has been lodged for registration, in accordance with the law in force relating to the registration of mortgages of land in the place where the land is situated; and

(c) The registered prospectus or advertisement states and describes the percentage arrived at by dividing the aggregate amount of the securities, and of all other liabilities (if any) secured by the mortgage and ranking *pari passu* in point of security with the liability to repay the securities, by the amount of the valuation referred to in paragraph (d) of this regulation; and

(d) There is included in the registered prospectus or disclosure statement relating to the securities either—

(i) A copy of a written valuation of the interest of the member of the borrowing group in the land made not more than 12 months before the date of the registered prospectus or disclosure statement by a registered valuer within the meaning of the Valuers Act 1948 (being a person who is not an officer or employee of the issuer or of any related body corporate); or

(ii) A copy of the latest Government valuation of the interest of the member of the borrowing group in the land, and the date thereof.

Paragraph (d) was amended, as from 1 January 1996, by regulation 8 Securities Regulations 1983, Amendment No 2 (SR 1995/285), by inserting, after the word "prospectus", in both places where it appears, the words "or disclosure statement".

23 Listing securities on registered exchange's securities market

(1) Except as provided in subclauses (2) to (4) of this regulation, no registered prospectus or advertisement shall contain—

(a) A statement to the effect that permission has been granted for the securities to which the registered prospectus or advertisement relates to be listed on a registered exchange's securities market; or

(b) A statement in any way referring to any such permission, or to any application or intended application for

any such permission, or to listing the securities or to any requirements of the registered exchange.

(2) Where, on or before the date of a registered prospectus, or the date of distribution of an advertisement, relating to securities, there has been delivered to the Registrar for registration an acknowledgment by a registered exchange to the effect that all its requirements (other than those relating to the number of holders of the securities) for listing the securities have been met, the registered prospectus or advertisement may include a statement in the following terms:

"Application has been made to [*name of registered exchange*] for permission to list the securities and all the requirements of [*name of the registered exchange*] relating thereto that can be complied with on or before the date of the prospectus (or the distribution of the advertisement) have been duly complied with. However, [*name of the registered exchange*] accepts no responsibility for any statement in this prospectus (or advertisement)."

(3) Where, on or before the date of a registered prospectus, or the date of distribution of an advertisement, relating to securities, there has been delivered to the Registrar for registration an acknowledgment by a registered exchange to the effect that the securities have been accepted for listing, the registered prospectus or advertisement may include a statement in the following terms:

"The securities have been accepted for listing by [*name of registered exchange*] and will be quoted upon completion of allotment procedures. However, [*name of the registered exchange*] accepts no responsibility for any statement in this prospectus (or advertisement)."

(4) Every registered prospectus (other than a registered prospectus that contains an offer of life insurance policies or interests in a superannuation scheme) that does not contain either of the statements set out in subclauses (2) and (3) of this regulation shall contain a statement to the effect that listing of the securities is not being sought.

Regulation 23 heading: amended, on 24 November 2009, by section 23(2) of the Securities Markets Amendment Act 2009 (2009 No 54).

The heading to regulation 23 was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "registered exchange's market" for the words "stock exchange".

Regulation 23(1)(a): amended, on 24 November 2009, by section 23(2) of the Securities Markets Amendment Act 2009 (2009 No 54).

Subclause (1)(a) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "on a registered exchange's market" for the words "by a trading exchange".

Subclause (1)(b) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "the registered exchange" for the words "the Stock Exchange Association of New Zealand".

Subclause (2) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "a registered exchange" for the words "the Stock Exchange Association of New Zealand" in the first place they occur.

Subclause (2) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "[*name of registered exchange*]" for the words "the Stock Exchange Association of New Zealand" in the second place they occur.

Subclause (2) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "[*name of the registered exchange*]" for the words "the Association" in both places they occur.

Subclause (3) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "a registered exchange" for the words "the Stock Exchange Association of New Zealand" in the first place they occur.

Subclause (3) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "[*name of registered exchange*]" for the words "the Stock Exchange Association of New Zealand" in the second place they occur.

Subclause (3) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "[*name of the registered exchange*]" for the words "the Association".

Subclause (4) was amended, as from 1 October 1997, by regulation 14 Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "(other than a registered prospectus that contains an offer of life insurance policies or interests in a superannuation scheme)".

Part 3A
Request disclosure

[Revoked]

Part 3A: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

23A Information to be disclosed by issuers on request

[Revoked]

Regulation 23A: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Part 4
Content of trust deeds and deeds of participation

[Revoked]

Part 4: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Trust deeds
[Revoked]

24 Clauses deemed to be contained in trust deeds

[Revoked]

Regulation 24: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Deeds of participation
[Revoked]

25 Contents of deeds of participation

[Revoked]

Regulation 25: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

26 Clauses deemed to be contained in deeds of participation

[Revoked]

Regulation 26: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Part 5
Miscellaneous provisions

[Revoked]

Part 5: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

27 Form of declaration of non-disclosure

[Revoked]

Regulation 27: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

27A Prescribed rate of interest

[Revoked]

Regulation 27A: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

28 Transitional provisions

[Revoked]

Regulation 28: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Schedule 1

reg 3(1)

Matters required in registered prospectus for equity securities

General requirements

1 Main terms of offer

(1) The name of the issuer, and address of its registered office (or, if it does not have a registered office, its address) in New Zealand.

(2) A brief description of the securities being offered.

(3) The maximum number or amount, and nominal value (if any), of the securities being offered.

(4) The price or other consideration to be paid or provided for the securities being offered.

Clause 1(3) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by inserting the words "(if any)".

2 Name and address of offeror

Where, by virtue of section 6 of the Act (which relates to previously allotted securities), the issuer is not the offeror,—

(a) The name of the offeror; and

(b) The address of the offeror's registered office (or, if it does not have a registered office, its address) in New Zealand; and

(c) The net amount of the consideration received or to be received by the issuer in respect of the original allotment of the securities.

3 Details of incorporation of issuer

(1) Where the issuer is a body corporate,—

(a) The statute or other authority by or under which the issuer was incorporated; and

(b) The date of incorporation; and

(c) The date of registration in New Zealand (if that date is different from the date of incorporation); and

(d) The registered number (if any); and

(e) The place (if any) in New Zealand where a public file relating to the incorporation or registration of the issuer is kept.

(2) In the case of an issuer that is a company, whether the company has been registered under the Companies Act 1993, and, if so, the date of reregistration.

(3) Subclause (2) of this clause shall cease to apply on and after the 1st day of July 1997.

Schedule 1, clause 3(2) and 3(3) were inserted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

4 Principal subsidiaries of issuer

In respect of each subsidiary the amount of whose total tangible assets exceeds 5 percent of the amount of the total tangible assets of the issuing group,—

(a) The name thereof; and

(b) The proportion of its issued capital held by members of the issuing group.

5 Directorate and advisers

(1) The name, address, and technical or professional qualifications (if any) of every director of the issuer.

(2) In respect of every director of the issuer who is an employee of the issuer, or of any subsidiary thereof, the position held by him.

(3) If any director has been adjudged bankrupt during the 5 years preceding the specified date, a statement to that effect including the name, and any alternative or former name or names, of the director concerned.

(4) The names of the issuer's secretary (if any), auditors, and securities registrar, and of any bankers, sharebrokers, or solicitors, who have been involved in the preparation of the registered prospectus.

(5) The names, addresses, and qualifications of any experts named in the registered prospectus.

(6) If the offer of securities is underwritten, the name and address of the underwriter.

Schedule 1, clause 5(1) was amended, as from 1 October 1997, by regulation 17 Securities Amendment Regulations 1997 (SR 1997/151) by omitting the word "residential".

Schedule 1, clause 5(4) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by inserting the words "(if any)".

5A Restrictions on director's powers

Any modifications, exceptions, or limitations on the powers of the board of any issuer that is a company imposed,—

(a) In the case of a company registered under the Companies Act 1955, by that Act or the memorandum or articles of association of the company; or

(b) In the case of a company registered under the Companies Act 1993, by that Act or the constitution of the company—

and in force at the specified date.

Schedule 1, clause 5A was inserted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

6 Substantial equity security holders of issuer

(1) The names of the persons who are the registered holders of the 10 largest holdings of equity securities of the issuer at a date not earlier than 30 days before the specified date, and the amounts of their respective holdings.

(2) A statement as to whether or not the persons specified in accordance with subclause (1) of this clause undertake any liability in respect of the securities being offered.

7 Description of activities of issuing group

(1) A brief description of the activities of the members of the issuing group during the 5 years preceding the specified date.

(2) A brief description of the nature and use of the principal fixed assets held by members of the issuing group and a statement whether the assets are owned or held under lease.

8 Summary of financial statements

(1) A financial statement in summary form (and, where practicable, in tabular form) in respect of the group.

(2) The amounts in the financial statement required by subclause (1) of this clause shall be amounts that appear in consolidated financial statements of the group giving a true and fair view of the results and state of affairs of the group for the period concerned, or, where no such statements have been prepared, amounts that would have appeared in such statements if they had been prepared.

(3) The amounts that appear in the financial statement required by subclause (1) of this clause shall include—

(a) In respect of each of the 5 consecutive accounting periods preceding the date of the statement of financial position set out in the registered prospectus, and (where there is also set out in the registered prospectus an interim statement of financial position by virtue of clause 23(2) of this Schedule) for the period from the end of the last accounting period to the date of the interim statement of financial position, amounts showing—

(i) Total operating revenues:

(ii) Total interest expense:

(iii) Revoked

(iv) The net surplus or deficit before taking account of taxation and extraordinary items:

(v) The total provided for, or credited by way of, taxation:

(vi) The net surplus or deficit before taking account of extraordinary items:

(vii) The total of any extraordinary items (net of taxation) that derive from events outside the ordinary activities of the group's business:

(viii) The net surplus or deficit after taking account of extraordinary items:

(ix) If the equity method of accounting has been used, surpluses or deficits that have resulted from using that method:

(x) The total of the amounts required by subparagraphs (viii) and (ix) of this paragraph:

(xi) Such part of the total required by subparagraph (x) of this paragraph as is attributable to persons who are not members of the group and who hold equity securities issued by subsidiaries of the issuer:

(xii) The amount paid or provided for dividends in respect of each class of equity securities of the issuer, including for each class the rate of dividend expressed in cents per share:

(xiii) Surplus or deficit retained in the group.

(b) As at the end of each accounting period and other period specified in paragraph (a) of this subclause, amounts showing—

(i) Total assets:

(ii) Total tangible assets:

(iii) Total liabilities:

(iv) Total equity:

(v) The net tangible asset backing per unit of any allotted securities that are of the same class as the securities being offered.

(4) A statement as to whether or not the amounts stated pursuant to subclauses (2) and (3) of this clause have been taken from audited financial statements.

(4A) If the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements but the auditor's report was qualified, a statement to this effect explaining what the qualification was.

(5) The financial statement required by subclause (1) of this clause shall also show the net tangible asset backing per unit of the securities being offered at the date of the latest statement of financial position contained or referred to in the registered prospectus calculated in accordance with each of the following assumptions:

(a) All the securities had been allotted, and the subscriptions received, before that date:

(b) All the securities had been allotted, and the subscriptions received, before that date and all outstanding securities that are convertible into securities of the class being offered had been converted before that date (where there are variable rates of conversion having effect at different times, at the next available rate of conversion).

(6) In respect of the amounts stated pursuant to subclauses (2) and (3) of this clause,—

(a) A description of the nature of any extraordinary items;

(ab) A description of the nature of any item that is of such incidence and size, or of such nature, that its disclosure is necessary to explain the performance of the group:

(b) A description (and, where practicable, quantification) of the effect on those amounts of any material changes in the activities of the group, and of any material changes in the accounting policies used, that occurred during the periods to which the amounts relate.

(7) Nothing in this clause limits the information that may be included in the financial statement required by subclause (1) of this clause or in the notes to that financial statement.

Schedule 1, clause 8(3)(a) was amended, as from 1 October 1997, by regulation 18(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 1, clause 8(3)(a)(i) was substituted, as from 1 October 1997, by regulation 18(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 8(3)(a)(iii) was revoked, as from 1 October 1997, by regulation 18(3) Securities Amendment Regulations 1997 (SR 1997/151).

Schedule 1, clause 8(3)(iv), (vi) and (vii) were amended, as from 1 October 1997, by regulation 18(3) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surpluses or deficit" for the word "profit or loss".

Schedule 1, clause 8(3)(a)(ix) was amended, as from 1 October 1997, by regulation 18(3)(c) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surpluses or deficits" for the words "profits or losses".

Schedule 1, clause 8(3)(a)(xiii) was substituted, as from 1 October 1997, by regulation 18(4) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 8(3)(b)(iv), was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 1, clause 8(3)(b)(iv) was further substituted, as from 1 October 1997, by regulation 18(5) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 8(4A) was inserted, as from 1 October 1997, by regulation 18(6) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 8(5) was amended, as from 1 October 1997, by regulation 18(7) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

Schedule 1, clause 8(6)(a) was amended, as from 1 October 1997, by regulation 18(8) Securities Amendment Regulations 1997 (SR 1997/151) by omitting the words "abnormal items or".

Schedule 1, clause 8(6)(ab) was inserted, as from 1 October 1997, by regulation 18(9) Securities Amendment Regulations 1997 (SR 1997/151)

9 Prospects and forecasts

(1) A statement as to the trading prospects of the issuing group, together with any material information that may be relevant thereto.

(2) The statement required by subclause (1) of this clause shall include a description of all special trade factors and risks that—

(a) Are not mentioned elsewhere in the registered prospectus; and

(b) Are not likely to be known or anticipated by the general public; and

(c) Could materially affect the prospects of the issuing group.

(3) Where the purpose of the offer of securities is expressed to be to provide finance for a particular capital project,—

(a) A brief description of the project; and

(b) An indication of the expected financial benefits of the project.

10 Provisions relating to initial flotations

(1) In the case of the first offer to the public of equity securities of the issuer,—

(a) A brief description of the plans that the directors of the issuer, and the directors of any other member of the issuing group, have in respect of the issuing group during the year commencing on the specified date, including the sources of finance that will be required for the plans; and

(b) A statement as to whether or not the proceeds of the offer of securities may, notwithstanding the stated directors' plans, be applied towards any undertaking that the issuer may lawfully engage in (including, in the case of an issuer that is a company, any one or more of the objects specified in the company's memorandum of association or constitution, as the case may be,); and

(c) A prospective statement of cash flows of the issuing group which the directors of the issuer expect to occur in the year commencing on the specified date.

(2) The prospective statement of cash flows required by subclause (1)(c) of this clause—

(a) Shall show the likely receipt and proposed use of the proceeds of the offer of securities; and

(b) Shall state the principal assumptions on which it is based.

(3) Nothing in subclause (2) of this clause limits the information to be included in the prospective statement of cash flows required by subclause (1)(c) of this clause.

(4) For the purposes of section 37(2) of the Act, the minimum amount that, in the opinion of the directors, must be raised by the issue of the securities in order to provide the sums (or, if any part thereof is to be defrayed in any other manner, the balance of the sums) required to be provided in respect of each of the following matters:

(a) The purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the offer:

(b) Any preliminary expenses payable by the issuer, and any commission so payable to any person in consider-

ation of his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for, any of the securities:

(c) Working capital:

(d) The repayment of any money borrowed by the issuer in respect of any of the foregoing matters.

Schedule 1, clause 10(1)(b) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by inserting the words "or constitution, as the case may be,".

Schedule 1, clause 10(1)(c) was amended, as from 1 October 1997, by regulation 19(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "prospective statement of cash flows" for the words "forecast statement of changes in the financial position".

Schedule 1, clause 10(2) and (3) were amended, as from 1 October 1997, by regulation 19(2) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "prospective statement of cash flows" for the words "forecast statement".

11 Acquisition of business or subsidiary

(1) Notwithstanding any other provision of this clause, this clause shall not apply in respect of a business, subsidiary, or body corporate if—

(a) The registered prospectus contains a statement of financial position in accordance with clause 23(1) of this Schedule; and

(b) The consideration paid or payable, or proposed to be paid, for the acquisition of the business, subsidiary, or body corporate is not more than one-fifth of the amount of the total tangible assets shown in that statement of financial position.

(2) If a member of the issuing group acquired a business, or a member of the issuing group became a subsidiary of the issuer, at any time in the 2 years preceding the specified date, the following information:

(a) The name of the member:

(b) A brief description of the activities of that business, or of the business carried on by that subsidiary, in the course of the period that began 5 years before the specified date and ended on the date on which the business was acquired, or the member became a subsidiary, as the case may be:

(c) In respect of that business or subsidiary, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of this Schedule in respect of the 5 accounting periods preceding the specified date.

(3) If—

(a) A member of the issuing group acquired a business, or became a subsidiary of the issuer, at any time in the period between the date of the latest statement of financial position contained or referred to in the registered prospectus and the specified date; or

(b) The registered prospectus contains a statement to the effect that a member of the issuing group intends to acquire a business, or equity securities that will result in a body corporate becoming a subsidiary of the issuer—

the following information:

(c) The name of the member of the issuing group:

(d) The amount of the consideration paid or payable, or proposed to be paid, by the member of the issuing group for the business, subsidiary, or body corporate:

(e) A brief description of that business, or of the business carried on by that subsidiary or body corporate, in the course of the 5 years before the specified date:

(f) In respect of that business, subsidiary, or body corporate the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of this Schedule in respect of the 5 accounting periods preceding the specified date and the matters specified in clauses 23 to 38 of this Schedule:

(g) Where, by virtue of clause 22 of this Schedule, the registered prospectus does not include a statement of financial position of the group, the net tangible asset backing per unit of the securities being offered as at the date of the statement of financial position included in the registered prospectus pursuant to paragraph (f) of this subclause calculated in accordance with the assumption that the business, subsidiary, or body corporate had been acquired, and all the securities offered had been allotted and the subscriptions received, before that date.

Schedule 1, clause 11(1)(a) and (b) were amended, as from 1 October 1997, by regulation 20(a) Securities Amendment Regulations 1997 (SR 1997/151) by

substituting the words "statement of financial position" for the words "balance sheet".

Schedule 1, clause 11(3)(a) was amended, as from 1 October 1997, by regulation 20(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

Schedule 1, clause 11(3)(g) was amended, as from 1 October 1997, by regulation 20(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

12 Securities paid up otherwise than in cash

In respect of all equity and participatory securities that, within the 5 years preceding the specified date, have been allotted by a member of the issuing group to a person who is not a member of the issuing group, or that have been subscribed for and are to be so allotted, as fully or partly paid up otherwise than in cash, the following particulars:

(a) A description (sufficient to identify it) of each class of security:

(b) In respect of each class of security, the extent to which the securities are paid up otherwise than in cash:

(c) In respect of each class of security, a description of the consideration for which the securities have been allotted or are to be allotted.

13 Options to subscribe for securities of issuing group

Where an option to subscribe for securities of any member of the issuing group is granted to, or is proposed to be granted to, any person by or on behalf of that member of the issuing group, the following information:

(a) In respect of each class of the securities that are under option:

  (i) A description thereof:

  (ii) The total number of securities:

  (iii) The subscription price of each security:

  (iv) The consideration (if any) given or to be given for each option and the expiry date thereof:

(b) The total number of each class of securities under option to, or for the benefit of, each of the following classes of persons:

(i) The principal officers of the issuer or of any subsidiary of the issuer:

(ii) The employees of the issuer or of any subsidiary of the issuer:

Provided that this paragraph shall not apply where the option is granted or is proposed to be granted on the same terms and on a pro rata basis to all holders of securities of the same class as those to which the option relates.

14 Appointment and retirement of directors

(1) In respect of any director of the issuer who is appointed,—

(a) In the case of a company within the meaning of the Companies Act 1955, in a manner that is materially different from that specified in regulations 75 and 89 to 97 of Table A in Schedule 3 to that Act; or

(b) In the case of a company within the meaning of the Companies Act 1993, in a manner specified in the constitution of the company that is materially different from that specified in sections 153 and 155 of that Act,—

the manner of his or her appointment.

(2) A summary of any rules of the issuer relating to the retirement age of directors.

(3) Where any person (other than the members of the issuer in general meeting or directors of the issuer acting as a board to fill a casual vacancy), has the right to appoint a director or directors of the issuer,—

(a) The name of that person; and

(b) The name of each director who has been appointed by that person; and

(c) A statement whether or not that person has the right to vote in the election of other directors of the issuer.

Schedule 1, clause 14(1) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

15 Directors' interests

(1) Where—

(a) A director of the issuer is entitled to remuneration from the issuer or any of its subsidiaries other than by way of directors' fees; and

(b) The remuneration is payable under a contract of service (other than a contract terminable, without payment of compensation, by the issuer or subsidiary on notice of 2 years or less),—

the amount of the remuneration and all other principal terms of the contract.

(2) Where (in any case other than a case in which subclause (1) of this clause applies) a director is entitled to remuneration from the issuer or any of its subsidiaries other than by way of directors' fees, particulars of the nature of the relationship between the director and the issuer and the services rendered by the director to the issuer.

(3) Where any provisions—

(a) In the rules of the issuer or any of its subsidiaries; or

(b) In any contract or deed entered into by the issuer or any of its subsidiaries,—

relate to retirement benefits of directors or compensation payable to directors for loss of office, a summary of those provisions:

Provided that this subclause shall not apply if those provisions relate only to superannuation benefits that are payable to directors who are full-time employees of the issuer or subsidiary under a scheme open to other full-time employees of the issuer or subsidiary.

(4) Where any material transaction has been entered into at any time in the 5 years preceding the specified date, or is to be entered into on or after the specified date,—

(a) Between the issuer or any of its subsidiaries and any director or proposed director of the issuer or of any body corporate related to the issuer; or

(b) Between the issuer or any of its subsidiaries and any immediate relative of any director or proposed director of the issuer or of any body corporate related to the issuer; or

(c) Between the issuer or any of its subsidiaries and any company more than half of whose share capital was or

will be held directly or indirectly, at the date of the transaction, by—

(i) Any director or proposed director of the issuer or of any body corporate related to the issuer; or

(ii) Any immediate relative of any director or proposed director of the issuer or of any body corporate related to the issuer,—

the following information:

(d) A description of the property acquired, or to be acquired, under the transaction; and

(e) The cost of the property acquired, or to be acquired, under the transaction to the person by whom it has been or is to be acquired; and

(f) A brief description of the other terms of the acquisition of the property; and

(g) The cost of the property to the person disposing of the property under the transaction; and

(h) The date on which the person disposing of the property under the transaction acquired the property.

(5) Where the rules of an issuer that is a company within the meaning of the Companies Act 1955 relating to the rights and obligations of, and the restrictions on, interested directors are materially different from those specified in regulation 84 of Table A in Schedule 3 to that Act, a summary of those rules.

Schedule 1, clause 15(5) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

16 Promoters' interests

(1) The full name of every promoter of the securities being offered.

(2) Where any material transaction has been entered into at any time in the 5 years preceding the specified date, or is to be entered into on or after the specified date,—

(a) Between the issuer or any of its subsidiaries and any promoter of the issuer, or of any subsidiary of the issuer; or

(b) Between the issuer or any of its subsidiaries and (where a promoter of the issuer is a body)—

(i) Any body corporate related to that promoter; or

(ii) Any director or proposed director of that promoter or of any body corporate related to that promoter; or

(c) Between the issuer or any of its subsidiaries and any immediate relative of—

(i) Any promoter of the issuer or of any subsidiary of the issuer; or

(ii) Where a promoter of the issuer is a body whether corporate or unincorporate, any director or proposed director of that promoter or of any body corporate related to that promoter; or

(d) Between the issuer or any of its subsidiaries and any company more than half of whose share capital was or will be held directly or indirectly, at the date of the transaction, by—

(i) Any promoter of the issuer or of any subsidiary of the issuer; or

(ii) Where a promoter of the issuer is a body whether corporate or unincorporate, any director or proposed director of that promoter or of any body corporate related to that promoter—

the following information:

(e) A description of the property acquired, or to be acquired, under the transaction; and

(f) The cost of the property acquired, or to be acquired, under the transaction to the person by whom it has been or is to be acquired; and

(g) A brief description of the other terms of the acquisition of the property; and

(h) The cost of the property to the person disposing of the property under the transaction; and

(i) The date on which the person disposing of the property under the transaction acquired the property.

17 Material contracts

In relation to every material contract entered into by any member of the issuing group at any time in the 2 years preceding the specified date (not being a contract entered into in the ordinary course of business of that member),—

(a) Its date; and
(b) The names of the parties to it; and
(c) Its general nature.

18 Pending proceedings

A brief description of any legal proceedings or arbitrations that are pending at the specified date and that may have a material adverse effect on the issuing group.

19 Preliminary and issue expenses

(1) Particulars of any issue expenses, including—
(a) Their amount or estimated amount; and
(b) In respect of any commission payable,—
(i) The rate of commission; and
(ii) The persons or classes of persons to whom the commission is payable.

(2) Where the date on which the issuer became entitled to commence business is less than 2 years before the specified date, particulars of any preliminary expenses of the issuer, including their amount or estimated amount.

20 Restrictions on issuing group

(1) Particulars of any restrictions on the ability of any member of the issuing group to make a distribution, being restrictions that result from any undertaking given, or contract or deed entered into, by the issuer or any of its subsidiaries.

(2) Brief particulars of any restrictions on the ability of any member of the issuing group to borrow, being restrictions that result from any undertaking given, or contract or deed entered into, by the issuer or any of its subsidiaries.

Schedule 1, clause 20(1) was amended, as from 1 October 1997, by regulation 21 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "make a distribution" for the words "distribute profits".

21 Other terms of offer and securities

All terms of the offer, and all terms of the securities being offered, not elsewhere set out in the registered prospectus, other than those—
(a) Implied by law; or

(b) Set out in a document that—
  (i) Is registered with a public official; and
  (ii) Is available for public inspection; and
  (iii) Is referred to in the registered prospectus.

Requirements in respect of financial statements

22 Application

(1) Clauses 23 to 38 of this Schedule shall apply only if, before the specified date, a member of the group has commenced business and—
  (a) Has acquired an asset; or
  (b) Has incurred a debt.

(2) Clauses 23(1), 34(1), and 36(a) do not apply if—
  (a) The latest financial statements for the issuer that have been registered under the Financial Reporting Act 1993 contain or are accompanied by financial statements for the issuing group containing the information required to be contained in the registered prospectus by clauses 23 to 38; and
  (b) The registered prospectus refers to those financial statements of the issuing group and states the most recent accounting period covered by those statements.

Schedule 1, clause 22(2) was inserted, as from 1 October 1997, by regulation 22 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

23 Balance sheets

(1) An audited consolidated statement of financial position of the group giving a true and fair view of the state of affairs of the group—
  (a) As at the end of the most recently completed accounting period of the group; or
  (b) Where there is no such accounting period, as at any stated date that is not more than 4 months before the specified date.

(2) If the directors of the offeror consider it necessary or desirable (after having regard to section 37A(1)(c) of the Act), an additional consolidated interim statement of financial position of the group (which statement of financial position need not be

audited) giving a true and fair view of the state of affairs of the group as at any stated date that is not more than 9 months after the date of the statement of financial position contained in the registered prospectus pursuant to subclause (1) of this clause.

(3) Nothing in clauses 24 to 33 of this Schedule limits the matters that may be included—

(a) In any statement of financial position required by this clause; or

(b) In notes to any such statement of financial position which are set out in the registered prospectus.

Schedule 1, clause 23 was amended, as from 1 October 1997, by regulation 23 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet", and by substituting in subclause (2) the expression "section 37A(1)(c)" for the expression "section 37A(1)(e)".

24 Capital and reserves

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The total equity:

(b) In respect of each class of equity security,—

(i) A brief description thereof sufficient to identify it, together with a statement of any voting rights, pre-determined dividend rate, maturity date, and conversion rights relating thereto:

(ii) The number of securities allotted and still outstanding, and the amounts credited as paid up in respect thereof; and details of any changes therein since the commencement of the most recently completed accounting period of the group (other than such details as are set out elsewhere in the registered prospectus):

(iii) In the case of a company registered under the Companies Act 1955, the total nominal value of the securities of that class that have not been allotted:

(iv) If there are any restrictions upon allotment of the securities, particulars of those restrictions:

(c) A description of movements in equity since the commencement of the most recently completed accounting period of the group showing separately—

(i) Changes arising from any revaluation of assets:

(ii) Contributions from shareholders:

(iii) Other material changes.

(d)

(e) The amount of any cumulative dividends in arrears.

Clause 24 was amended, as from 1 October 1997, by regulation 24 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Paragraph (a) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Paragraph (a) was amended, as from 1 October 1997, by regulation 24 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the word "equity" for the words "shareholders' funds".

Paragraph (b)(iii) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Paragraph (b)(iv) was inserted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Paragraph (c) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Paragraph (c) was amended, as from 1 October 1997, by regulation 24 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the word "equity" for the words "shareholders' funds".

Paragraph (d) was revoked, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

25 Minority interests

Each statement of financial position required by clause 23, or notes to that statement of financial position, which are set out in the registered prospectus, must state, as a separate component of the aggregate amount of equity required to be stated by clause 24, the amount of equity attributable to equity securities that—

(a) Have been issued by subsidiaries of the issuer; and

(b) Are not held by members of the group.

Schedule 1, clause 25 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 1, clause 25 was further substituted, as from 1 October 1997, by regulation 25 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

26 Deferred taxation

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the amount of any provision for deferred taxation.

Schedule 1, clause 26 was amended, as from 1 October 1997, by regulation 26 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

27 Term liabilities

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of non-current liabilities:

(b) The amounts of non-current liabilities owing to each of the following classes of persons (where material):

  (i) Associated bodies corporate:

  (ii) Related bodies corporate:

  (iii) Directors of the issuer:

(c) An analysis of the non-current liabilities by maturity, showing in respect of each financial year in which non-current liabilities are repayable, the amounts repayable in that year together with a summary of the interest rates on those amounts (where practicable, in the form of a weighted average interest rate) for that year:

(d) The amount of the non-current liabilities that are secured and a brief description of the nature of the security.

Schedule 1, clause 27 was amended, as from 1 October 1997, by regulation 27(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 1, clause 27 was further amended, as from 1 October 1997, by regulation 27(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "non-current liabilities" for the words "term liabilities".

28 Current liabilities

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of current liabilities; and

(b) In addition (as separate items), such of the following amounts included within that aggregate amount as are material:

  (i) The total of trade creditors:

  (ii) The total of bank loans and overdraft:

  (iii) The total of provisions for taxation:

  (iv) The total of provisions for dividends:

  (v) The amount of each other category of current liability (and a description thereof):

(c) The amounts of current liabilities owing to each of the classes of persons specified in clause 27(b) of this Schedule (where material):

(d) The amount of the current liabilities that are secured, and a brief description of the nature of the security.

Schedule 1, clause 28 was amended, as from 1 October 1997, by regulation 28 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 1, clause 28(b)(i) was substituted, as from 1 October 1997, by regulation 28 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

29 Commitments and contingent liabilities

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) Particulars (including the estimated amount thereof and the period of commitment) of any material commitments for capital expenditure (other than those included as liabilities in the statement of financial position):

(b) Particulars (including the estimated amount thereof and the period of commitment) of any material commitments in respect of leases and hire purchase agreements

(other than those included as liabilities in the statement of financial position):

(c) A brief description of any material contingent liabilities, and the estimated amount thereof.

Schedule 1, clause 29 was amended, as from 1 October 1997, by regulation 27(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

30 Fixed assets

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of fixed assets:

(b) A classification of the fixed assets into the following categories and, in respect of each category, the basis or bases of valuation, the name and qualification of the valuer and date of valuation, if any, the aggregate amount on each basis, and accumulated depreciation shown as a deduction from each aggregate amount:

  (i) Land:

  (ii) Buildings:

  (iii) Machinery and equipment:

  (iv) Other fixed assets:

(c) A brief description of the assets to which paragraph (b)(iv) of this clause relates:

(d) The aggregate of the latest Government valuations of land and buildings; and the cost of any additions to land and buildings subsequent to the relevant valuation.

Schedule 1, clause 30 was amended, as from 1 October 1997, by regulation 30(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 1, clause 30(b) was amended, as from 1 October 1997, by regulation 30(2) Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "the name and qualification of the valuer and date of valuation, if any,".

Schedule 1, clause 30(b)(i) and (ii) were substituted, as from 1 October 1997, by regulation 30(3) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

31 Investments

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state—

(a) The aggregate amount of investments; and

(b) In addition (as separate items), the following amounts included within that aggregate amount in respect of:

(i) The total of investments in associated bodies corporate at cost (less amounts written off) or market value (if ascertainable), whichever is the lesser; and, if the equity method of accounting has been adopted, shown separately, the amounts attributed to the total of investments in associated bodies corporate through the use of that method of accounting:

(ii) The total of investments in related bodies corporate at cost (less amounts written off) or market value (if ascertainable), whichever is the lesser:

(iii) Where material, the total of securities issued by the Crown or a local authority; and, where this amount is not market value, the total market value:

(iv) Where material, the total of investments in other bodies corporate that are parties to listing agreements with a registered exchange and, where this amount is not market value, the total market value.

Schedule 1, clause 31 was amended, as from 1 October 1997, by regulation 31 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 1, clause 31(b)(iv) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "that are parties to listing agreements with a registered exchange" for the words "listed on a trading exchange".

32 Current assets

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state—

(a) The aggregate amount of current assets; and

(b) In addition (as separate items), such of the amounts included within that aggregate amount as are material and are in respect of:

(i) The aggregate amount of cash, bank balances, and deposits with money market dealers:

(ii) The amount of securities held, and, where this amount is not market value, the total market value:

(iii) The amount of trade receivables (showing as separate deductions from those receivables any provisions for interest not yet earned and doubtful debts):

(iv) Total inventories (showing separately, where appropriate, the amounts for raw materials, work in progress, and finished goods and the basis of valuation):

(v) Each other category of current asset (and a description thereof):

(c) In respect of the trade receivables referred to in paragraph (b)(iii) of this clause, the amounts thereof owing from each of the classes of persons specified in clause 27(b) of this Schedule (where material).

Schedule 1, clause 32 was amended, as from 1 October 1997, by regulation 32(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 1, clause 32(b)(iii) was substituted, as from 1 October 1997, by regulation 32(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 32(c) was amended, as from 1 October 1997, by regulation 32(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "trade receivables" for the words "accounts receivable".

33 Intangible and other assets

Each statement of financial position required by clause 23 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state:

(a) The aggregate amount of intangible assets; and

(b) In addition (as separate items), such of the amounts included within that aggregate amount as are material and are in respect of:

(i) Total goodwill:

(ii) The total of patents and trade marks; and

(c) The aggregate of all assets not specified in any provision of clauses 30 to 32 of this Schedule or of paragraph (a) or paragraph (b) of this clause; and

(d) In addition (as separate items), the nature and amount of each material asset included in the aggregate stated pursuant to paragraph (c) of this clause.

Schedule 1, clause 33 was amended, as from 1 October 1997, by regulation 33 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

34 Statements of financial performance

(1) An audited consolidated statement of financial performance of the group giving a true and fair view of the results of the group—

(a) For the most recently completed accounting period thereof; or

(b) Where there is no such accounting period, for the period from the date of commencement of business by the issuer to the date of the statement of financial position set out in the registered prospectus pursuant to clause 23(1)(b) of this Schedule.

(2) Where an interim statement of financial position is set out in the registered prospectus pursuant to clause 23(2) of this Schedule, a consolidated statement of financial performance (which statement need not be audited) of the group giving a true and fair view of the results of the group for the period from the date of the statement of financial position set out in the registered prospectus pursuant to clause 23(1) of this Schedule to the date of the interim statement of financial position.

(3) Nothing in clause 35 of this Schedule limits the information that may be included—

(a) In any statement of financial performance required by this clause; or

(b) In notes to any such statement of financial performance which are set out in the registered prospectus.

Schedule 1, clause 34 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 1, clause 34 was amended, as from 1 October 1997, by regulation 34(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting

the words "statement of financial performance" for the words "profit and loss statement".

Schedule 1, clause 34(1)(b) and (2) were amended, as from 1 October 1997, by regulation 34(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

35 Contents of statement of financial performance

Each statement of financial performance required by clause 34 of this Schedule, or notes to that statement of financial performance which are set out in the registered prospectus, shall state the following matters:

(a) Total operating revenues (and the basis of calculation of total operating revenues):

(b) The amount of investment revenue from:

  (i) Associated bodies corporate (other than surpluses or deficits that result from using the equity method of accounting):

  (ii) All other sources:

(c) The amount of audit fees and expenses:

(d) The amount of directors' fees:

(e) The amount of provisions made for depreciation and obsolescence:

(f) The total interest expense:

(g) Where material, total leasing and renting expense:

(h) A description of the nature of any item that is of such incidence and size, or of such nature, that its disclosure is necessary to explain the performance of the group:

(i) Where material, the amount of any foreign exchange gains or losses recognised in the statement of financial performance distinguishing between realised and unrealised gains or losses:

(j) The net surplus or deficit before taxation:

(k) The amount provided for, or credited by way of, taxation; and a brief explanation of any difference between this amount and the amount that would need to be provided for, or would be credited by way of, taxation if the whole of the surplus or deficit referred to in paragraph (j) of this clause were taxed at the standard rate applicable to companies:

(l) The net surplus or deficit after taking account of taxation and before taking account of the matters specified in paragraph (m) of this clause:

(m) The amount and a description of each category of extraordinary items (net of taxation) that derive from events outside the ordinary activities of the group's business:

(n) The net surplus or deficit after taking account of taxation and of the matters specified in paragraph (m) of this clause:

(o) If the equity method of accounting has been used, surpluses or deficits that have resulted from using that method:

(p) The total of the amounts in paragraphs (n) and (o) of this clause:

(q) Such part of the total required by paragraph (p) of this clause as is attributable to persons who are not members of the group and who hold equity securities issued by subsidiaries of the issuer.

Schedule 1, clause 35 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 1, clause 35 was amended, as from 1 October 1997, by regulation 35(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Schedule 1, clause 35(a) was substituted, as from 1 October 1997, by regulation 35(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 35(b) was substituted, as from 1 October 1997, by regulation 35(3) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 35(h) was substituted, as from 1 October 1997, by regulation 35(4) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 35(j), (k), (l), and (n) were amended, as from 1 October 1997, by regulation 35(5)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surplus or deficit" for the words "profit or loss".

Schedule 1, clause 35(o) was amended, as from 1 October 1997, by regulation 35(5)(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surpluses or deficits" for the words "profits or losses".

36 Statement of cash flows

A consolidated statement of cash flows for the group giving a true and fair view of those cash flows—

(a) For the period to which the statement of financial performance set out in the registered prospectus pursuant to clause 34(1) of this Schedule relates, which statement shall be audited; and

(b) For the period to which any statement of financial performance set out in the registered prospectus pursuant to clause 34(2) of this Schedule relates, which statement need not be audited.

Schedule 1, clause 36 was substituted by regulation 2(1) Securities Regulations 1983, Amendment No 1 (SR 1988/95). *See* regulation 5(1) of those Regulations for the transitional provisions.

Paragraphs (a) and (b) were amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "statement" for the word "account".

Schedule 1, clause 36 was amended, as from 1 October 1997, by regulation 36 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

37 Other information

The financial statements specified in clauses 23 to 36 of this Schedule shall include—

(a) In the case of a statement of financial performance relating to the most recently completed accounting period of the group, comparative figures for the preceding accounting period:

(b) In the case of a statement of financial position as at the end of the most recently completed accounting period of the group, comparative figures as at the end of the preceding accounting period:

(c) A statement of all material accounting policies (stating the basis of accounting used) and of any changes therein:

(d) Where amounts of monetary assets or liabilities have been converted to New Zealand currency for inclusion in a statement of financial position, in respect of each material amount—

(i) A description of the amount:

(ii) A statement as to the currency from which it was converted, and the exchange rate used to convert

the amount; and the rate (if known) at which the amount will be settled.

Schedule 1, paragraph 37(a) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "statement" for the word "account".

Schedule 1, clause 37(a) was amended, as from 1 October 1997, by regulation 37(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Schedule 1, clause 37(b) and (d) were amended, as from 1 October 1997, by regulation 37(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

38 Special provisions relating to financial institutions

Where the latest statement of financial position contained or referred to in the registered prospectus shows monetary assets exceeding two-thirds of total tangible assets, the following additional matters:

(a) A statement showing separately but on a matching basis the amounts of monetary assets receivable, and the amounts of liabilities payable,—
  (i) At call or not later than 6 months after the date of that statement of financial position:
  (ii) Later than 6 months, but not later than 12 months, after that date:
  (iii) Later than 12 months, but not later than 24 months, after that date:
  (iv) Later than 24 months, but not later than 60 months, after that date:
  (v) Later than 60 months after that date:

(b) In respect of such of those monetary assets as are amounts receivable—
  (i) The proportion thereof with repayments in arrears in excess of 3 months:
  (ii) The proportion thereof owed, in aggregate, by the debtors who owe the 6 largest amounts:

(c) Where unused credit facilities are available to the group and are referred to in the registered prospectus, a statement of any conditions affecting the use of the facilities.

Schedule 1, clause 38 was amended, as from 1 October 1997, by regulation 38(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

Schedule 1, clause 38(a)(i) were amended, as from 1 October 1997, by regulation 38(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Miscellaneous requirements

39 Places of inspection of documents

The times and places in New Zealand where the following documents or copies of the following documents (and, if they are wholly or partly in a foreign language, a correct translation of the documents in English) may, on payment of any fee, be inspected by a person who so requests:

(a) The memorandum and articles of association or constitution, as the case may be, or other documents or instruments constituting or defining the constitution of the issuer:

(b) Any material contract disclosed pursuant to clause 17 of this Schedule:

(c) Where the issuer was incorporated outside New Zealand, the statute or other authority by or under which the issuer was incorporated.

Schedule 1, clause 39 (that part before paragraph (a)) was substituted, as from 1 October 1997, by regulation 39 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 39(a) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by inserting the words "or constitution, as the case may be,".

40 Other material matters

Particulars of any material matters relating to the offer of securities (other than matters elsewhere set out in the registered prospectus or in the financial statements referred to in the registered prospectus pursuant to clause 22(2), and contracts entered into in the ordinary course of business of a member of the issuing group).

Schedule 1, clause 40 was amended, as from 1 October 1997, by regulation 40 Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words

"or in the financial statements referred to in the registered prospectus pursuant to clause 22(2),".

41 Directors' statement

A statement by the directors of the issuer as to whether, after due enquiry by them in relation to the period between the date of the latest statement of financial position contained or referred to in the registered prospectus and the specified date there have, in their opinion, arisen any circumstances that materially adversely affect—

(a) The trading or profitability of the issuing group; or

(b) The value of its assets; or

(c) The ability of the issuing group to pay its liabilities due within the next 12 months.

Schedule 1, clause 41 was amended, as from 1 October 1997, by regulation 41 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

42 Auditor's report

(1) A copy of a report by a qualified auditor, signed by him or her (either in his or her own name or that of his or her firm), stating—

(a) The work done by the auditor; and

(b) The scope and limitations of the audit; and

(c) The existence of any relationship (other than that of auditor) which the auditor has with, or any interests which the auditor has in, the issuer or any of its subsidiaries; and

(d) Whether the auditor has obtained all information and explanations that he or she has required; and

(e) Whether, in the auditor's opinion, as far as appears from an examination of them, proper accounting records have been kept by the group; and

(f) Whether or not, in the auditor's opinion, the financial statements and any group financial statements that are required by clauses 23 to 38 of this Schedule and that are required to be audited—

(i) Comply with these regulations; and

(ii) Subject to these regulations, comply with generally accepted accounting practice; and

(iii) Give a true and fair view of the state of affairs of the group as at the date thereof and of the results and cash flows of the group for the period to which they relate, taking into account information or explanations of the kind referred to in section 14(2) of the Financial Reporting Act 1993 (if any)—

and, if they do not, the respects in which they do not; and

(g) Whether the amounts stated pursuant to clauses 8(2), 8(3), 11(2), and 11(3) of this Schedule have been taken from audited financial statements, and, whether or not the amounts have been correctly taken.

(2) If the registered prospectus contains prospective financial information, the auditor's report must contain a statement in the following form:

"In our opinion, the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions made or adopted by the issuer set out at pp.... of this prospectus and is presented on a basis consistent with the accounting policies normally adopted by the company (group)."

(3) If financial statements are referred to in the registered prospectus pursuant to clause 22(2), a report under this clause is not required to contain information of the kinds referred to in paragraphs (a) to (f) of subclause (1) to the extent that that information is contained in a report by a qualified auditor that is registered under the Financial Reporting Act 1993.

Schedule 1, clause 42(1) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 1, clause 42(2) was substituted, as from 1 October 1997, by regulation 42(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 1, clause 42(3) was inserted, as from 1 October 1997, by regulation 42(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2

reg 3(2)

Matters required in registered prospectus for debt securities

General requirements

1 Main terms of offer

(1) The name of the issuer, and address of its registered office (or, if it does not have a registered office, its address) in New Zealand.

(2) A brief description of the securities being offered.

(3) The maximum amount of the securities being offered (excluding any amount that may result from the replacement of securities redeemed after the specified date).

(4) The price or other consideration to be paid or provided for the securities being offered.

2 Name and address of offeror

Where, by virtue of section 6 of the Act (which relates to previously allotted securities), the issuer is not the offeror,—

(a) The name of the offeror; and

(b) The address of the offeror's registered office (or, if it does not have a registered office, its address) in New Zealand; and

(c) The net amount of the consideration received or to be received by the issuer in respect of the original allotment of the securities.

3 Details of incorporation of issuer

(1) Where the issuer is a body corporate,—

(a) The statute or other authority by or under which the issuer was incorporated; and

(b) The date of incorporation; and

(c) The date of registration in New Zealand (if that date is different from the date of incorporation); and

(d) The registered number (if any); and

(e) The place (if any) in New Zealand where a public file relating to the incorporation or registration of the issuer is kept.

(2) In the case of an issuer that is a company, whether the company has been reregistered under the Companies Act 1993 and, if so, the date of reregistration.

(3) Subclause (2) of this clause shall cease to apply on and after the 1st day of July 1997.

Schedule 2, subclauses 3(2) and 3(3) were inserted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

4 Guarantors

(1) The name of each guaranteeing subsidiary:
Provided that, where all of the subsidiaries of the issuer are guaranteeing subsidiaries, it shall be sufficient compliance with this subclause if the registered prospectus contains a statement to that effect.

(2) Where the registered prospectus or an advertisement relating to the securities offered states or implies that a person (other than a guaranteeing subsidiary) guarantees the repayment of the securities offered or any part thereof or the payment of any interest or other money to holders of the securities, the following matters in respect of each such person:

(a) The name of the person:

(b) A description, and (where practicable) quantification, of the liability of the person to holders of the securities:

(c) If the liability of the person to holders of the securities is secured by a mortgage or charge over any of the person's assets, particulars of the mortgage or charge:

(d) Subject to subclause (3) of this clause, the amount of the net tangible assets of the person as shown in the most recent audited statement of financial position thereof (excluding any assets which are also assets of the borrowing group), together with a statement of any qualifications in the audit report that reflect on the statement of those assets in the statement of financial position.

(3) Where there is no audited statement of financial position of the person dated within 18 months of the specified date,—

(a) The figure given for the amount of that person's net tangible assets in the registered prospectus shall be that as at a date stated in the registered prospectus (being a

date not earlier than 6 months before the specified date); and

(b) The registered prospectus shall include a statement to the effect that the figure for that person's net tangible assets has not been taken from an audited statement of financial position.

Schedule 2, clause 4(2)(d) and (3) were amended, as from 1 October 1997, by regulation 43 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

5 Directorate and advisers

(1) The name, address, and technical or professional qualifications (if any) of every director of the issuer.

(2) In respect of every director of the issuer who is an employee of the issuer, or of any subsidiary thereof, the position held by him.

(3) If any director has been adjudged bankrupt during the 5 years preceding the specified date, a statement to that effect including the name, and any alternative or former name or names, of the director concerned.

(4) The names of the issuer's secretary (if any), auditors, and securities registrar, and of any bankers, sharebrokers, or solicitors, who have been involved in the preparation of the registered prospectus.

(5) The names, addresses, and qualifications of any experts named in the registered prospectus.

(6) If the offer of securities is underwritten, the name and address of the underwriter.

(7) The name and address of the trustee.

Schedule 2, clause 5(1) was amended, as from 1 October 1997, by regulation 44 Securities Amendment Regulations 1997 (SR 1997/151) by omitting the word "residential".

Schedule 2, clause 5(4) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by inserting the words "(if any)".

5A Restrictions on director's powers

Any modifications, exceptions, or limitations on the powers of the board of any issuer that is a company imposed,—

(a) In the case of a company registered under the Companies Act 1955, by that Act or the memorandum or articles of association of the company; or

(b) In the case of a company registered under the Companies Act 1993, by that Act or the constitution of the company—

and in force at the specified date.

Schedule 2, clause 5A was inserted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

6 Description of activities of borrowing group

(1) A brief description of the activities of the members of the borrowing group, during the 5 years preceding the specified date.

(2) A brief description of the nature and use of the principal fixed assets which are held by members of the borrowing group and which are charged as security for the securities offered under the registered prospectus.

7 Summary of financial statements

(1) A financial statement in summary form (and, where practicable, in tabular form) in respect of the group.

(2) The amounts in the financial statement required by subclause (1) of this clause shall be amounts that appear in consolidated financial statements of the group giving a true and fair view of the results and state of affairs of the group for the period concerned, or, where no such statements have been prepared, amounts that would have appeared in such statements if they had been prepared.

(3) The amounts that appear in the financial statement required by subclause (1) of this clause shall include—

(a) In respect of each of the 5 consecutive accounting periods preceding the date of the statement of financial position contained or referred to in the registered prospectus, and (where there is also set out in the registered prospectus an interim statement of financial position by virtue of clause 16(2) of this Schedule) for the period from the end of the last accounting period to the date of the interim statement of financial position, amounts showing—

(i) Total operating revenues:
(ii) Total interest expense:
(iii)
(iv) The net surplus or deficit before taking account of taxation and extraordinary items:
(v) The total provided for, or credited by way of, taxation:
(vi) The net surplus or deficit before taking account of extraordinary items:
(vii) The total of any extraordinary items (net of taxation) that derive from events outside the ordinary activities of the group's business:
(viii) The net surplus or deficit after taking account of extraordinary items:
(ix) Such part of the net surplus or deficit referred to in subparagraph (viii) of this paragraph as is attributable to persons who are not members of the group and who hold equity securities issued by guaranteeing subsidiaries:
(x) The amount paid or provided for dividends in respect of each class of equity securities of the issuer, including for each class the rate of dividend expressed in cents per share:
(xi) Surplus or deficit retained in the group.

(b) As at the end of each accounting period and other period specified in paragraph (a) of this subclause, amounts showing—
(i) Total assets:
(ii) Total tangible assets:
(iii) Total liabilities:
(iv) Total equity.

(4) A statement as to whether or not the amounts stated pursuant to subclauses (2) and (3) of this clause have been taken from audited financial statements.

(4A) If the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements but the auditor's report was qualified, a statement to this effect explaining what the qualification was.

(5) In respect of the amounts stated pursuant to subclauses (2) and (3) of this clause,—

(a) A description of the nature of any extraordinary items;

(ab) A description of the nature of any item that is of such incidence and size, or of such nature, that its disclosure is necessary to explain the performance of the group:

(b) A description (and, where practicable, quantification) of the effect on those amounts of any material changes in the activities of the group, and if any material changes in the accounting policies used, that occurred during the period to which the amounts relate.

(6) The statements referred to in this clause shall not include any amounts derived by using the equity method of accounting.

(7) Subject to subclause (6) of this clause, nothing in this clause limits the information that may be included in the financial statement required by subclause (1) of this clause or in the notes to that financial statement.

Schedule 2, clause 7(3)(a) was amended, as from 1 October 1997, by regulation 45(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out", and by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 7(3)(a)(i) was revoked, as from 1 October 1997, by regulation 45(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 7(3)(a)(iii) was revoked, and clause 7(3)(a)(iv), (vi), (viii), and (ix) were amended, as from 1 October 1997, by regulation 45(3) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surplus or deficit" for the words "profit or loss".

Schedule 2, clause 7(3)(a)(xi) was substituted, as from 1 October 1997, by regulation 45(4) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 7(3)(b)(iv) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 2, clause 7(3)(b)(iv) was further substituted, as from 1 October 1997, by regulation 45(5) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 7(4A) was inserted, as from 1 October 1997, by regulation 45(6) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 7(5)(a) was amended, as from 1 October 1997, by regulation 45(7) Securities Amendment Regulations 1997 (SR 1997/151) by omitting the words "abnormal items or".

Schedule 2, clause 7(5)(ab) was inserted, as from 1 October 1997, by regulation 45(8) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

8 Acquisition of business or subsidiary

(1) Notwithstanding any other provision of this clause, this clause shall not apply in respect of a business, subsidiary, or body corporate if—

(a) The registered prospectus contains a statement of financial position in accordance with clause 16(1) of this Schedule; and

(b) The consideration paid or payable, or proposed to be paid, for the acquisition of the business, subsidiary, or body corporate is not more than one-fifth of the amount of the total tangible assets shown in that statement of financial position.

(2) If a member of the borrowing group acquired a business, or a member of the borrowing group became a subsidiary of the issuer, at any time in the 2 years preceding the specified date, the following information:

(a) The name of the member:

(b) A brief description of the activities of—

(i) That business; or

(ii) The business carried on by that subsidiary,—

in the course of the period that began 5 years before the specified date and ended on the date on which the business was acquired, or the member became a subsidiary, as the case may be:

(c) In respect of that business or subsidiary, the matters specified in clause 7 of this Schedule in respect of the 5 accounting periods preceding the specified date.

(3) If—

(a) A member of the borrowing group acquired a business, or became a subsidiary of the issuer, at any time in the period between the date of the latest statement of financial position contained or referred to in the registered prospectus and the specified date; or

(b) The registered prospectus contains a statement to the effect that a member of the borrowing group intends to

acquire a business, or equity securities that will result in a body corporate becoming a subsidiary of the issuer—

the following information:

(c) The name of the member of the borrowing group:

(d) The amount of the consideration paid or payable, or proposed to be paid, by the member of the borrowing group for the business, subsidiary, or body corporate:

(e) A brief description of that business, or of the business carried on by that subsidiary, or body corporate, in the course of the 5 years before the specified date:

(f) In respect of that business, subsidiary, or body corporate, the matters specified in clause 7 of this Schedule in respect of the 5 accounting periods preceding the specified date, and the matters specified in clauses 16 to 32 of this Schedule:

(g) Where, by virtue of clause 15 of this Schedule, the registered prospectus does not include a statement of financial position of the group, the net tangible asset backing per dollar of the securities being offered as at the date of the statement of financial position included in the registered prospectus pursuant to paragraph (f) of this subclause calculated in accordance with the assumption that the business, subsidiary, or body corporate had been acquired, and all the securities offered had been allotted and the subscriptions received, before that date.

Schedule 2, clauses 8(1)(a), (b) and (3)(g) were amended, as from 1 October 1997, by regulation 46(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 8(3)(a) was amended, as from 1 October 1997, by regulation 46(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

9 Material contracts

In relation to every material contract entered into by any member of the borrowing group at any time in the 2 years preceding the specified date (not being a contract entered into in the ordinary course of business of that member),—

(a) Its date; and

(b) The names of the parties to it; and

(c) Its general nature.

10 Pending proceedings

A brief description of any legal proceedings or arbitrations that are pending at the specified date and that may have a material adverse effect on the borrowing group.

11 Issue expenses

Particulars of any issue expenses, including—

(a) The amount or estimated amount; and

(b) In respect of any commission payable,—

(i) The rate of commission; and

(ii) The persons or classes of persons to whom the commission is payable.

12 Ranking of securities

(1) The aggregate amount (as at the date of the latest statement of financial position contained or referred to in the registered prospectus) of any securities that are secured by a mortgage or charge over any of the assets of the borrowing group and that rank in point of security ahead of the securities being offered.

(2) The aggregate amount (as at the date of the latest statement of financial position contained or referred to in the registered prospectus) of any securities that are secured by a mortgage or charge over any of the assets of the borrowing group and that rank in point of security equally with the securities being offered.

Schedule 2, clause 12(1) and (2) were amended, as from 1 October 1997, by regulation 47 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

13 Provisions of trust deed and other restrictions on borrowing group

(1) In respect of the trust deed relating to the securities being offered,—

(a) The date of the trust deed:

(b) Such particulars of the parties to the trust deed as are sufficient to identify the trust deed:

(c) Brief particulars of any terms of the trust deed that impose limitations relating to—

(i) The creation of new mortgages or charges ranking in point of security ahead of, or equally with, any mortgage or charge securing the securities being offered; or

(ii) Any ratio of liabilities, or of any class of liabilities, to assets, or to any class of assets, of the issuer:

(d) Where there are no terms of the kind described in paragraph (c) of this subclause, a statement to that effect:

(e) Brief particulars of the duties stated by the trust deed to be those of the trustee.

(2) Brief particulars of any restrictions on the ability of any member of the borrowing group to borrow, being restrictions—

(a) Which result from any undertaking given, or contract or deed entered into, by the member; and

(b) Which are not set out elsewhere in the registered prospectus.

(3) A statement by the trustee that—

(a) The offer of securities complies with any relevant provisions of the trust deed; and

(b) The trustee does not guarantee the repayment of securities or payment of interest thereon.

14 Other terms of offer and securities

(1) Subject to subclause (2), all terms of the offer, and all terms of the securities being offered, not elsewhere set out in the registered prospectus, other than those—

(a) Implied by law; or

(b) Set out in a document that—

(i) Is registered with a public official; and

(ii) Is available for public inspection; and

(iii) Is referred to in the registered prospectus.

(2) If the registered prospectus contains—

(a) A statement to the effect that the interest rate or rates that may be earned by holding the securities being offered will be those set by the issuer at any particular time or from time to time, as the case may be; and

(b) A statement of the method by which the interest rate or rates may be ascertained—

the registered prospectus is not required to state the rate or rates of interest that may be earned by holding the securities.

Schedule 2, clause 14(1) was amended, as from 1 October 1997, by regulation 48(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "Subject to subclause (2), all terms of the offer" for the words "All terms of the offer".

Schedule 2, clause 14(2) was inserted, as from 1 October 1997, by regulation 48(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Requirements in respect of financial statements

15 Application

(1) Clauses 16 to 32 of this Schedule shall apply only if, before the specified date, a member of the group has commenced business and—

(a) Has acquired an asset; or

(b) Has incurred a debt.

(2) Clauses 16(1), 27(1), and 29(a) do not apply if—

(a) The latest financial statements for the issuer that have been registered under the Financial Reporting Act 1993 contain or are accompanied by financial statements for the borrowing group containing the information required to be contained in the registered prospectus by clauses 16 to 31; and

(b) The registered prospectus refers to those financial statements of the borrowing group and states the most recent accounting period covered by those statements.

Schedule 2, clause 15(2) was inserted, as from 1 October 1997, by regulation 49 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

16 Balance sheets

(1) An audited consolidated statement of financial position of the group giving a true and fair view of the state of affairs of the group—

(a) As at the end of the most recently completed accounting period thereof; or

(b) Where there is no such accounting period, as at any stated date that is not more than 4 months before the specified date.

(2) If the directors of the offeror consider it necessary or desirable (after having regard to section 37A(1)(c) of the Act), an additional consolidated interim statement of financial position of the group (which statement of financial position need not be audited) giving a true and fair view of the state of affairs of the group as at any stated date that is not more than 9 months after the date of the statement of financial position contained in the registered prospectus pursuant to subclause (1) of this clause.

(3) Nothing in clauses 17 to 26 of this Schedule limits the matters that may be included—

(a) In any statement of financial position required by this clause; or

(b) In notes to any such statement of financial position which are set out in the registered prospectus.

Schedule 2, clause 16 was amended, as from 1 October 1997, by regulation 50(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 16(2) was amended, as from 1 October 1997, by regulation 50(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the expression "section 37A(1)(c)" for the expression "section 37A(1)(e)".

17 Capital and reserves

Each statement of financial position required by clause 16 of this Schedule, or notes to the statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The total equity:

(b) In respect of each class of equity security,—

(i) A brief description thereof sufficient to identify it together with a statement of any voting rights, pre—

determined dividend rate, maturity date, and conversion rights relating thereto:

(ii) The number of securities allotted and still outstanding, and the amounts credited as paid up in respect thereof; and details of any changes

therein since the commencement of the most recently completed accounting period of the group (other than such details as are set out elsewhere in the registered prospectus):

(iii) In the case of a company registered under the Companies Act 1955, the total nominal value of the securities of that class that have not been allotted:

(iv) If there are any restrictions upon allotment of the securities, particulars of those restrictions:

(c) A description of movements in equity since the commencement of the most recently completed accounting period of the group showing separately—

(i) Changes arising from any revaluation of assets:

(ii) Contributions from shareholders:

(iii) Other material changes.

(d) The amount of any cumulative dividends in arrears.

Schedule 2, clause 17 was amended, as from 1 October 1997, by regulation 51(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 17 was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting paras (a), (b)(iii), and (c), and by inserting para (b)(iv).

Schedule 2, clause 17(a) and (c) were amended, as from 1 October 1997, by regulation 51(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the word "equity" for the words "shareholders' funds".

18 Minority interests

Each statement of financial position required by clause 16, or notes to that statement of financial position, which are set out in the registered prospectus, must state, as a separate component of the aggregate amount of equity required to be stated by clause 17, the amount of equity attributable to equity securities that—

(a) Have been issued by subsidiaries of the issuer; and

(b) Are not held by members of the group.

Schedule 2, clause 18 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 2, clause 18 was further substituted, as from 1 October 1997, by regulation 52 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

19 Deferred taxation

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the amount of any provision for deferred taxation.

Schedule 2, clause 19 was amended, as from 1 October 1997, by regulation 53 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

20 Term liabilities

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of non-current liabilities:

(b) The amounts of non-current liabilities owing to each of the following classes of persons (where material):

  (i) Associated bodies corporate:

  (ii) Related bodies corporate:

  (iii) Directors of the issuer:

(c) An analysis of the non-current liabilities by maturity, showing in respect of each financial year in which non-current liabilities are repayable, the amounts repayable in that year together with a summary of the interest rates on those amounts (where practicable, in the form of a weighted average interest rate) for that year:

(d) The amount of the non-current liabilities that are secured, and a brief description of the nature of the security.

Schedule 2, clause 20 was amended, as from 1 October 1997, by regulation 54(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 20 was further amended, as from 1 October 1997, by regulation 54(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "non-current liabilities" for the words "term liabilities".

21 Current liabilities

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position

which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of current liabilities; and

(b) In addition (as separate items), such of the following amounts included within that aggregate amount as are material:

  (i) The total of trade creditors:

  (ii) The total of bank loans and overdraft:

  (iii) The total of provisions for taxation:

  (iv) The total of provisions for dividends:

  (v) The amounts of each other category of current liability (and a description thereof):

(c) The amounts of current liabilities owing to each of the classes of persons specified in clause 20(b) of this Schedule (where material):

(d) The amount of the current liabilities that are secured, and a brief description of the nature of the security.

Schedule 2, clause 21 was amended, as from 1 October 1997, by regulation 55(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 21(b)(i) was substituted, as from 1 October 1997, by regulation 55(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

22 Commitments and contingent liabilities

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) Particulars (including the estimated amount thereof and the period of commitment) of any material commitments for capital expenditure (other than those included as liabilities in the balance sheet):

(b) Particulars (including the estimated amount thereof and the period of commitment) of any material commitments in respect of leases and hire purchase agreements (other than those included as liabilities in the balance sheet):

(c) A brief description of any material contingent liabilities, and the estimated amount thereof.

Schedule 2, clause 22 was amended, as from 1 October 1997, by regulation 56 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

23 Fixed assets

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of fixed assets:

(b) A classification of the fixed assets into the following categories; and, in respect of each category, the basis or bases of valuation, the name and qualification of the valuer and date of valuation, if any, the aggregate amount on each basis, and accumulated depreciation shown as a deduction from each aggregate amount:

  (i) Land:

  (ii) Buildings:

  (iii) Machinery and equipment:

  (iv) Other fixed assets:

(c) A brief description of the assets to which paragraph (b)(iv) of this clause relates:

(d) The aggregate of the latest Government valuations of land and buildings; and the cost of any additions to land and buildings subsequent to the relevant valuation.

Schedule 2, clause 23 was amended, as from 1 October 1997, by regulation 57(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 23(b) was amended, as from 1 October 1997, by regulation 57(1) Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "the name and qualification of the valuer and date of valuation, if any,".

Schedule 2, clause 23(b)(i) and (ii) were substituted, as from 1 October 1997, by regulation 57(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

24 Investments

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state—

(a) The aggregate amount of investments; and

(b) In addition (as separate items), the amounts included within that aggregate amount in respect of:

(i) The total of investments in subsidiaries that are not members of the group at cost (less amounts written off) or market value (if ascertainable), whichever is the lesser:

(ii) The total of investments in related bodies corporate (other than subsidiaries that are not members of the group) at cost (less amounts written off) or market value (if ascertainable), whichever is the lesser:

(iii) The total of investments in associated bodies corporate at cost (less amounts written off) or market value (if ascertainable), whichever is the lesser:

(iv) Where material, the total of securities issued by the Crown or a local authority; and, where this amount is not market value, the total market value:

(v) Where material, the total of investments in other bodies corporate that are parties to listing agreements with a registered exchange and, where this amount is not market value, the total market value.

Schedule 2, clause 24 was amended, as from 1 October 1997, by regulation 58 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 24(b)(v) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "that are parties to listing agreements with a registered exchange" for the words "listed on a trading exchange".

25 Current assets

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state—

(a) The aggregate amount of current assets; and

(b) In addition (as separate items), such of the following amounts included within that aggregate amount as are material:

(i) The aggregate amount of cash, bank balances, and deposits with money market dealers:

(ii) The amount of securities held, and, where this amount is not market value, the total market value:

(iii) The amount of trade receivables (showing as separate deductions from those receivables any provisions for interest not yet earned and doubtful debts):

(iv) Total inventories (showing separately, where appropriate, the amounts for raw materials, work in progress, and finished goods, and the basis of valuation):

(v) Each other category of current asset (and a description thereof):

(c) In respect of the trade receivables referred to in subparagraph (iii) of paragraph (b) of this clause, the amounts thereof owing from each of the classes of persons specified in clause 20(b) of this Schedule (where material).

Schedule 2, clause 25 was amended, as from 1 October 1997, by regulation 59(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 2, clause 25(b)(iii) was substituted, as from 1 October 1997, by regulation 59(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 25(c) was amended, as from 1 October 1997, by regulation 59(3) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "trade receivables" for the words "accounts receivable".

26 Intangible and other assets

Each statement of financial position required by clause 16 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state:

(a) The aggregate amount of intangible assets; and

(b) In addition (as separate items), such of the following amounts included within that aggregate amount as are material:

(i) Total goodwill:

(ii) The total of patents and trade marks:

(c) The aggregate of all assets not specified in any provision of clauses 23 to 25 of this Schedule or of paragraph (a) or paragraph (b) of this clause:

(d) In addition (as separate items), the nature and amount of each material asset included in the aggregate stated pursuant to paragraph (c) of this clause.

Schedule 2, clause 26 was amended, as from 1 October 1997, by regulation 60 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

27 Profit and loss statements

(1) An audited consolidated statement of financial performance of the group giving a true and fair view of the results of the group—

(a) For the most recently completed accounting period thereof; or

(b) Where there is no such accounting period, the period from the date of commencement of business by the issuer to the date of the statement of financial position set out in the registered prospectus pursuant to clause 16(1)(b) of this Schedule.

(2) Where an interim statement of financial position is set out in the registered prospectus pursuant to clause 16(2) of this Schedule, a consolidated statement of financial performance (which statement need not be audited) of the group giving a true and fair view of the results of the group for the period from the date of the statement of financial position set out in the registered prospectus pursuant to clause 16(1) of this Schedule to the date of the interim statement of financial position.

(3) Nothing in clause 28 of this Schedule limits the information that may be included—

(a) In any statement of financial performance required by this clause; or

(b) In notes to any such statement of financial performance which are set out in the registered prospectus.

Schedule 2, clause 27 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 2, clause 27 was amended, as from 1 October 1997, by regulation 61(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting

the words "statement of financial performance" for the words "profit and loss statement".

Schedule 2, clause 27(1)(b) and (2) were amended, as from 1 October 1997, by regulation 61(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

28 Contents of profit and loss statement

Each statement of financial performance required by clause 27 of this Schedule, or notes to that statement of financial performance which are set out in the registered prospectus, shall state the following matters:

(a) Total operating revenues (and the basis of calculation of total operating revenues):

(b) The amount of investment revenue from—

  (i) Subsidiaries that are not members of the group:

  (ii) Associated bodies corporate:

  (iii) All other sources:

(c) The amount of audit fees and expenses:

(d) The amount of directors' fees:

(e) The amount of provisions made for depreciation and obsolescence:

(f) The total interest expense:

(g) Where material, total leasing and renting expense:

(h) A description of transactions between any member of the group and any body corporate related thereto that materially affect consolidated surplus or deficit:

(i) A description of the nature of any item that is of such incidence and size, or of such nature, that its disclosure is necessary to explain the performance of the group:

(j) Where material, the amount of any foreign exchange gains or losses recognised in the statement of financial performance distinguishing between realised and unrealised gains or losses:

(k) The net surplus or deficit before taxation:

(l) The amount provided for, or credited by way of, taxation; and a brief explanation of any difference between this amount and the amount that would need to be provided for, or would be credited by way of, taxation if the whole of the surplus or deficit referred to in para-

graph (k) of this clause were taxed at the standard rate applicable to companies:

(m) The net surplus or deficit after taking account of taxation and before taking account of the matters specified in paragraph (n) of this clause:

(n) The amount and a description of each category of extraordinary items (net of taxation) that derive from events outside the ordinary activities of the business:

(o) The net surplus or deficit after taking account of taxation and the matters specified in paragraph (n) of this clause:

(p) Such part of the net surplus or deficit referred to in paragraph (o) of this clause as is attributable to persons who are not members of the group and who hold equity securities allotted by guaranteeing subsidiaries.

Schedule 2, clause 28 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 2, clause 28 was amended, as from 1 October 1997, by regulation 62(1)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Schedule 2, clause 28(a) was substituted, as from 1 October 1997, by regulation 62(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 28(b) was amended, as from 1 October 1997, by regulation 62(1)(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the word "revenue" for the word "income".

Schedule 2, clause 28(h) was amended, as from 1 October 1997, by regulation 62(1)(c) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surplus or deficit" for the words "profit or loss".

Schedule 2, clause 28(i) was substituted, as from 1 October 1997, by regulation 62(3) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 28(k)-(m), (o), and (p) were amended, as from 1 October 1997, by regulation 62(1)(c) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surplus or deficit" for the words "profit or loss".

29 Statement of cash flows

A consolidated statement of cash flows for the group giving a true and fair view of those cash flows—

(a) For the period to which the statement of financial performance set out in the registered prospectus pursuant

to clause 27(1) of this Schedule relates, which statement shall be audited; and

(b) For the period to which any statement of financial performance set out in the registered prospectus pursuant to clause 27(2) of this Schedule relates, which statement need not be audited.

Schedule 2, clause 29 was substituted by regulation 3(1) Securities Regulations 1983, Amendment No 1 (SR 1988/95). *See* regulation 5(2) of those Regulations for the transitional provisions.

Paragraphs (a) and (b) were amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "statement" for the word "account".

Schedule 2, clause 29 was amended, as from 1 October 1997, by regulation 63 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

30 Other information

The financial statements specified in clauses 16 to 29 of this Schedule shall include—

(a) In the case of a statement of financial performance relating to the most recently completed accounting period of the group, comparative figures for the preceding accounting period:

(b) In the case of a statement of financial position as at the end of the most recently completed accounting period of the group, comparative figures as at the end of the preceding accounting period:

(c) A statement of all material accounting policies (stating the basis of accounting used); and of any changes therein:

(d) Where amounts of monetary assets or liabilities have been converted to New Zealand currency for inclusion in a statement of financial position, in respect of each material amount—

(i) A description of the amount:

(ii) A statement as to the currency from which it was converted, and the exchange rate used to convert the amount; and the rate (if known) at which the amount will be settled.

Schedule 2, paragraph 30(a) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "statement" for the word "account".

Schedule 2, clause 30(a) was amended, as from 1 October 1997, by regulation 64(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Schedule 2, clause 30(b) and (d) were amended, as from 1 October 1997, by regulation 64(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

31 Special provisions relating to financial institutions

Where the latest statement of financial position contained or referred to in the registered prospectus shows monetary assets exceeding two-thirds of total tangible assets, the following additional matters:

(a) A statement showing separately, but on a matching basis, the amounts of monetary assets receivable, and the amounts of liabilities payable,—
  (i) At call or not later than 6 months after the date of that statement of financial position:
  (ii) Later than 6 months, but not later than 12 months, after that date:
  (iii) Later than 12 months, but not later than 24 months, after that date:
  (iv) Later than 24 months, but not later than 60 months, after that date:
  (v) Later than 60 months after that date:

(b) In respect of such of those monetary assets as are amounts receivable—
  (i) The proportion thereof with repayments in arrears in excess of 3 months:
  (ii) The proportion thereof owed, in aggregate, by the debtors who owe the 6 largest amounts:

(c) Where unused credit facilities are available to the group and are referred to in the registered prospectus, a statement of any conditions affecting the use of the facilities.

Schedule 2, clause 31 was amended, as from 1 October 1997, by regulation 65(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

Schedule 2, clause 31(a)(i) was amended, as from 1 October 1997, by regulation 65(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

32 Equity method of accounting

The statements of financial position and financial performance and notes and statements referred to in clauses 16 to 31 must not include any amounts derived by using the equity method of accounting.

Schedule 2, clause 32 was substituted, as from 1 October 1997, by regulation 66 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Miscellaneous requirements

33 Places of inspection of documents

The times and places in New Zealand where the following documents or copies of the following documents (and, if they are wholly or partly in a foreign language, a correct translation of the documents in English) may, on payment of any fee, be inspected by a person who so requests:

(a) The memorandum and articles of association or constitution, as the case may be, or other documents or instruments constituting or defining the constitution of the issuer:

(b) Any material contract disclosed pursuant to clause 9 of this Schedule:

(c) Where the issuer was incorporated outside New Zealand, the statute or other authority by or under which the issuer was incorporated.

Schedule 2, clause 33(a) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by inserting the words "or constitution, as the case may be,".

Schedule 2, clause 33 (that part before paragraph (a)) was substituted, as from 1 October 1997, by regulation 67 Securities Amendment Regulations 1997 (SR 1997/151).

34 Other material matters

Particulars of any material matters relating to the offer of securities (other than matters elsewhere set out in the registered prospectus or in the financial statements referred to in the

registered prospectus pursuant to clause 15(2), and contracts entered into in the ordinary course of business of a member of the borrowing group).

Schedule 2, clause 34 was amended, as from 1 October 1997, by regulation 68 Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "or in the financial statements referred to in the registered prospectus pursuant to clause 15(2),".

35 Directors' statement

A statement by the directors of the issuer as to whether, after due enquiry by them in relation to the period between the date of the latest statement of financial position contained or referred to in the registered prospectus and the specified date there have, in their opinion, arisen any circumstances that materially adversely affect—

(a) The trading or profitability of the borrowing group; or

(b) The value of its assets; or

(c) The ability of the borrowing group to pay its liabilities due within the next 12 months.

Schedule 2, clause 35 was amended, as from 1 October 1997, by regulation 69 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

36 Auditor's report

(1) A copy of a report by a qualified auditor, signed by him or her (either in his or her own name or that of his or her firm), stating—

(a) The work done by the auditor; and

(b) The scope and limitations of the audit; and

(c) The existence of any relationship (other than that of auditor) which the auditor has with, or any interests which the auditor has in, the issuer or any of its subsidiaries; and

(d) Whether the auditor has obtained all information and explanations that he or she has required; and

(e) Whether, in the auditor's opinion, as far as appears from an examination of them, proper accounting records have been kept by the group; and

(f) Whether or not, in the auditor's opinion, the financial statements and any group financial statements that are required by clauses 16 to 31 of this Schedule and that are required to be audited—

(i) Comply with these regulations; and

(ii) Subject to these regulations, comply with generally accepted accounting practice; and

(iii) Give a true and fair view of the state of affairs of the group as at the date thereof and of the results and cash flows of the group for the period to which they relate, taking into account information or explanations of the kind referred to in section 14(2) of the Financial Reporting Act 1993 (if any)—

and, if they do not, the respects in which they do not; and

(g) Whether the amounts stated pursuant to clauses 7(2), 7(3), 8(2), 8(3), and 12 of this Schedule have been taken from audited financial statements, and, whether or not the amounts have been correctly taken.

(2) If the registered prospectus contains prospective financial information, the auditor's report must contain a statement in the following form:

"In our opinion, the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions made or adopted by the issuer set out at pp.... of this prospectus and is presented on a basis consistent with the accounting policies normally adopted by the company (group)."

(3) If financial statements are referred to in a registered prospectus pursuant to clause 15(2), a report under this clause is not required to contain information of the kinds referred to in paragraphs (a) to (f) of subclause (1) to the extent that that information is contained in a report by a qualified auditor that is registered under the Financial Reporting Act 1993.

Schedule 2, clause 36(1) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 2, clause 36(2) was substituted, as from 1 October 1997, by regulation 70(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 2, clause 36(3) was inserted, as from 1 October 1997, by regulation 70(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3

reg 3(3)

Matters required in a registered prospectus for participatory securities

General requirements

1 Main terms of offer

(1) The name of the offeror, and address of its registered office (or, if it does not have a registered office, its address) in New Zealand.

(2) A brief description of the securities being offered.

(3) The maximum number or amount, and the nominal value, of the securities being offered.

(4) The price or other consideration to be paid or provided for the securities being offered.

2 Manager and advisers

(1) The name, address, and technical or professional qualifications (if any) of the manager of the scheme and (where the manager is a body, whether corporate or unincorporate) of every director thereof.

(2) If any manager, or (where the manager is a body whether corporate or unincorporate) director of a manager, has been adjudged bankrupt during the 5 years preceding the specified date, a statement to that effect including the name, and any alternative or former name or names, of the manager or director concerned.

(3) The names of any auditors, bankers, sharebrokers, solicitors, and securities registrar for the scheme.

(4) The names, addresses, and qualifications of any experts named in the registered prospectus.

(5) If the offer of securities is underwritten, the name and address of the underwriter.

Schedule 3, clause 2(1) was amended, as from 1 October 1997, by regulation 71 Securities Amendment Regulations 1997 (SR 1997/151) by omitting the word "residential".

3 Statutory supervisor

(1) The name of the statutory supervisor for the scheme.

(2) A statement to the effect that the statutory supervisor does not guarantee the repayment of the securities or the payment of interest thereon.

4 Description of scheme and development thereof

(1) A description of the scheme.

(2) A description of the development of the scheme during the 5 years preceding the specified date.

(3) A brief description of the nature and use of the principal fixed assets used for the purposes of the scheme, and a statement whether and by whom those assets will be owned or leased.

5 Subscriber's liability

A description, and (where practicable) quantification, of all liabilities (including potential and contingent liabilities) that a person will or may incur as a holder of participatory securities relating to the scheme.

6 Summary of financial statements

(1) A financial statement in summary form (and, where practicable, in tabular form) in respect of the scheme.

(2) The amounts in the financial statement required by subclause (1) of this clause shall be amounts that appear in financial statements giving a true and fair view of the results and state of affairs of the scheme for the period concerned, or, where no such statements have been prepared, amounts that would have appeared in such statements if they had been prepared.

(3) The amounts that appear in the financial statement required by subclause (1) of this clause shall include—

(a) In respect of each of the 5 consecutive accounting periods preceding the date of the latest statement of financial position contained or referred to in the regis-

tered prospectus, and (where there is also set out in the registered prospectus an interim statement of financial position by virtue of clause 21(2) of this Schedule) for the period from the end of the last accounting period to the date of the interim statement of financial position, amounts showing—

(i) Total operating revenues:

(ii) Management expenses:

(iii) Total interest expense:

(iv)

(v) The net surplus or deficit before taking account of taxation and extraordinary items:

(vi) The total provided for, or credited by way of, taxation:

(vii) The net surplus or deficit before taking account of extraordinary items:

(viii) The total of any extraordinary items (net of taxation) that derive from events outside the ordinary activities of the scheme:

(ix) The net surplus or deficit after taking account of extraordinary items:

(x) Distributions or appropriations of net surplus or deficit:

(b) As at the end of each accounting period and other period specified in paragraph (a) of this subclause, amounts showing—

(i) Total assets:

(ii) Total tangible assets:

(iii) Total liabilities:

(iv) Total equity:

(4) A statement as to whether or not the amounts stated pursuant to subclauses (2) and (3) of this clause have been taken from audited financial statements.

(4A) If the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements but the auditor's report was qualified, a statement to this effect explaining what the qualification was.

(5) The financial statement required by subclause (1) of this clause shall also show the net tangible asset backing per unit of the

securities being offered at the date of the latest statement of financial position contained or referred to in the registered prospectus calculated in accordance with each of the following assumptions:

(a) All the securities had been allotted, and the subscriptions received, before that date:

(b) All the securities had been allotted, and the subscriptions received, before that date and all outstanding securities that are convertible into securities of the class being offered had been converted before that date (where there are variable rates of conversion having effect at different times, at the next available rate of conversion).

(6) In respect of the amounts stated pursuant to subclauses (2) and (3) of this clause,—

(a) A description of the nature of any extraordinary items:

(ab) A description of the nature of any item that is of such incidence and size, or of such nature, that its disclosure is necessary to explain the performance of the group:

(b) A description (and where practicable, quantification) of the effect on those amounts of any material changes in the activities of the scheme, and of any material changes in the accounting policies used, that occurred during the periods to which the amounts relate.

Schedule 3, clause 6(3)(a) was amended, as from 1 October 1997, by regulation 72(1)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 6(3) and (5) were amended, as from 1 October 1997, by regulation 72(1)(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

Schedule 3, clause 6(3)(a)(i) was substituted, as from 1 October 1997, by regulation 72(2) Securities Amendment Regulations 1997 (SR 1997/151).

Schedule 3, clause 6(3)(a)(iv) was revoked, as from 1 October 1997, by regulation 72(3)(a) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 6(3)(v), (vii), (ix), and (x) were amended, as from 1 October 1997, by regulation 72(3)(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surplus or deficit" for the words "profit or loss".

Schedule 3, clause 6(3)(b)(iv) was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 3, clause 6(3)(b)(iv) was further substituted, as from 1 October 1997, by regulation 72(4) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 6(4A) was inserted, as from 1 October 1997, by regulation 72(5) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 6(6)(a) was amended, as from 1 October 1997, by regulation 72(6) Securities Amendment Regulations 1997 (SR 1997/151) by omitting the words "abnormal items or".

Schedule 3, clause 6(6)(ab) was inserted, as from 1 October 1997, by regulation 72(7) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

7 Plans, prospects, and forecasts

(1) A brief description of the plans that the manager has in respect of the scheme for the year commencing on the specified date, including the sources of finance that will be required for the plans.

(2) A statement as to the prospects of the scheme, together with any material information that may be relevant thereto.

(3) The statement required by subclause (1) of this clause shall include a description of all special trade factors and risks that—

- (a) Are not mentioned elsewhere in the registered prospectus; and
- (b) Are not likely to be known or anticipated by the general public; and
- (c) Could materially affect the prospects of the scheme.

(4) In the case of a scheme that has not commenced business, or has commenced business within 6 months of the specified date,—

- (a) A feasibility study of the scheme stating—
  - (i) All assumptions on which it is based; and
  - (ii) The proposed distribution of any gross earnings of the scheme between the promoters, managers, and holders of participatory securities relating to the scheme; and
- (b) Where a reference is made in the registered prospectus to proposed (or expected) earnings or a rate of return, the reference shall be accompanied by prospective financial information showing—

(i) The method of calculation of the stated earnings or rate of return; and

(ii) The period of time expected to elapse before the stated earnings are, or the expected rate of return is, achieved.

(5) A prospective statement of cash flows relating to the scheme for the year commencing on the date of the latest statement of financial position contained or referred to in the registered prospectus, or if there is no such statement of financial position, the year commencing on the specified date.

(6) Without limiting the information to be included in the prospective statement of cash flows required by subclause (5) of this clause, that prospective statement of cash flows shall—

(a) Show the likely receipt and proposed use of the proceeds of the offer of securities; and

(b) State the principal assumptions on which it is based.

Schedule 3, clause 7(4)(b) was amended, as from 1 October 1997, by regulation 73(1)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "prospective financial information" for the words "forecast financial statements".

Schedule 3, clause 7(4)(b)(ii) was amended, as from 1 October 1997, by regulation 73(1)(b) Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "rate of".

Schedule 3, clause 7(5) was substituted, as from 1 October 1997, by regulation 73(21) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 7(6) was amended, as from 1 October 1997, by regulation 73(3) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "prospective statement of cash flows" for the words "forecast statement".

8 Minimum subscription

For the purposes of section 37(2) of the Act, the minimum amount that, in the opinion of the manager, must be raised by the issue of the securities in order to provide the sums (or, if any part thereof is to be defrayed in any other manner, the balance of the sums) required to be provided in respect of each of the following matters:

(a) The purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the offer:

(b) Any preliminary expenses and commission payable in whole or in part out of the proceeds of the offer:
(c) Working capital:
(d) The repayment of any money borrowed in respect of any of the foregoing matters.

9 Guarantors

(1) Where the registered prospectus or an advertisement relating to the scheme states or implies that a person guarantees the repayment of the securities offered or any part thereof or the payment of any interest or other money to holders of the securities, the following matters in respect of each such person:
(a) The name of the person:
(b) A description, and (where practicable) quantification, of the liability of the person to holders of the securities:
(c) If the liability of the person to holders of the securities is secured by a mortgage or charge over any of the person's assets, particulars of the mortgage or charge:
(d) Subject to subclause (2) of this clause, the amount of the net tangible assets of the person as shown in the most recent audited statement of financial position thereof, together with a statement of any qualifications in the audit report that reflect on the statement of those assets in the statement of financial position.

(2) Where there is no audited statement of financial position of the person dated within 18 months of the specified date,—
(a) The figure given for the amount of that person's net tangible assets in the registered prospectus shall be that as at a date stated in the registered prospectus (being a date not earlier than 6 months before the specified date); and
(b) The registered prospectus shall include a statement to the effect that the figure for that person's net tangible assets has not been taken from an audited statement of financial position.

Schedule 3, clause 9(1)(d) and (2) were amended, as from 1 October 1997, by regulation 74 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

10 Acquisition of business or subsidiary

(1) Notwithstanding any other provision of this clause, this clause shall not apply in respect of any business or equity securities if—

(a) The registered prospectus contains a statement of financial position in accordance with clause 21(1) of this Schedule; and

(b) The consideration paid or payable, or proposed to be paid, for the acquisition of the business or equity securities is not more than one-fifth of the amount of the total tangible assets shown in that statement of financial position.

(2) If a business or equity securities have been acquired for the purposes of the scheme at any time in the 2 years preceding the specified date, the following information:

(a) A brief description of the activities of—

(i) That business; or

(ii) The business carried on by the issuer of those equity securities,—

in the course of the period that began 5 years before the specified date and ended on the date on which the business, or equity securities, were acquired:

(b) In respect of that business or the issuer of those equity securities, the matters specified in clause 8 (other than subclauses (3)(b)(v), and (5)) of Schedule 1 to these regulations in respect of the 5 accounting periods preceding the specified date.

(3) If—

(a) A business or equity securities have been acquired for the purposes of the scheme at any time in the period between the date of the latest statement of financial position contained or referred to in the registered prospectus and the specified date; or

(b) The registered prospectus contains a statement to the effect that it is intended that a business or equity securities will be acquired for the purpose of the scheme—

the following information:

(c) The amount of the consideration paid or payable, or proposed to be paid, for the business or equity securities:

(d) A brief description of that business, or of the business carried on by the issuer of those equity securities, in the course of the 5 years before the specified date:

(e) In respect of that business or the issuer of those securities, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of Schedule 1 to these regulations in respect of the 5 accounting periods preceding the specified date, and the matters specified in clauses 23 to 38 of Schedule 1 to these regulations.

Schedule 3, clause 10(1)(a) and (b) were amended, as from 1 October 1997, by regulation 75(1)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 10(3)(a) was amended, as from 1 October 1997, by regulation 75(1)(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

11 Securities paid up otherwise than in cash

In respect of all participatory securities relating to the scheme that, within the 5 years preceding the specified date, have been allotted, or have been subscribed for and are to be allotted, as fully or partly paid up otherwise than in cash, the following particulars:

(a) A description (sufficient to identify it) of each class of security:

(b) In respect of each class of security, the extent to which the securities are paid up otherwise than in cash:

(c) In respect of each class of security, a description of the consideration for which the securities have been allotted or are to be allotted.

12 Options to subscribe for securities of the scheme

Where an option to subscribe for securities relating to the scheme is granted to, or is proposed to be granted to, any person by or on behalf of a manager or promoter of the scheme, the following information:

(a) In respect of each class of the securities that are under option:

(i) A description thereof:

(ii) The total number of securities:
(iii) The subscription price of each security:
(iv) The consideration (if any) given or to be given for each option and the expiry date thereof:

(b) The total number of each class of securities under option to, or for the benefit of, each of the following classes of persons:
(i) The promoters and managers of the scheme:
(ii) Where a promoter or manager is a body corporate or unincorporate, the directors and principal officers thereof or of any subsidiary thereof:
(iii) The employees of a promoter or manager of the scheme and, where a promoter or manager is a body whether corporate or unincorporate, the employees of any subsidiary of the promoter or manager:

Provided that this paragraph shall not apply where the option is granted or is proposed to be granted on the same terms and on a pro rata basis to all holders of securities of the same class as those to which the option relates.

13 Manager's interests

(1) Where a manager of the scheme (or, where a manager is a body whether corporate or unincorporate, the manager or a director or principal officer thereof) is entitled to remuneration for services in respect of the scheme, particulars of the nature of the services.

(2) Where any material transaction has been entered into at any time in the 5 years preceding the specified date, or is to be entered into on or after the specified date,—
(a) Between any person on behalf of the scheme and a manager of the scheme; or
(b) Between any person on behalf of the scheme and, where the manager is a body, whether corporate or unincorporate,—
(i) Any body corporate related to the manager; or
(ii) Any director or proposed director of the manager or any body corporate related to the manager; or

(c) Between any person on behalf of the scheme and any immediate relative of—

(i) A manager of the scheme; or

(ii) Where the manager is a body whether corporate or unincorporate, any director or proposed director thereof or of any body corporate related thereto; or

(d) Between any person on behalf of the scheme and any company more than half of whose share capital was or will be held, directly or indirectly, at the date of the transaction, by—

(i) A manager of the scheme; or

(ii) Where the manager is a body whether corporate or unincorporate, any director or proposed director thereof or of any body corporate related thereto; or

(iii) Any immediate relative of a person mentioned in subparagraph (i) or subparagraph (ii) of paragraph (c) of this subclause,—

the following information:

(e) A description of the property acquired, or to be acquired, under the transaction; and

(f) The cost of the property acquired, or to be acquired, under the transaction to the person by whom it has been or is to be acquired under the transaction; and

(g) A brief description of the other terms of the acquisition of the property; and

(h) The cost of the property to the person disposing of the property under the transaction; and

(i) The date on which the person disposing of the property under the transaction acquired the property.

14 Promoters' interests

(1) The full name of every promoter of the securities being offered.

(2) Where a promoter of the scheme (or, where a promoter is a body whether corporate or unincorporate, the promoter or a director or principal officer thereof) is entitled to remuneration

for services in respect of the scheme, particulars of the amount of remuneration and of the nature of the services.

(3) If any material transaction has been entered into at any time in the 5 years preceding the specified date, or is to be entered into on or after the specified date,—

(a) Between any person on behalf of the scheme and a promoter of the scheme; or

(b) Between any person on behalf of the scheme and, where the promoter is a body, whether corporate or unincorporate—

(i) Any body corporate related to the promoter; or

(ii) Any director or proposed director of the promoter or of any body corporate related to the promoter; or

(c) Between any person on behalf of the scheme and any immediate relative of—

(i) A promoter of the scheme; or

(ii) Where the promoter is a body whether corporate or unincorporate, any director or proposed director thereof or of any body corporate related thereto; or

(d) Between any person on behalf of the scheme and any company more than half of whose share capital was or will be held directly or indirectly, at the date of the transaction, by—

(i) A promoter of the scheme; or

(ii) Where the promoter is a body whether corporate or unincorporate, any director or proposed director thereof or of any body corporate related thereto; or

(iii) Any immediate relative of a person mentioned in subparagraph (i) or subparagraph (ii) of paragraph (c) of this subclause,—

the following information:

(e) A description of the property acquired, or to be acquired, under the transaction; and

(f) The cost of the property acquired, or to be acquired, under the transaction to the person by whom it has been or is to be acquired under the transaction; and

(g) A brief description of the other terms of the acquisition of the property; and

(h) The cost of the property to the person disposing of the property under the transaction; and

(i) The date on which the person disposing of the property under the transaction acquired the property.

15 Material contracts

In relation to every material contract entered into in respect of the scheme at any time in the 2 years preceding the specified date (not being a contract entered into in the ordinary course of business of the scheme),—

(a) Its date; and

(b) The names of the parties to it; and

(c) Its general nature.

16 Pending proceedings

A brief description of any legal proceedings or arbitrations that—

(a) Are pending at the specified date; and

(b) May have a material adverse effect on the scheme.

17 Issue expenses

Particulars of any issue expenses, including—

(a) Their amount or estimated amount; and

(b) In respect of any commission payable,—

(i) The rate of commission; and

(ii) The persons or classes of persons to whom the commission is payable.

18 Terms of deed of participation

(1) All the terms of the deed of participation relating to the scheme.

(2) Subclause (1) of this clause does not apply if—

(a) A copy of the deed is attached to the registered prospectus; and

(b) The registered prospectus states that a copy of the deed is attached thereto.

19 Other terms of offer and securities

All terms of the offer and all terms of the securities being offered, not elsewhere set out in the registered prospectus, other than those—

(a) Implied by law; or

(b) Set out in a document that—

(i) Is registered with a public official; and

(ii) Is available for public inspection; and

(iii) Is referred to in the registered prospectus.

Requirements in respect of financial statements

20 Application

(1) Clauses 21 to 34 of this Schedule shall apply only if, before the specified date the scheme has commenced business and,—

(a) An asset has been acquired by the scheme; or

(b) A debt has been incurred in respect of the scheme.

(2) Clauses 21(1), 31(1), and 33(a) do not apply if—

(a) The latest financial statements for the scheme that have been registered under the Financial Reporting Act 1993 contain or are accompanied by financial statements for the scheme containing the information required to be contained in the registered prospectus by clauses 21 to 34; and

(b) The registered prospectus refers to those financial statements of the scheme and states the most recent accounting period covered by those statements.

Schedule 3, clause 20(2) was inserted, as from 1 October 1997, by regulation 72(1)(b) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

21 Statements of financial position

(1) An audited statement of financial position of the scheme giving a true and fair view of the state of affairs of the scheme—

(a) As at the end of the most recently completed accounting period thereof; or

(b) Where there is no such accounting period, as at any stated date that is not more than 4 months before the specified date.

(2) If the offeror considers it necessary or desirable (after having regard to section 37A(1)(c) of the Act), an additional interim statement of financial position of the scheme (which statement of financial position need not be audited) giving a true and fair view of the state of affairs thereof as at any stated date that is not more than 9 months after the date of the statement of financial position contained in the registered prospectus pursuant to subclause (1) of this clause.

(3) Nothing in clauses 22 to 34 of this Schedule limits the matters that may be included—

(a) In any statement of financial position required by this clause; or

(b) In notes to any such statement of financial position which are set out in the registered prospectus.

Schedule 3, clause 21 was amended, as from 1 October 1997, by regulation 77(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 21(2) was amended, as from 1 October 1997, by regulation 77(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the expression "section 37A(1)(c)" for the expression "section 37A(1)(e)".

22 Participants' funds

Each statement of financial position required by clause 21 of this Schedule, or notes to the statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of funds contributed by, or credited to, holders of participatory securities relating to the scheme:

(b) In respect of each class of participatory security,—

(i) A brief description thereof sufficient to identify it together with a statement of any voting rights, rights to surpluses, and maturity date relating thereto:

(ii) The number of securities allotted and still outstanding, and the amounts credited as paid up in respect thereof; and details of any changes therein since the commencement of the most recently completed accounting period of the

scheme (other than such details as are set out elsewhere in the registered prospectus):

(iii) The total nominal value of the securities of that class that have not been allotted; and, if there are any restrictions upon allotment, particulars of those restrictions:

(c) The amount of retained earnings credited to holders of participatory securities, and details of changes therein since the commencement of the most recently completed accounting period of the scheme (other than such details as are set out elsewhere in the registered prospectus):

(d) A description of the rights of the holders of each class of participatory securities to share in the distribution of retained earnings.

Schedule 3, clause 22 was amended, as from 1 October 1997, by regulation 78(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 22(b)(i) was amended, as from 1 October 1997, by regulation 78(2) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "rights to surpluses" for the words "rights to profits".

23 Deferred taxation

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the amount of any provision for deferred taxation.

Schedule 3, clause 6(3) and (5) were amended, as from 1 October 1997, by regulation 79 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

24 Term liabilities

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The amount of non-current liabilities:

(b) The amount of non-current liabilities owing to managers and promoters of the scheme and the rate or rates of interest payable in respect thereof:

(c) An analysis of the non-current liabilities by maturity, showing in respect of each financial year in which non-current liabilities are repayable, the amounts repayable in that year together with a summary of the interest rates on those amounts (where practicable, in the form of a weighted average interest rate) for that year:

(d) The amount of non-current liabilities that are secured and a brief description of the nature of the security.

Schedule 3, clause 24 was amended, as from 1 October 1997, by regulation 80(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 24 was amended, as from 1 October 1997, by regulation 80(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "non-current liabilities" for the words "term liabilities".

25 Current liabilities

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of current liabilities; and

(b) In addition (as separate items), such of the following amounts included in that aggregate amount as are material:

  (i) The total of trade creditors:

  (ii) The total of bank loans and overdraft:

  (iii) The total of provisions for taxation:

  (iv) the total of distributions payable:

  (v) The amount of each other category of current liability (and a description thereof):

(c) The amounts of current liabilities owing to managers and promoters of the scheme and the rate or rates of interest payable in respect thereof:

(d) The amount of the current liabilities that are secured, and a brief description of the nature of the security.

Schedule 3, clause 25 was amended, as from 1 October 1997, by regulation 81(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 25(b)(i) and (iv) were substituted, as from 1 October 1997, by regulation 81(2) and (3) Securities Amendment Regulations 1997

(SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

26 Commitments and contingent liabilities

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) Particulars (including the estimated amount thereof and the period of commitment) of any material commitments for capital expenditure (other than those included as liabilities in the statement of financial position):

(b) Particulars (including the estimated amount thereof and the period of commitment) of any material commitments in respect of leases and hire purchase agreements (other than those included as liabilities in the statement of financial position):

(c) A brief description of any material contingent liabilities, and the estimated amount thereof.

Schedule 3, clause 26 was amended, as from 1 October 1997, by regulation 82 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

27 Fixed assets

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state the following matters:

(a) The aggregate amount of fixed assets:

(b) A classification of the fixed assets into the following categories; and, in respect of each category, the basis or bases of valuation, the name and qualification of the valuer and date of valuation, if any, the aggregate amount on each basis, and accumulated depreciation shown as a deduction from each aggregate amount:

(i) Land:

(ii) Buildings:

(iii) Machinery and equipment:

(iv) Other fixed assets:

(c) A brief description of the assets to which paragraph (b)(iv) of this clause relates:

(d) The aggregate of the latest Government valuations of land and buildings, with the dates thereof, and the cost of any additions to land and buildings subsequent to the relevant valuation.

Schedule 3, clause 27 was amended, as from 1 October 1997, by regulation 83(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 27(b) was amended, as from 1 October 1997, by regulation 83(2) Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "the name and qualification of the valuer and date of valuation, if any,".

Schedule 3, clause 27(b)(i) and (ii) were substituted, as from 1 October 1997, by regulation 83(3) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

28 Investments

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state—

(a) The aggregate amount of investments; and

(b) In addition (as separate items) the amounts included within that aggregate amount in respect of:

(i) The total of investments in any manager or promoter of the scheme at cost (less amounts written off) or market value (if ascertainable) whichever is the lesser:

(ii) Where material, the total of securities issued by the Crown or a local authority; and, where this amount is not market value, the total market value:

(iii) The total of other investments in bodies corporate that are parties to listing agreements with a registered exchange; and, where this amount is not market value, the total market value.

Schedule 3, clause 28 was amended, as from 1 October 1997, by regulation 84 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 28(b)(iii) was amended, as from 1 December 2002, by section 30 Securities Markets Amendment Act 2002 (2002 No 44), by substituting the words "that are parties to listing agreements with a registered exchange" for the words "listed on a trading exchange".

29 Current assets

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state—

(a) The aggregate amount of current assets; and

(b) In addition (as separate items), such of the following amounts included within that aggregate amount as are material:

  (i) The aggregate amount of cash, bank balances, and deposits with money market dealers:

  (ii) The amount of securities held, and, where this amount is not market value, the total market value:

  (iii) The amount of trade receivables (showing as separate deductions from those receivables any provisions for interest not yet earned and doubtful debts):

  (iv) Total inventories (showing as separate items, where appropriate, the amounts for raw materials, work in progress, and finished goods, and the basis of valuation):

  (v) Each other category of current asset (and a description thereof):

(c) In respect of the trade receivables referred to in subparagraph (iii) of paragraph (b) of this clause the amounts thereof owing from managers and promoters.

Schedule 3, clause 29 was amended, as from 1 October 1997, by regulation 85(1) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

Schedule 3, clause 29(b)(iii) was substituted, as from 1 October 1997, by regulation 85(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 29(c) was amended, as from 1 October 1997, by regulation 85(3) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "trade receivables" for the words "accounts receivable".

30 Intangible and other assets

Each statement of financial position required by clause 21 of this Schedule, or notes to that statement of financial position which are set out in the registered prospectus, shall state:

(a) The aggregate amount of intangible assets; and

(b) In addition (as separate items), such of the following amounts included within that aggregate amount as are material:

(i) Total goodwill:

(ii) The total of patents and trade marks:

(c) The aggregate of all assets not specified in any provision of clauses 27 to 29 of this Schedule or of paragraph (a) or paragraph (b) of this clause:

(d) In addition (as separate items), the nature and amount of each material asset included in the aggregate stated pursuant to paragraph (c) of this clause.

Schedule 3, clause 30 was amended, as from 1 October 1997, by regulation 86 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

31 Statements of financial performance

(1) An audited statement of financial performance of the scheme giving a true and fair view of the results of the scheme—

(a) For the most recently completed accounting period thereof; or

(b) Where there is no such accounting period, for the period from the date of commencement of the scheme to the date of the statement of financial position contained or referred to in the registered prospectus pursuant to clause 21(1)(b) of this Schedule.

(2) Where an interim statement of financial position is set out in the registered prospectus pursuant to clause 21(2) of this Schedule, a statement of financial performance (which statement need not be audited) of the scheme giving a true and fair view of the results of the scheme for the period from the date of the statement of financial position set out in the registered prospectus pursuant to clause 21(1) of this Schedule to the date of the interim statement of financial position.

(3) Nothing in clause 32 of this Schedule limits the information that may be included—

(a) In any statement of financial performance required by this clause; or

(b) In notes to any such statement of financial performance which are set out in the registered prospectus.

Schedule 3, clause 31 was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 3, clause 31 was amended, as from 1 October 1997, by regulation 87(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Schedule 3, clause 31(1)(b) was amended, as from 1 October 1997, by regulation 87(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

Schedule 3, clause 31(2) was amended, as from 1 October 1997, by regulation 87(c) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position" for the words "balance sheet".

32 Contents of statement of financial performance

Each statement of financial performance required by clause 31 of this Schedule, or notes to that statement of financial performance which are set out in the registered prospectus, shall state the following matters:

(a) Total operating revenues (and the basis of calculation of total operating revenues):

(b) The amount of investment revenue:

(c) The amount of audit fees and expenses:

(d) The amount of manager's remuneration:

(e) The amount of provisions made for depreciation and obsolescence:

(f) The total interest expense:

(g) Where material, total leasing and renting expense:

(h) A description of the nature of any item that is of such incidence and size, or of such nature, that its disclosure is necessary to explain the performance of the scheme:

(i) Where material, the amount of any foreign exchange gains or losses recognised in the statement of financial performance distinguishing between realised and unrealised gains or losses:

(j) The net surplus or deficit before taxation:

(k) The amount provided for, or credited by way of, taxation; and a brief explanation of any difference between this amount and the amount that would need to be provided for, or would be credited by way of, taxation if the whole of the surplus or deficit referred to in para-

graph (j) of this clause were taxed at the standard rate applicable to companies:

(l) The net surplus or deficit after taking account of taxation and before taking account of the matters specified in paragraph (m) of this clause:

(m) The amount and a description of each category of extraordinary items (net of taxation) that derive from events outside the ordinary activities of the scheme:

(n) The net surplus or deficit after taking account of taxation and of the matters specified in paragraph (m) of this clause.

Schedule 3, clause 32 was substituted, as from 1 July 1994, by section 3 Company law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 3, clause 32 was amended, as from 1 October 1997, by regulation 88(1)(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Schedule 3, clause 32(a) was substituted, as from 1 October 1997, by regulation 88(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 32(b) was amended, as from 1 October 1997, by regulation 88(1)(b) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the word "revenue" for the word "income".

Schedule 3, clause 32(h) was substituted, as from 1 October 1997, by regulation 88(3) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 32(j), (k), (l), and (n) were amended, as from 1 October 1997, by regulation 88(1)(c) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "surplus or deficit" for the words "profit or loss".

33 Statement of cash flows

A statement of cash flows for the scheme giving a true and fair view of those cash flows—

(a) For the period to which the statement of financial performance set out in the registered prospectus pursuant to clause 31(1) of this Schedule relates, which statement shall be audited; and

(b) For the period to which any statement of financial performance set out in the registered prospectus pursuant to clause 31(2) of this Schedule relates, which statement need not be audited.

Schedule 3, clause 33 was substituted by regulation 4(1) Securities Regulations 1983, Amendment No 1 (SR 1988/95).

Schedule 3, clause 33(a) and (b) were amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "statement" for the word "account".

Schedule 3, clause 33 was amended, as from 1 October 1997, by regulation 89 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

34 Other information

The financial statements specified in clauses 21 to 33 of this Schedule shall include—

(a) In the case of a statement of financial performance relating to the most recently completed accounting period of the scheme, comparative figures for the preceding accounting period:

(b) In the case of a statement of financial position as at the end of the most recently completed accounting period of the scheme, comparative figures as at the end of the preceding accounting period:

(c) A statement of all material accounting policies (stating the basis of accounting used); and of any changes therein:

(d) Where amounts of monetary assets or liabilities have been converted to New Zealand currency for inclusion in a statement of financial position, in respect of each material amount—

  (i) A description of the amount:

  (ii) A statement as to the currency from which it was converted, and the exchange rate used to convert the amount; and the rate (if known) at which the amount will be settled:

Schedule 3, paragraph 34(a) was amended, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16) by substituting the word "statement" for the word "account".

Schedule 3, clause 34(a) was amended, as from 1 October 1997, by regulation 90(a) Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial performance" for the words "profit and loss statement".

Schedule 3, clause 34(b) and (d) were amended, as from 1 October 1997, by regulation 90(b) Securities Amendment Regulations 1997 (SR 1997/151) by

substituting the words "statement of financial position" for the words "balance sheet".

Miscellaneous requirements

35 Places of inspection of documents

The times and places where any material contract disclosed pursuant to clause 15, or a copy of any material contract, may, on payment of any fee, be inspected by a person who so requests.

Schedule 3, clause 35 was substituted, as from 1 October 1997, by regulation 91 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

36 Other material matters

Particulars of any material matters relating to the offer of securities (other than matters elsewhere set out in the registered prospectus or in the financial statements referred to in the registered prospectus pursuant to clause 20(2), and contracts entered into in the ordinary course of business of the scheme).

Schedule 3, clause 36 was amended, as from 1 October 1997, by regulation 92 Securities Amendment Regulations 1997 (SR 1997/151) by inserting the words "or in the financial statements referred to in the registered prospectus pursuant to clause 20(2),".

37 Manager's statement

A statement by the manager as to whether, after due enquiry by him in relation to the period between the date of the latest statement of financial position contained or referred to in the registered prospectus and the specified date, there have, in his opinion, arisen any circumstances that materially adversely affect—

(a) The profitability or activities of the scheme; or

(b) The value of its assets; or

(c) The ability of the scheme to pay its liabilities due within the next 12 months.

Schedule 3, clause 37 was amended, as from 1 October 1997, by regulation 93 Securities Amendment Regulations 1997 (SR 1997/151) by substituting the words "statement of financial position contained or referred to" for the words "balance sheet set out".

38 Auditor's report

(1) A copy of a report by a qualified auditor, signed by him or her (either in his or her own name or that of his or her firm), stating—

(a) The work done by the auditor; and

(b) The scope and limitations of the audit; and

(c) The existence of any relationship (other than that of auditor) which the auditor has with, or any interests which the auditor has in, the scheme; and

(d) Whether the auditor has obtained all information and explanations that he or she has required; and

(e) Whether, in the auditor's opinion, as far as appears from an examination of them, proper accounting records have been kept by the scheme; and

(f) Whether or not, in the auditor's opinion, the financial statements that are required by clauses 21 to 34 of this Schedule and that are required to be audited—

(i) Comply with these regulations; and

(ii) Subject to these regulations, comply with generally accepted accounting practice; and

(iii) Give a true and fair view of the state of affairs of the scheme as at the date thereof and of the results and cash flows of the scheme for the period to which they relate, taking into account information or explanations of the kind referred to in section 14(2) of the Financial Reporting Act 1993 (if any)—

and, if they do not, the respects in which they do not; and

(g) Whether the amounts stated pursuant to clauses 6(2), 6(3), 10(2), and 10(3) of this Schedule have been taken from audited financial statements, and, whether or not the amounts have been correctly taken.

(2) If the registered prospectus contains prospective financial information, the auditor's report must contain a statement in the following form:

"In our opinion, the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions

made or adopted by the issuer set out at pp.... of this prospectus and is presented on a basis consistent with the accounting policies normally adopted by the company (entity)."

(3) If financial statements are referred to in a registered prospectus pursuant to clause 20(2), a report under this clause is not required to contain information of the kinds referred to in paragraphs (a) to (f) of subclause (1) to the extent that that information is contained in a report by a qualified auditor that is registered under the Financial Reporting Act 1993.

Schedule 3, clause 38(1), was amended by regulation 4(2) Securities Regulations 1983, Amendment No 1 (SR 1988/95) by substituting the words "cash flows" for the words "changes in financial position".

Schedule 3, clause 38(1), was substituted, as from 1 July 1994, by section 3 Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Schedule 3, clause 38(2), was substituted, as from 1 October 1997, by regulation 93(1) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3, clause 38(3), was inserted, as from 1 October 1997, by regulation 93(2) Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Schedule 3A
Matters required in registered prospectus for unit trusts

Schedules 3A to 3D were inserted, as from 1 October 1997, by regulation 95 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

1 Description of unit trust

(1) The name of the unit trust.

(2) The year and place of establishment of the unit trust.

(3) The duration of the unit trust.

(4) A brief description of the units being offered.

(5) A statement as to whether there is any maximum number or amount of units in the unit trust; and if so, the number or amount.

(6) The price or other consideration to be paid or provided for the units, if this a fixed amount. If the price or other consideration

is not a fixed amount, a description of the manner by which that amount is fixed.

(7) The amount, or maximum amount, of the fees payable, or deductions that will be made, (if any) for purchasing or selling units and the time or times at which they will be payable or made.

(8) If the offer of units is made only during a particular period, the opening and closing dates of the offer.

2 Managers, promoters, auditors, and advisers

(1) The name and address of the manager of the unit trust, and the name and address of every director of the manager.

(2) The statute or other authority under which the manager is incorporated, and the date and country of incorporation.

(3) If the manager is a subsidiary, the name of its ultimate holding company.

(4) The names of all other unit trusts managed by the manager.

(5) The name of every promoter (if any) of the unit trust.

(6) The name of any administration manager or investment manager of the unit trust.

(7) If the manager or any such administration manager, investment manager, or promoter, or (if the manager or any such administration manager, investment manager, or promoter is a body corporate or unincorporate) director of that manager or promoter, has, during the 5 years preceding the specified date, been—

(a) Adjudged bankrupt or insolvent:

(b) Convicted of any crime involving dishonesty within the meaning of section 2(1) of the Crimes Act 1961:

(c) Prohibited from acting as a director of a company:

(d) Placed in statutory management or receivership—

a statement to that effect including the name and any alternative or former name or names, of that manager, promoter, or director concerned.

(8) The names of any registrar, custodian, and auditors of the unit trust; and of any solicitors and other professional advisers (other than employees of the manager or of any associated person) involved in the preparation of the prospectus.

(9) The names, addresses, and qualifications of any experts named in the prospectus.

(10) A statement whether or not the unit trustee and any custodians are independent of the manager of the unit trust and of any promoter, administration manager, and investment manager and, if not, a description of the relationship between the unit trustee or custodian and the manager, promoter, administration manager, or investment manager.

3 Unit trustee

(1) The name and address of the unit trustee of the unit trust and, if the unit trustee is a body corporate, of every director of the trustee.

(2) If the unit trustee is a body corporate, the statute or other authority under which the unit trustee was incorporated, and the date and country of incorporation.

(3) If the unit trustee is a subsidiary, the name and country of incorporation of its ultimate holding company.

(4) A description of the extent, if any, to which the unit trustee is indemnified by the unit trust.

(5) A statement whether or not the unit trustee guarantees the repayment of the units or the payment of any earnings on the units.

4 Description of unit trust and its development

(1) The date of the trust deed for the unit trust, and the dates of all amendments to the deed (or, if the deed and some or all of the amendments to it have been consolidated, the date of the consolidation and the dates of all amendments since the consolidation).

(2) A summary of the principal terms of the trust deed for the unit trust (including any amendments).

(3) A description of any restrictions on investment of the funds of the unit trust, to the extent not included in the summary under subclause (2).

(4) A brief description of the investment and other material activities of, and any material developments relating to, the unit trust during the 5 years preceding the specified date.

(5) A description of the investment objectives and policy for the unit trust, and of the means by which changes can be made to those objectives and that policy.

(6) A description of the investment performance of the unit trust during each of the 5 years preceding the specified date, and, if any performance data is set out in the prospectus, the basis on which such data has been calculated.

(7) A description of the policy regarding distributions from the unit trust.

(8) A statement of any undertakings to unit holders about return of capital.

5 Unit holder liability

A statement as to whether any liabilities (including contingent liabilities) may be incurred by unit holders in relation to the unit trust (other than in respect of the purchase price of units) and, if so, whether there are any limitations on those liabilities.

6 Summary of financial statements

(1) A financial statement in summary form (and, if practicable, in tabular form) in respect of the unit trust.

(2) The amounts in the financial statement required by subclause (1) must be the amounts that appear in financial statements that comply with, and have been registered under, the Financial Reporting Act 1993 or, if no such statements have been registered, amounts that would have appeared in such statements if they had been registered.

(3) The amounts that appear in the financial statement required by subclause (1) must include,—

(a) In respect of both the accounting period referred to in clause 16(1) and each of the 4 consecutive accounting periods preceding that period, if any, the following amounts:

(i) Total investment revenues:

(ii) Net gains or losses on investments distinguishing between realised and unrealised:

(iii) Other revenues:

(iv) Investment expenses:

(v) Management expenses:
(vi) Total interest expense:
(vii) Other expenses:
(viii) The net surplus or deficit before taxation and extraordinary items:
(ix) The total provided for, or credited by way of, taxation:
(x) If the equity method of accounting has been used, surpluses or deficits that have resulted from using that method:
(xi) The net surplus or deficit before extraordinary items:
(xii) The total of extraordinary items (net of taxation):
(xiii) The net surplus or deficit after extraordinary items:
(xiv) Distributions or appropriations of net surplus or deficit:
(xv) Other distributions (specify); and

(b) As at the end of each such period the following amounts:
(i) Total assets:
(ii) Total tangible assets:
(iii) Total liabilities:
(iv) Total unit holders' funds.

(4) In respect of the amounts stated in the financial statement required by subclause (1),—
(a) A description of the nature of any item that is of such incidence and size, or of such a nature, that its disclosure is necessary to explain the performance of the unit trust:
(b) A description (and if practicable, quantification) of the effect on those amounts of any material changes in the activities of the unit trust, and of any material changes in the accounting policies used, that occurred during the periods to which the amounts relate.

(5) A statement whether or not the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements.

(6) If the amounts stated in the financial statement required by subclause (1) have been taken from audited financial state-

ments but the auditor's report was qualified, a statement to this effect explaining what the qualification was.

(7) A financial statement in summary form is not required under subclause (1)(b) to include amounts in respect of any accounting period that ended more than 2 years before the date on which this clause comes into force.

7 Minimum subscription

For the purposes of section 37(2) of the Act, the minimum amount that, in the opinion of the manager, must be raised by the issue of the securities in order to provide the sums (or, if any part is to be met in any other manner, the balance of the sums) required to be provided in respect of each of the following matters:

(a) The purchase price of any property purchased or to be purchased which is to be met in whole or in part out of the proceeds of the offer:

(b) Any preliminary expenses and commission payable in whole or in part out of the proceeds of the offer:

(c) Working capital:

(d) The repayment of any money borrowed in respect of any of the matters referred to in paragraphs (a) to (c).

8 Guarantors

(1) If the prospectus or an advertisement relating to the unit trust states or implies that a person guarantees the payment of any money payable from the unit trust, the following matters in respect of each such person:

(a) The name of the person:

(b) A description, and (if practicable) quantification, of the liability of the person in respect of that money:

(c) A statement whether the liability of the person is secured by a mortgage or other charge and, if so, the nature and amount of the charge:

(d) The amount of the net tangible assets of the person as shown in the person's most recent audited statement of financial position, together with a statement of any qualifications in the auditor's report in respect of the statement of financial position:

(e) Whether there are any contingent liabilities that could materially affect those net tangible assets:

(f) Whether the financial statements of the person are available for inspection and, if so, where.

(2) If there is no audited statement of financial position of the person dated within 18 months of the specified date,—

(a) The figure given for the amount of that person's net tangible assets in the prospectus must be that as at a date stated in the prospectus (being a date not earlier than 6 months before the specified date); and

(b) The prospectus must include a statement to the effect that the figure for that person's net tangible assets has not been taken from an audited statement of financial position.

9 Acquisition of business or equity securities

(1) This clause does not apply in respect of—

(a) Any business or equity securities if the consideration paid or payable, or proposed to be paid, for the acquisition of the business or equity securities is not more than one-fifth of the amount of the total tangible assets shown in the financial statements referred to in clause 16(1); or

(b) Any equity securities that are listed on a stock exchange.

(2) If a business or equity securities have been acquired for the purposes of the unit trust at any time in the 2 years preceding the specified date, the following information:

(a) A description of the activities of—

(i) That business; or

(ii) The business carried on by the issuer of those equity securities,—

in the course of the period that began 5 years before the specified date and ended on the date on which the business, or equity securities, were acquired:

(b) In respect of that business or the issuer of those equity securities, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of Schedule 1 in respect of the 5 accounting periods preceding the specified date.

(3) If—

(a) A business or equity securities have been acquired for the purposes of the unit trust at any time in the period between the last day of the accounting period referred to in clause 16(1) and the specified date; or

(b) The prospectus contains a statement to the effect that it is intended that a business or equity securities will be acquired for the purposes of the unit trust—

the following information:

(c) The amount of the consideration paid or payable, or proposed to be paid, for the business or equity securities:

(d) A description of that business, or of the business carried on by the issuer of those equity securities, in the course of the 5 years before the specified date:

(e) In respect of that business or the issuer of those equity securities, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of Schedule 1 in respect of the 5 accounting periods preceding the specified date, and the matters specified in clauses 23 to 38 of that Schedule.

10 Options and units paid up otherwise than in cash

(1) If options to subscribe for units have been or are to be issued, a description of the options.

(2) If units have been or are to be issued for a consideration other than cash, a statement of the number of units, the non-cash consideration, and the extent to which the units are, or are to be, so paid up.

11 Interested persons

(1) If the unit trustee, manager, or any administration manager, investment manager, custodian, or promoter of the unit trust (or any associated person of any of them) is entitled to remuneration for services, or to recover expenses, in respect of the unit trust, particulars of—

(a) The nature of the services or expenses; and

(b) If remuneration or expense recovery is from the unit trust, whether or not the amount of remuneration or expenses is limited and, if so, the limits.

(2) If the unit trustee, manager, or any administration manager, investment manager, custodian, or promoter of the unit trust (or any associated person of any of them) has, or has had at any time during the 5 years preceding the specified date, a material interest, whether direct or indirect, in the unit trust or in any contract or arrangement entered into on behalf of or in respect of the unit trust (being an interest material to either or both of that person and the unit trust), particulars of that interest.

(3) If more than 10% of the value of the assets of the unit trust (calculated in accordance with generally accepted accounting practice) was, at any time during the 2 years preceding the specified date, represented directly or indirectly by any securities of which the unit trustee, manager, or any administration manager, investment manager, custodian, or promoter of the unit trust (or any associated person of any of them) was the issuer, a description of those securities.

12 Material contracts

In relation to every material contract entered into in respect of the unit trust at any time in the 2 years preceding the specified date (not being a contract entered into in the ordinary course of business of the unit trust),—

(a) Its date; and

(b) The names of the parties to it; and

(c) Its general nature.

13 Pending proceedings

A brief description of any legal proceedings or arbitrations that—

(a) Are pending at the specified date; and

(b) May have a material adverse effect on the unit trust.

14 Issue expenses

Particulars of any issue expenses, including—

(a) Their amount or estimated amount; and

(b) In respect of any commission payable—

(i) The rate of commission; and

(ii) The persons or classes of persons to whom the commission is payable.

15 Other terms of offer and units

All terms of the offer, and all terms of the units being offered, not elsewhere set out in the prospectus, other than—

(a) Any terms implied by law; or

(b) Any terms set out in a document that—

(i) Is registered with a public official; and

(ii) Is available for public inspection; and

(iii) Is referred to in the prospectus.

16 Financial statements and auditor's report

(1) A reference to the latest financial statements for the unit trust that comply with, and have been registered under, the Financial Reporting Act 1993, the accounting period covered by those statements, and the date of registration.

(2) The date of the auditor's report on those financial statements, and a statement whether or not the report was qualified in any respect and, if so, explaining what the qualification was.

(3) If the issuer so wishes—

(a) The latest financial statements referred to in subclause (1) and the auditor's report on those statements; and

(b) Financial statements for the unit trust prepared as at a later date (not being more than 9 months after the balance date of the financial statements referred to in subclause (1) of this clause) as if they required registration under the Financial Reporting Act 1993, except that they need not be audited.

(4) A copy of a report by a qualified auditor, signed by him or her (either in his or her own name or that of his or her firm), stating whether the amounts stated pursuant to clauses 6(2), 6(3), 9(2), and 9(3) have been taken from audited financial statements and whether or not the amounts have been correctly taken.

(5) If the registered prospectus contains prospective financial information the auditor's report must contain a statement in the following form:

"In our opinion the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions made or adopted by the manager [set out at pp.... of this

prospectus] and is presented on a basis consistent with the accounting policies normally adopted in respect of the unit trust."

17 Places of inspection of documents

The times and places where copies of the following documents may, on payment of any fee, be inspected by a person who so requests:

(a) The trust deed for the unit trust and any amendments to the deed:

(b) The financial statements for the unit trust referred to in clause 16(1):

(c) Any material contract referred to in the prospectus:

(d) The latest annual report for the unit trust.

18 Other material matters

Any material matters relating to the unit trust (other than matters elsewhere set out in the registered prospectus, contracts entered into in the ordinary course of business of the unit trust, and information contained in the financial statements referred to in clause 16(1)).

19 Manager's statement

A statement by the directors of the manager as to whether, in their opinion, after due enquiry by them,—

(a) The value of the unit trust's assets relative to its liabilities (including contingent liabilities); and

(b) The ability of the unit trust to pay its debts as they become due in the normal course of business—

has materially and adversely changed during the period between the balance date of the latest financial statements referred to in the prospectus and the specified date.

20 Unit trustee's statement

A statement by the unit trustee stating, in respect of the accounting period referred to in clause 16(1), whether or not, in the unit trustee's opinion, the manager has managed the unit

trust during that period in accordance with the provisions of the trust deed and of the offer of units.

Schedule 3B
Matters required in registered prospectus for life insurance policies

Schedules 3A to 3D were inserted, as from 1 October 1997, by regulation 95 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

1 Description of company

(1) The name of the life insurance company, and the address of its registered office (or, if it does not have a registered office, its address) in New Zealand.

(2) If the life insurance company is a body corporate—

- (a) The statute or other authority by or under which the company is incorporated; and
- (b) The date and country of incorporation; and
- (c) The date of registration in New Zealand (if that date is different from the date of incorporation); and
- (d) The registered number (if any); and
- (e) The place (if any) in New Zealand where a public file relating to the incorporation or registration of the company is kept.

(3) A brief description of the principal activities of the life insurance company and, to the extent not included in subclause (2), of the insurance and investment activities of, and of any material development relating to, the company during the 5 years preceding the specified date.

2 Description of policies

(1) A brief description of the types of life insurance policies to which the prospectus relates.

(2) In respect of each such policy, a description of the principal terms set out in the specimen policy document for the policy.

3 Limitations on liability or returns

(1) If the returns to holders of any of the life insurance policies to which the prospectus relates are in any circumstances calculated by reference to the returns on a particular group of assets, a statement to this effect and a brief description of the circumstances and of that group of assets.

(2) If the liability of the life insurance company to satisfy its obligations under any of the life insurance policies to which the prospectus relates (as distinct from calculating the returns on the policies) is limited in whole or in part to a particular group of assets (a **fund**) (whether the fund or the limitation is created by statute, by contract, or otherwise), a statement to this effect and a description of each such fund.

(3) If—

(a) All the assets of the life insurance company are liable to satisfy the obligations under some of the life insurance policies to which the prospectus relates; and

(b) Only the assets of one or more funds are liable to satisfy all or a part of the company's obligations under others of those policies—

references in subclauses (5) and (6), and in clauses 5, 7, 8, 12, 13, and 15 to financial statements, actuarial reports, auditor's reports, or assets or liabilities of, or acquisitions by, the company are to be read as references to financial statements, actuarial reports, auditor's reports, or assets or liabilities of, or acquisitions by, both the company and each such fund.

(4) Where the liability of the life insurance company to satisfy its obligations under each of the life insurance policies to which the prospectus relates is limited in whole or in part to the assets of 1 or more funds, references in subclauses (5) and (6), and in clauses 5, 7, 8, 12, 13, and 15 to financial statements, actuarial reports, auditor's reports, or assets or liabilities of, or acquisitions by, the company are to be read as references to financial statements, actuarial reports, auditor's reports, or assets or liabilities of, or acquisitions by, each such fund.

(5) If any liabilities of the life insurance company rank in point of security ahead of its liabilities under any of the life insurance policies to which the prospectus relates, a statement to this effect and a description of those liabilities that rank ahead.

(6) If the use of any assets of the life insurance company or of a fund to satisfy the obligations of the life insurance company under any of the life insurance policies to which the prospectus relates is limited or restricted in any way, a statement to this effect and a description of the limitation or restriction.

4 Directors, promoters, auditors, and advisers

(1) The name and address of every director of the life insurance company.

(2) In respect of every such director who is an employee of the company, or of any associated person of the company, the position held by him or her.

(3) The name of every promoter of any of the life insurance policies.

(4) If any director of the life insurance company or any promoter has, during the 5 years preceding the specified date, been—

(a) Adjudged bankrupt:

(b) Convicted of any crime involving dishonesty within the meaning of section 2(1) of the Crimes Act 1961:

(c) Prohibited from acting as a director of a company:

(d) Placed in statutory management or receivership—

a statement to that effect including the name and any alternative or former name or names of the director concerned.

(5) The names of any auditors; and of any solicitors and other professional advisers (other than employees of the life insurance company or of any associated person) and actuaries involved in the preparation of the prospectus.

(6) The names, addresses, and qualifications of any experts named in the prospectus.

5 Summary of financial statements

(1) A financial statement in summary form (and, if practicable, in tabular form) in respect of the life insurance company.

(2) The amounts in the financial statement required by subclause (1) must be the amounts that appear in financial statements that comply with, and have been registered under, the Financial Reporting Act 1993, or, if no such statements have been regis-

tered, amounts that would have appeared in such statements if they had been registered.

(3) The amounts that appear in the financial statement required by subclause (1) must include,—

(a) In respect of both the accounting period referred to in clause 12(1) and each of the 4 consecutive accounting periods preceding that period, if any, the following amounts:

(i) Premium revenue:

(ii) Total investment revenues:

(iii) Reinsurance revenues:

(iv) Net gains or losses on investments distinguishing between realised and unrealised:

(v) Other revenues:

(vi) Increase or decrease in policy liabilities:

(vii) Policy claims expense:

(viii) Policy acquisition expenses:

(ix) Reinsurance expenses:

(x) Policy maintenance expenses:

(xi) Investment management expenses:

(xii) Total interest expense:

(xiii) Other expenses:

(xiv) The net surplus (or deficit) before taxation and extraordinary items:

(xv) The total amount provided for, or credited by way of, taxation:

(xvi) If the equity method of accounting has been used, surpluses or deficits that have resulted from using that method:

(xvii) The net surplus (or deficit) before extraordinary items:

(xviii) The total of extraordinary items (net of taxation):

(xix) The net surplus (or deficit) after extraordinary items:

(xx) The amount allocated to policyholders:

(xxi) Distributions or appropriations of net surplus or deficit:

(xxii) Other distributions (specify); and

(b) As at the end of each such period the following amounts:
  (i) Total assets:
  (ii) Total tangible assets:
  (iii) Total liabilities (including total policy liabilities):
  (iv) Total policy liabilities:
  (v) Total equity, showing separately retained earnings and prudential reserves.

(4) In respect of the amounts stated in the financial statement required by subclause (1),—
  (a) A description of the nature of any item that is of such incidence and size, or of such a nature, that its disclosure is necessary to explain the performance of the company:
  (b) A description (and if practicable, quantification) of the effect on those amounts of any material changes in the activities of the company, and of any material changes in the accounting policies used, that occurred during the periods to which the amounts relate.

(5) A statement whether or not the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements.

(6) If the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements but the auditor's report was qualified, a statement to this effect explaining what the qualification was.

(7) A financial statement in summary form is not required under subclause (1)(b) to include amounts in respect of any accounting period that ended more than 2 years before the date on which this clause comes into force.

6 Guarantors

(1) If the prospectus or an advertisement relating to any of the life insurance policies to which the prospectus relates states or implies that a person (other than the life insurance company) guarantees the payment of any money payable under any of the policies, the following matters in respect of each such person:
  (a) The name of the person:
  (b) A description, and (if practicable) quantification, of the liability of the person in respect of that money:

(c) A statement whether the liability of the person is secured by a mortgage or other charge and, if so, the nature and amount of the charge:

(d) The amount of the net tangible assets of the person as shown in the person's most recent audited statement of financial position, together with a statement of any qualifications in the auditor's report in respect of the statement of financial position:

(e) Whether there are any contingent liabilities that could materially affect those net tangible assets:

(f) Whether the financial statements of the person are available for inspection and, if so, where.

(2) If there is no audited statement of financial position of the person dated within 18 months of the specified date—

(a) The figure given for the amount of that person's net tangible assets in the prospectus must be that as at a date stated in the prospectus (being a date not earlier than 6 months before the specified date); and

(b) The prospectus must include a statement to the effect that the figure for that person's net tangible assets has not been taken from an audited statement of financial position.

7 Acquisition of business or equity securities

(1) This clause does not apply in respect of—

(a) Any business or equity securities if the consideration paid or payable, or proposed to be paid, for the acquisition of the business or equity securities is not more than one-fifth of the amount of the total tangible assets shown in the financial statements referred to in clause 12(1); or

(b) Any equity securities that are listed on a stock exchange.

(2) If a business or equity securities have been acquired by the life insurance company at any time in the 2 years preceding the specified date, the following information:

(a) A description of the activities of—

(i) That business; or

(ii) The business carried on by the issuer of those equity securities,—

in the course of the period that began 5 years before the specified date and ended on the date on which the business, or equity securities, were acquired:

(b) In respect of that business or the issuer of those equity securities, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of Schedule 1 in respect of the 5 accounting periods preceding the specified date.

(3) If—

(a) A business or equity securities have been acquired by the life insurance company at any time in the period between the last day of the accounting period referred to in clause 12(1) and the specified date; or

(b) The prospectus contains a statement to the effect that it is intended that a business or equity securities will be acquired by the company,—

the following information:

(c) The amount of the consideration paid or payable, or proposed to be paid, for the business or equity securities:

(d) A description of that business, or of the business carried on by the issuer of those equity securities, in the course of the 5 years before the specified date:

(e) In respect of that business or the issuer of those equity securities, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of Schedule 1 in respect of the 5 accounting periods preceding the specified date, and the matters specified in clauses 23 to 38 of that Schedule.

8 Interested persons

(1) If any associated person of the life insurance company, any promoter of any of the life insurance policies to which the prospectus relates, or any associated person of such a promoter is entitled to remuneration for services, or to recover expenses, in respect of any of those policies, particulars of—

(a) The nature of the services or expenses; and

(b) Whether or not the amount of remuneration or expenses is limited and, if so, the limits.

(2) If any associated person of the life insurance company, any promoter of any of the life insurance policies to which the

prospectus relates, or any associated person of such a promoter has, or has had at any time during the 5 years preceding the specified date, a material interest, whether direct or indirect, in any contract or arrangement entered into on behalf of or in respect of the company that relates to, or affects the assets liable to satisfy the obligations under, any of those policies (being an interest material to either or both of that person and the company), particulars of that interest.

(3) If more than 10% of the value of the assets of the life insurance company (calculated in accordance with generally accepted accounting practice) was, at any time during the 2 years preceding the specified date, represented directly or indirectly by any securities of which any associated person of the life insurance company, any promoter of any of the life insurance policies to which the prospectus relates, or any associated person of such a promoter was the issuer, a description of those securities.

9 Material contracts

In relation to every material contract entered into by the life insurance company at any time in the 2 years preceding the specified date, not being a contract entered into in the ordinary course of business of the company,—

(a) Its date; and

(b) The names of the parties to it; and

(c) Its general nature.

10 Pending proceedings

A brief description of any legal proceedings or arbitrations that—

(a) Are pending at the specified date; and

(b) May have a material adverse effect on the life insurance company or 1 or more of its funds whose assets are available to meet liabilities in respect of life insurance policies offered in the prospectus.

11 Other terms of offer and policies

All terms of the offer, and all terms of the life insurance policies being offered, not elsewhere set out in the prospectus, other than—

(a) Any term that relates to any amounts payable by or to an identifiable person; or

(b) Any terms implied by law; or

(c) Any terms set out in a document that—

(i) Is registered with a public official; and

(ii) Is available for public inspection; and

(iii) Is referred to in the prospectus.

12 Financial statements and actuarial and auditor's reports

(1) A reference to the latest financial statements for the life insurance company that comply with, and have been registered under, the Financial Reporting Act 1993, the accounting period covered by those statements, and the date of registration.

(2) The date of the auditor's report on those financial statements, and a statement whether or not the report was qualified in any respect and, if so, what the qualification was.

(3) If the issuer so wishes—

(a) The latest financial statements referred to in subclause (1) together with the auditor's report on those statements; and

(b) Financial statements for the life insurance company prepared as at a later date (not being more than 9 months after the balance date of the financial statements referred to in subclause (1)) as if they required registration under the Financial Reporting Act 1993, except that they need not be audited.

(4) The date of the latest actuarial report in respect of the life insurance company that has been deposited with the chief executive of the Ministry of Economic Development under the Life Insurance Act 1908, and the period to which the report relates.

(5) A copy of a report by a qualified auditor, signed by him or her (either in his or her own name or that of his or her firm), stating whether the amounts stated pursuant to clauses 5(2), 5(3), 7(2),

and 7(3) have been taken from audited financial statements and whether or not the amounts have been correctly taken.

(6) If the registered prospectus contains prospective financial information, the auditor's report must contain a statement in the following form:

"In our opinion the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions made or adopted by the issuer [set out at pp.... of this prospectus] and is presented on a basis consistent with the accounting policies normally adopted by the issuer."

Schedules 3A to 3D were inserted, as from 1 October 1997, by regulation 95 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Subclause (4) was amended, as from 7 September 2000, by section 8(2) Ministry of Economic Development Act 2000 (2000 No 28) by substituting the words "chief executive of the Ministry of Economic Development" for the words "Secretary of Commerce".

13 Places of inspection of documents

The times and places where copies of the following documents may, on payment of any fee, be inspected by a person who so requests:

(a) A specimen policy document for any of the life insurance policies to which the prospectus relates:

(b) The financial statements and actuarial report referred to in clause 12:

(c) Any material contract referred to in the prospectus:

(d) The latest annual report of the life insurance company.

14 Other material matters

Any material matters relating to the life insurance company, any of the separate funds referred to under clause 3, or any of the policies to which the prospectus relates (other than matters elsewhere set out in the registered prospectus, contracts entered into in the ordinary course of business of the company, and any information included in the financial statements referred to in clause 12).

15 Directors' statement

A statement by the directors of the life insurance company as to whether, in their opinion after due enquiry by them,—

(a) The value of the company's assets relative to its liabilities (including contingent liabilities):

(b) The ability of the company to pay its debts as they become due in the normal course of business—

has materially and adversely changed during the period between the balance date of the latest financial statements referred to in the prospectus and the specified date.

Schedule 3C
Matters required in registered prospectus for superannuation schemes

Schedules 3A to 3D were inserted, as from 1 October 1997, by regulation 95 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

1 Description of scheme

(1) The name of the scheme.

(2) A brief description of the kind of scheme being offered.

(3) The year and place of establishment of the scheme.

2 Superannuation trustees

(1) The name and address of every superannuation trustee of the scheme; and, if a superannuation trustee is a body corporate or unincorporate, of every director of the superannuation trustee.

(2) If the superannuation trustee is a body corporate, the statute or other authority under which the superannuation trustee is incorporated, and the date and country of incorporation.

(3) If the superannuation trustee is a subsidiary, the name and country of incorporation of its ultimate holding company.

(4) If the superannuation trustee, or a director of a superannuation trustee, has, during the 5 years preceding the specified date, been—

(a) Adjudged bankrupt or insolvent:

(b) Convicted of any crime involving dishonesty within the meaning of section 2(1) of the Crimes Act 1961:
(c) Prohibited from acting as a director of a company:
(d) Placed in statutory management or receivership,—
a statement to that effect including the name and any alternative or former name or names of the superannuation trustee or director concerned.

(5) A description of the extent, if any, to which the superannuation trustees are indemnified by the scheme.

(6) A statement whether or not each superannuation trustee is independent of every administration manager, investment manager, and promoter of the scheme and, if not, a description of the relationship between the superannuation trustee and manager or promoter.

3 Managers, promoters, auditors, and advisers

(1) The name and address of every administration manager and investment manager (if any) of the scheme.

(2) The name of every promoter (if any) of the scheme.

(3) If any administration manager or investment manager or any promoter, or (if any such administration manager, investment manager, or promoter is a body corporate or unincorporate) director of that manager or promoter, has, during the 5 years preceding the specified date, been—
(a) Adjudged bankrupt or insolvent:
(b) Convicted of any crime involving dishonesty within the meaning of section 2(1) of the Crimes Act 1961:
(c) Prohibited from acting as a director of a company:
(d) Put into statutory management or receivership,—
a statement to that effect including the name and any alternative or former name or names of the manager, promoter, or director concerned.

(4) The names of any registrar, custodian, and auditors of the scheme; and of any solicitors and other professional advisers (other than employees of the superannuation trustee or an administration manager or investment manager for the scheme or of any person associated with the superannuation trustee or

such a manager) and actuaries involved in the preparation of the prospectus.

(5) The names, addresses, and qualifications of any experts named in the prospectus.

4 Description of scheme and its development

(1) The date of the trust deed for the scheme, and the dates of all amendments to the deed (or, if the deed and some or all of the amendments to it have been consolidated, the date of the consolidation and the dates of all amendments since the consolidation).

(2) A summary of the principal terms of the trust deed for the scheme (including any amendments).

(3) A description of the following, to the extent not included in the summary under subclause (2):

- (a) Any conditions of entry of members to the scheme, and termination of membership of the scheme:
- (b) Any restrictions on investment of the assets of the scheme:
- (c) The rights and obligations of employers, if any, in regard to the scheme.

(4) A brief description of the investment and other activities of, and any material developments relating to, the scheme during the 5 years preceding the specified date.

(5) A statement whether any liabilities (including contingent liabilities) may be incurred by members in relation to the scheme (other than in respect of contributions payable under the scheme) and, if so, whether there are any limitations on those liabilities.

(6) A description of the investment objectives and policy for the scheme (or, if the scheme has more than 1 fund, for each fund of the scheme), and of the means by which changes can be made to those objectives and that policy.

(7) A description of the investment performance of the scheme (or, if the scheme has more than 1 fund, of each fund of the scheme) during each of the 5 years preceding the specified date; and the basis upon which the performance information has been calculated.

5 Summary of financial statements

(1) A financial statement in summary form (and, if practicable, in tabular form) in respect of the scheme.

(2) The amounts in the financial statement required by subclause (1) must be the amounts that appear in financial statements that comply with, and have been registered under, the Financial Reporting Act 1993 or, if no such statements have been registered, amounts that would have appeared in such statements if they had been registered.

(3) The amounts that appear in the financial statement required by subclause (1) must include,—

(a) In respect of both the accounting period referred to in clause 12(1) and each of the 4 consecutive accounting periods preceding that period, if any, the following amounts:

(i) Contributions distinguishing between those made by members and those made by employers or other sponsors:

(ii) Total investment revenues:

(iii) Net gains or losses on investments distinguishing between realised and unrealised:

(iv) Other revenues:

(v) Benefits paid:

(vi) Investment expenses:

(vii) Management expenses, including those related to general administration and trustees' remuneration:

(viii) Total interest expense:

(ix) Other expenses:

(x) Operating result/change in net assets before taxation and extraordinary items:

(xi) The total provided for, or credited by way of, taxation:

(xii) If the equity method of accounting has been used, surpluses or deficits that have resulted from using that method:

(xiii) Operating result/change in net assets before extraordinary items:

(xiv) The total of extraordinary items (net of taxation):

(xv) Operating result/change in net assets after extraordinary items:
(xvi) Allocation to members' accounts:
(xvii) Transfers to reserves:
(xviii) Other distributions (specify); and

(b) As at the end of each such period the following amounts:
(i) Total assets:
(ii) Total tangible assets:
(iii) Liabilities other than liabilities for accrued benefits:
(iv) Net assets available to pay benefits:
(v) Liabilities for accrued benefits (taken from the latest actuarial valuation of such liabilities available at the end of the period concerned) and the date as at which those liabilities were calculated.

(4) In respect of the amounts stated in the financial statement required by subclause (1),—
(a) A description of the nature of any item that is of such incidence and size, or of such a nature, that its disclosure is necessary to explain the performance of the scheme:
(b) A description (and if practicable, quantification) of the effect on those amounts of any material changes in the activities of the scheme that occurred, and of any material changes in the accounting policies used, during the periods to which the amounts relate.

(5) A statement whether or not the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements.

(6) If the amounts stated in the financial statement required by subclause (1) have been taken from audited financial statements but the auditor's report was qualified, a statement to this effect explaining what the qualification was.

(7) A financial statement in summary form is not required under subclause (1)(b) to include amounts in respect of any accounting period that ended more than 2 years before the date on which this clause comes into force.

6 Guarantors

(1) If the prospectus or an advertisement relating to the scheme states or implies that a person guarantees the payment of any money payable from the scheme, the following matters in respect of each such person:

- (a) The name of the person:
- (b) A description, and (if practicable) quantification, of the liability of the person in respect of that money:
- (c) A statement whether the liability of the person is secured by a mortgage or other charge and, if so, the nature and amount of the charge:
- (d) The amount of the net tangible assets of the person as shown in the person's most recent audited statement of financial position, together with a statement of any qualifications in the auditor's report in respect of the statement of financial position:
- (e) Whether there are any contingent liabilities that could materially affect those net tangible assets:
- (f) Whether the financial statements of the person are available for inspection and, if so, where.

(2) If there is no audited statement of financial position of the person dated within 18 months of the specified date,—

- (a) The figure given for the amount of that person's net tangible assets in the prospectus must be that as at a date stated in the prospectus (being a date not earlier than 6 months before the specified date); and
- (b) The prospectus must include a statement to the effect that the figure for that person's net tangible assets has not been taken from an audited statement of financial position.

7 Acquisition of business or equity securities

(1) This clause does not apply in respect of—

- (a) Any business or equity securities if the consideration paid or payable, or proposed to be paid, for the acquisition of the business or equity securities is not more than one-fifth of the amount of the total tangible assets shown in the financial statements referred to in clause 12(1); or

(b) Any equity securities that are listed on a stock exchange.

(2) If a business or equity securities have been acquired for the purposes of the scheme at any time in the 2 years preceding the specified date, the following information:

(a) A description of the activities of—

(i) That business; or

(ii) The business carried on by the issuer of those equity securities,—

in the course of the period that began 5 years before the specified date and ended on the date on which the business, or equity securities, were acquired:

(b) In respect of that business or the issuer of those equity securities, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of Schedule 1 in respect of the 5 accounting periods preceding the specified date.

(3) If—

(a) A business or equity securities have been acquired for the purposes of the scheme at any time in the period between the last day of the accounting period referred to in clause 12(1) and the specified date; or

(b) The prospectus contains a statement to the effect that it is intended that a business or equity securities will be acquired for the purposes of the scheme—

the following information:

(c) The amount of the consideration paid or payable, or proposed to be paid, for the business or equity securities:

(d) A description of that business, or of the business carried on by the issuer of those equity securities, in the course of the 5 years before the specified date:

(e) In respect of that business or the issuer of those equity securities, the matters specified in clause 8 (other than subclauses (3)(b)(v) and (5)) of Schedule 1 in respect of the 5 accounting periods preceding the specified date, and the matters specified in clauses 23 to 38 of that Schedule.

8 Interested persons

(1) If a superannuation trustee or any administration manager, investment manager, custodian, or promoter of the scheme (or

any associated person of any of them) is entitled to remuneration for services, or to recover expenses, in respect of the scheme, particulars of—

(a) The nature of the services or expenses; and

(b) If recovery of the remuneration or expenses is from the scheme, whether or not the amount of remuneration or expenses is limited and, if so, the limits.

(2) lf a superannuation trustee or any administration manager, investment manager, custodian, or promoter of the scheme (or any associated person of any of them) has, or has had at any time during the 5 years preceding the specified date, a material interest, whether direct or indirect, in the scheme or in any contract or arrangement entered into on behalf or in respect of the scheme (being an interest material to either or both of that person and the scheme), a description of that interest.

(3) Without limiting subclause (2), if more than 10% of the value of the assets of the scheme (calculated in accordance with generally accepted accounting practice) was, at any time during the 2 years preceding the specified date, represented directly or indirectly by any securities of which the superannuation trustee or any administration manager, investment manager, custodian, or promoter of the scheme (or any associated person of any of them) was the issuer, a description of those securities.

9 Material contracts

In relation to every material contract entered into in respect of the scheme at any time in the 2 years preceding the specified date (not being a contract entered into in the ordinary course of business of the scheme),—

(a) Its date; and

(b) The names of the parties to it; and

(c) Its general nature.

10 Pending proceedings

A brief description of any legal proceedings or arbitrations that—

(a) Are pending at the specified date; and

(b) May have a material adverse effect on the scheme.

11 Other terms of offer and scheme

All terms of the offer, and all terms of the scheme being offered, not elsewhere set out in the prospectus, other than—

(a) Any term that relates to any amounts payable by or to an identifiable person; or

(b) Any terms implied by law; or

(c) Any terms set out in a document that—

(i) Is registered with a public official; and

(ii) Is available for public inspection; and

(iii) Is referred to in the prospectus.

12 Financial statements and actuarial and auditor's reports

(1) A reference to the latest financial statements for the scheme that comply with, and have been registered under, the Financial Reporting Act 1993, the accounting period covered by those statements, and the date of registration and—

(a) The date of the auditor's report on those financial statements (except where those financial statements are not required to be audited because of section 13(2) of the Superannuation Schemes Act 1989), and a statement whether or not the auditor's report was qualified in any respect and, if so, what the qualification was; or

(b) If those financial statements are not required to be audited because of section 13(2) of the Superannuation Schemes Act 1989, the date of the auditor's report on the latest financial statements of the administration manager for the scheme, and a statement whether or not the auditor's report was qualified in any respect which relates to the financial statements of the scheme, and, if so, what the qualification was.

(2) If the issuer so wishes—

(a) The latest financial statements referred to in subclause (1) together with a copy of the auditor's report on those statements (except where those statements are not required to be audited because of section 13(2) of the Superannuation Schemes Act 1989); and

(b) Financial statements for the scheme prepared as at a later date (not being more than 9 months after the balance date of the financial statements referred to in sub-

clause (1)) as if they required registration under the Financial Reporting Act 1993, except that they need not be audited.

(3) The date of the latest actuarial report (if any) for the scheme that has been sent to the Government Actuary under the Superannuation Schemes Act 1989, and the period or date to which that report relates.

(4) A copy of a report by a qualified auditor, signed by him or her (either in his or her own name or that of his or her firm), stating whether the amounts stated pursuant to clauses 5(2), 5(3), 7(2), and 7(3) have been taken from audited financial statements and whether or not the amounts have been correctly taken.

(5) If the registered prospectus contains prospective financial information, the auditor's report must contain a statement in the following form:

"In our opinion the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions made or adopted by the superannuation trustee [set out at pp.... of this prospectus] and is presented on a basis consistent with the accounting policies normally adopted in respect of the scheme."

13 Places of inspection of documents

The times and places where copies of the following documents may, on payment of any fee, be inspected by a person who so requests:

(a) The trust deed for the scheme and any amendments to the deed:

(b) The financial statements referred to in clause 12:

(c) The actuarial report referred to in clause 12(3) (if any):

(d) Any material contract referred to in the prospectus:

(e) The latest annual report for the scheme prepared in accordance with the Superannuation Schemes Act 1989.

14 Other material matters

Any material matters relating to the scheme (other than matters elsewhere set out in the registered prospectus, contracts

entered into in the ordinary course of business of the scheme, and any information included in the financial statements referred to in clause 12).

15 Superannuation trustees' statement

A statement by the superannuation trustees (or, if a superannuation trustee is a body corporate or unincorporate, by the directors of that body) as to whether, in their opinion, after due enquiry by them,—

(a) The value of the scheme's assets relative to its liabilities (including contingent liabilities):

(b) The ability of the scheme to pay its debts as they become due in the normal course of business—

has materially and adversely changed during the period between the balance date of the latest financial statements referred to in the prospectus and the specified date.

Schedule 3D
Matters required in investment statements

Schedules 3A to 3D were inserted, as from 1 October 1997, by regulation 95 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Important information for investors

1 Information at front of investment statement

(1) A statement in the following form (to be set out at the front of the investment statement)*:

"IMPORTANT INFORMATION

"(The information in this section is required under the Securities Act 1978)

"Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

"Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

Page

What sort of investment is this?

Who is involved in providing it for me?

How much do I pay?

What are the charges?

What returns will I get?

What are my risks?

Can the investment be altered?

How do I cash in my investment?

Who do I contact with enquiries about my investment?

Is there anyone to whom I can complain if I have problems with the investment?

What other information can I obtain about this investment?

"In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

"Engaging an investment adviser

"An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

"Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

"The written statement should contain important information about the adviser, including—

"• relevant experience and qualifications, and whether dispute resolution facilities are available to you; and

"• what types of investments the adviser gives advice about; and

"• whether the advice is limited to investments offered by 1 or more particular financial institutions; and

"• information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and

"• any relationships likely to give rise to a conflict of interest.

"The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include—

"• the nature and level of the fees you will be charged for receiving the advice; and

"• whether the adviser will or may receive a commission or other benefit from advising you.

"An investment adviser commits an offence if he or she does not provide you with the information required."

(2) If the investment statement relates to interests in an employer superannuation scheme (as defined in section 5C of the Act) for which no prospectus has been prepared, a statement in the following form must be included at the end of the statement required by subclause (1):

"WARNING—RESTRICTED DISCLOSURE

"The law requires that persons considering whether to join a superannuation scheme must be supplied on request with a prospectus about that scheme.

"However, employer superannuation schemes have been exempted from this requirement.

"You should be aware that in choosing to become a member of this superannuation scheme you may be doing so on the basis of more limited information than is generally available to investors making important decisions about investments. However, every prospective member of this scheme has a right, under the Superannuation Schemes Act 1989, to request to receive certain information about the scheme (including a copy of the trust deed).

"* If the investment statement—

"•• Contains only the information required by the Act and these regulations; and

"•• States the questions set out in italics in the statement in subclause (1); and

"•• Sets out those questions in the same order as in that statement; and

"•• Complies with regulation 7A(4),—

the investment statement is not required to include either the questions in italics, or the words 'When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:', in the statement in subclause (1).

"If the investment statement relates to securities for which a prospectus is not required, the paragraph in the statement in subclause (1) referring to a prospectus must be omitted.

"If, as a result of the above, no information is required to be included in the investment statement under the heading 'Choosing an investment', that heading must be omitted."

Schedule 3D clause 1(1): amended, on 10 April 2008, by regulation 5 of the Securities Amendment Regulations 2008 (SR 2008/65).

Subclause (2) was amended, as from 15 April 2004, by section 25(2)(c) Securities Amendment Act 2004 (2004 No 31) by substituting the words "an employer superannuation scheme (as defined in section 5C of the Act)" for the words "a small employer superannuation scheme (as defined in regulation 2C)".

Subclause (2) was amended, as from 15 April 2004, by section 25(2)(d) Securities Amendment Act 2004 (2004 No 31) by substituting the words "However, employer superannuation schemes have been exempted from this requirement." for the words "However, some small superannuation schemes have been ex-

empted from this requirement on the condition that this exemption is drawn to the attention of prospective members.".

Subclause (2) was amended, as from 15 April 2004, by section 25(2)(e) Securities Amendment Act 2004 (2004 No 31) by inserting the words "However, every prospective member of this scheme has a right, under the Superannuation Schemes Act 1989, to request to receive certain information about the scheme (including a copy of the trust deed)." after the words "important decisions about investments."

What sort of investment is this?

2 Description of securities

A brief description of the securities being offered.

Who is involved in providing it for me?

3 Names and addresses

(1) If the securities being offered are equity securities or life insurance policies, the following information in respect of the securities:
- (a) The name and address of the issuer:
- (b) The names and addresses of any promoters.

(2) If the securities being offered are debt securities, the following information in respect of the securities:
- (a) The name and address of the issuer:
- (b) The names and addresses of any promoters:
- (c) The name and address of any trustee.

(3) If the securities being offered are participatory securities, the following information in respect of the securities:
- (a) The name of the participatory scheme:
- (b) The name and address of the manager:
- (c) The name and address of the statutory supervisor (if any):
- (d) The names and addresses of any promoters.

(4) If the securities being offered are units in a unit trust, the following information in respect of the securities:
- (a) The name of the unit trust:
- (b) The name and address of the manager and the administration manager (if any):
- (c) The name and address of the unit trustee:
- (d) The names and addresses of any promoters.

(5) If the securities being offered are interests in a superannuation scheme, the following information in respect of the securities:
- (a) The name of the scheme:
- (b) The names and addresses of the superannuation trustees of the scheme:
- (c) The name and address of the administration manager (if any):
- (d) The names and addresses of any promoters.

4 Activities

A brief description of,—
- (a) If there is a scheme, the nature of the scheme and how long the scheme has been in operation:
- (b) In any other case, the principal activities carried on by the issuer and an indication of how long the issuer has been carrying on those activities.

How much do I pay?

5 Moneys payable by subscribers

(1) The following information relating to the money payable by a subscriber to the issuer or any associated person in respect of the securities:
- (a) A description of the sums payable; and whether or not the subscriber is required to make such payments:
- (b) The person to whom, and place at which, payments are to be or may be made:
- (c) If the subscriber is required to make payments on specified dates or at a specified frequency, the payment dates or frequency and the consequences of failing to make the payments.

(2) If the money, or the minimum or maximum sum of money, referred to in subclause (1) can, at the date of the investment statement, be expressed as a dollar amount (or as a percentage of another dollar amount identified with reference to the security), a statement of the dollar amount (or of the percentage and a description of the other dollar amount).

(3) If the money, or the minimum or maximum sum of money, referred to in subclause (1) cannot, at the date of the investment

statement, be expressed as a dollar amount (or as a percentage of another dollar amount identified with reference to the security), a statement describing any procedure for calculating the amounts of that money during the period the investment statement is current.

6 Cooling-off period

If there is a cooling-off period in respect of the securities, a statement of the terms on which a subscriber may cancel the securities.

What are the charges?

7 Types of charges

(1) A statement as to which of the following types of charges are or may be payable to the issuer or a promoter, or an associated person of the issuer or promoter, or (if there is a scheme) the scheme, by a subscriber (whether directly or indirectly, including by deduction):

- (a) Entry charges:
- (b) Trustee, administration, or management charges:
- (c) Expenses or overhead charges:
- (d) Charges or expenses relating to goods or services that the subscriber is required to obtain:
- (e) Early termination charges:
- (f) Switching or sale charges (including the difference between any buying and selling prices for the securities):
- (g) Alteration charges:
- (h) Other charges.

(2) A statement as to which of the types of charges specified in subclause (1) are or may be payable by the issuer or, if there is a scheme, from the scheme to a promoter or administration manager or investment manager or an associated person of the issuer or the promoter or the administration manager or the investment manager, being charges that will or may affect the amount of the returns to subscribers.

(3) A brief description of any practices of the issuer or any associated person in relation to charges that will or may affect the amount of the returns to subscribers.

(4) A brief description of the rights of the issuer or any other person to alter any of the charges applicable to the securities.

8 Amount of charges

(1) If a charge, or the minimum or maximum amount of a charge, referred to in clause 7(1) can, at the date of the investment statement, be expressed as a dollar amount (or as a percentage of another dollar amount), a statement of the dollar amount (or of the percentage and a description of the other dollar amount).

(2) If a charge, or the minimum or maximum amount of a charge, referred to in clause 7(1) cannot, at the date of the investment statement, be expressed as a dollar amount (or as a percentage of another dollar amount), a statement describing how the charge will be calculated and what procedure is available to the subscriber to ascertain the amount at the time of, and following, the subscription.

What returns will I get?

9 Returns

(1) The following information about the returns to subscribers from the securities:

- (a) A brief description of the nature of the returns:
- (b) A brief description of the key factors that determine the returns:
- (c) A statement whether or not an amount of returns, quantifiable as at the date of the investment statement and enforceable by subscribers, has been promised and, if so, the amount or a description of how that amount can be calculated:
- (d) A statement as to which of the following (if any) will or is likely to affect the returns (in addition to any of the charges referred to in clause 7):
  - (i) Taxes or duties:
  - (ii) Reserves or retentions.

(2) The dates on which, or frequency with which, the returns from the securities will be due and paid or, if there are no such dates or frequency or the dates or frequency are unknown, a statement to that effect.

(3) If payment of all or any of the returns from the securities will or may be withheld until a particular date or for a particular period, a statement to that effect and a brief description of the circumstances that may produce this result.

(4) The name of the person legally liable to pay the returns.

10 Guarantee of securities

If the investment statement states that there is a guarantor of the securities, the following information:

(a) The name of the guarantor:

(b) The nature and amount of the guarantee:

(c) Whether or not the guarantee is subject to conditions and, if so, the principal conditions:

(d) Whether or not the guarantee is secured by a mortgage or other charge and, if so, the nature and amount of the charge:

(e) If the guarantor and the issuer are associated persons, a statement to that effect and the nature of the relationship.

What are my risks?

11 Risks

(1) A brief description of the principal risks of—

(a) The money paid by a subscriber not being recovered in full by the subscriber:

(b) A subscriber not receiving the returns referred to in clause 9:

(c) A subscriber being required to pay more money in respect of a security than that disclosed in clause 5 or clause 12.

(2) If it is reasonably foreseeable that, on termination of any security at any time, a subscriber will have received, in total, less than the amount paid to the issuer or an associated person for the security, a statement to this effect and a brief description of the circumstances that may produce this result.

12 Consequences of insolvency

(1) A statement whether or not subscribers will or may be liable to pay money to any person as a result of the insolvency of the issuer (or, if there is a scheme, the scheme) and, if so, a brief description of the liability.

(2) A brief description of any claims on the assets of the issuer (or, if there is a scheme, the scheme) that will or may rank ahead of claims of subscribers in the event of the issuer or scheme being put into liquidation or wound up.

(3) A brief description of any claims on the assets of the issuer (or, if there is a scheme, the scheme) that will or may rank equally with the claims of subscribers in the event of the issuer or scheme being put into liquidation or wound up.

Can the investment be altered?

13 Alteration of securities

(1) A brief description of any right of a subscriber, the issuer, or any other person to—

(a) Alter the amount of moneys payable by a subscriber, including a brief description of any continuing obligation of the subscriber to pay that amount; or

(b) Otherwise alter the terms of any security.

(2) If any charges are payable by a subscriber on any such alteration, a reference to the information given under clause 7(1)(g).

How do I cash in my investment?

14 Early termination

(1) A brief description of any right of the issuer, a subscriber, or any other person to terminate, cancel, surrender, or otherwise make or obtain payment of the returns from the securities, other than as described in clause 9.

(2) If any charges are payable by a subscriber on any such payment, a reference to the information given under clause 7(1)(e) or (f).

15 Right to sell securities

(1) A statement whether or not a subscriber is entitled to sell his or her interest in a security to another person and, if so, whether in the opinion of the issuer there is an established market for such sales.

(2) If any charges are payable by a subscriber on any such sale, a reference to the information given under clause 7(1)(f).

Who do I contact with enquiries about my investment?

16 Enquiries about securities

The names or descriptions of officers, employees, or agents of the issuer to whom enquiries about the securities can be made, and the addresses and business telephone numbers of those people.

Is there anyone to whom I can complain if I have problems with the investment?

17 Complaints about securities

(1) The names or descriptions of officers, employees, or agents of the issuer to whom complaints about the securities can be made, and the addresses and business telephone numbers of those people.

(2) If complaints about the securities can be made to a trustee or statutory supervisor, or an industry body, a statement to this effect and the addresses and business telephone numbers of those people.

(3) A statement whether complaints about the securities can be made to an ombudsman and, if so, the address and business telephone number of the ombudsman.

What other information can I obtain about this investment?

18 Prospectus[1] and financial statements

A statement—

(a) To the effect that other information about the securities or the issuer (or, if there is a scheme, the scheme), or

both, is contained or referred to in a prospectus[1] and in financial statements of, or relating to, the issuer or scheme; and

(b) Describing where a copy of the prospectus[1] and of the most recent financial statements of, or relating to, the issuer (or, if there is a scheme, the scheme) can be obtained, free of charge; and

(c) To the effect that the prospectus[1], and financial statements and other documents of, or relating to, the issuer (or, if there is a scheme, the scheme), are filed on a public register at the Companies Office of the Ministry of Economic Development and available for public inspection.

Schedules 3A to 3D were inserted, as from 1 October 1997, by regulation 95 Securities Amendment Regulations 1997 (SR 1997/151). *See* regulation 99 of those Regulations for the transitional provisions.

Paragraph (c) was amended, as from 7 September 2000, by section 8(2) Ministry of Economic Development Act 2000 (2000 No 28) by substituting the words "Ministry of Economic Development" for the words "Ministry of Commerce".

19 Annual information

A statement of the type of information (if any) that is required to be, or otherwise will be, given annually to subscribers by the issuer.

20 On request information

A statement—

(a) Describing the type of information that is required to be, or otherwise will be, available on request from the issuer; and

(b) Explaining how such a request should be made; and

(c) Whether any charge may be made for the information and the amount of the charge.

---

[1] If no prospectus is required for the securities, references to the prospectus should be disregarded. If the securities are debt securities issued by a registered bank, substitute "disclosure statement" for "prospectus" where appropriate.

Schedule 4

reg 17(2)

Certificate in respect of advertisements

I (*or* We) hereby certify that—

(a) I (*or* We) have—
*(i) Read:
*(ii) Seen:
*(iii) Listened to,
the advertisement described in the Schedule to this certificate.

(b) The advertisement complies with the Securities Act 1978 and the Securities Regulations 1983:

(c) The advertisement does not contain any matter that—
(i) Is likely to deceive, mislead, or confuse with regard to any particular that is material to the offer of securities; or
[(ii) Is inconsistent with the registered prospectus*/disclosure statement*/registered prospectus and disclosure statement* referred to in the advertisement.**]**

Signature of Director (*or* Authorised Signatory): .....

Date of signing: .....

Signature of Director (*or* Authorised Signatory): .....

Date of signing: .....

SCHEDULE

DESCRIPTION OF ADVERTISEMENT

(The description must be sufficient to enable the advertisement to be identified.)

**Delete if inapplicable*

Schedule 4 paragraph (c)(ii) was substituted, as from 1 January 1996, by regulation 9 Securities Regulations 1983, Amendment No 2 (SR 1995/285).

Schedule 5

reg 24

Clauses deemed to be contained in trust deeds

[Revoked]

Schedule 5: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Schedule 6

reg 25

Matters to be specified in deeds of participation

[Revoked]

Schedule 6: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Schedule 7

reg 26

Clauses deemed to be contained in deeds of participation

[Revoked]

Schedule 7: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

Schedule 8

reg 27

Declaration of non-disclosure

[Revoked]

Schedule 8: revoked, on 1 October 2009, by regulation 48(2)(b) of the Securities Regulations 2009 (SR 2009/230).

P G MILLEN,

Clerk of the Executive Council.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 7 July 1983.

Securities Amendment Regulations 2007

(SR 2007/255)

Anand Satyanand, Governor General

Order in Council

At Wellington this 17th day of September 2007

Present:
His Excellency the Governor-General in Council

Pursuant to section 70(1) of the Securities Act 1978, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, and in accordance with a recommendation of the Securities Commission, makes the following regulations.

1 Title

These regulations are the Securities Amendment Regulations 2007.

2 Commencement

These regulations come into force on 21 September 2007.

6 Application of clauses 4 to 11 of Schedule 5

The rights, obligations, and requirements set out in clauses 4 to 11 of Schedule 5 of the principal regulations apply from the date on which these regulations come into force, except to the extent that their application is delayed by the following:

(a) the obligation set out in clause 4(2) first applies to information with respect to October 2007:

(b) the obligations set out in clause 6 first apply to an issuer on the first half-yearly balance date following 30 September 2007:

(c) the obligation set out in clause 8(1) applies with respect to an auditor who is appointed or reappointed after 30 September 2007:

(d) the requirement to include the terms set out in clause 9(2) in the terms of appointment of an auditor apply with respect to an auditor who is appointed after 30 September 2007.

Diane Morcom,

Clerk of the Executive Council.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 20 September 2007.

Securities Amendment Regulations 2008

(SR 2008/65)

Anand Satyanand, Governor-General

Order in Council

At Wellington this 10th day of March 2008

Present:
His Excellency the Governor-General in Council

Pursuant to section 70(1) of the Securities Act 1978, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, and in accordance with a recommendation of the Securities Commission, makes the following regulations.

Regulations

1 Title
These regulations are the Securities Amendment Regulations 2008.

2 Commencement
These regulations come into force on 10 April 2008.

3 Application
These regulations apply to investment statements dated after 10 April 2008.

Diane Morcom,
Clerk of the Executive Council.

Date of notification in *Gazette*: 13 March 2008.

Contents

1 General
2 About this eprint
3 List of amendments incorporated in this eprint (most recent first)

Notes

1 General

This is an eprint of the Securities Regulations 1983. The eprint incorporates all the amendments to the regulations as at 1 July 2010. The list of amendments at the end of these notes specifies all the amendments incorporated into this eprint since 3 September 2007.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the eprint are also included, after the principal enactment, in chronological order.

2 About this eprint

This eprint has not been officialised. For more information about eprints and officialisation, please *see* http://www.pco.parliament.govt.nz/eprints/.

3 List of amendments incorporated in this eprint (most recent first)

Securities Markets Amendment Act 2009 (2009 No 54): section 23(2)
Securities Regulations 2009 (SR 2009/230): regulations 48, 49
Securities Amendment Regulations 2008 (SR 2008/65)
Income Tax Act 2007 (2007 No 97): section ZA 2(1)
Securities Amendment Regulations 2007 (SR 2007/274)