

**Reprint
as at 1 December 2016**

**Securities Act (Extension of Term, Amendment, and
Revocation of Certain Exemptions) Exemption Notice
2007**

(SR 2007/277)

Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007: revoked, on 1 December 2016, pursuant to Schedule 1 clause 26 of the Financial Markets Conduct Regulations 2014 (LI 2014/326).

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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1 Title

This notice is the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007.

2 Commencement

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

Note

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

This notice is administered by the Financial Markets Authority.

3 Amendments to notices

The notices specified in the Schedule are amended in the manner indicated in that schedule.

4 Revocations

The following notices are revoked:

- (a) Securities Act (Alpine Dairy Products Limited) Exemption Notice 1993 (SR 1993/113):
- (b) Securities Act (AMP/Ergo Mortgage and Savings Limited) Exemption Notice 1996 (SR 1996/287):
- (c) Securities Act (Citibank, N.A.) Exemption Notice 1993 (SR 1993/223):
- (d) Securities Act (Morgan Stanley Companies) Exemption Notice 1992 (SR 1992/30):
- (e) Securities Act (Natural Gas Corporation Limited) Exemption Notice 1991 (SR 1991/22):
- (f) Securities Act (Sky Network Television Limited) Exemption Notice 1997 (SR 1997/297):
- (g) Securities Act (Tranz Rail Holdings Limited) Exemption Notice 1996 (SR 1996/103).

Schedule Amendments to notices

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Securities Act (Advertisements Containing Investment Advice) Exemption Notice 2002 (SR 2002/294)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Amalgamations) Exemption Notice 2002 (SR 2002/328)

Clause 3: omit “2007” and substitute “2012”.

Clause 16: revoke.

Securities Act (Audiovisual Advertisements) Exemption Notice 2002 (SR 2002/289)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Australian Issuers) Exemption Notice 2002 (SR 2002/314)

Clause 3: omit “2007” and substitute “2012”.

Clause 5(1)(b) and (2)(b): omit “sections 37 and 37A(2)” and substitute in each case “section 37”.

Securities Act (Authorised Futures Contracts) Exemption Notice 2002 (SR 2002/295)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Banks) Exemption Notice 2002 (SR 2002/305)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Bloodstock) Exemption Notice 2002 (SR 2002/303)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Charitable and Religious Purposes) Exemption Notice 2003 (SR 2003/66)

Clause 3: omit “2007” and substitute “2012”.

Items relating to Canterbury Development Corporation Limited and Ruapehu Alpine Lifts Limited in the Schedule: omit.

Securities Act (Commercial Bill Dealers) Exemption Notice 2002 (SR 2002/297)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Continuous Debt Issues) Exemption Notice 2002 (SR 2002/296)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Contributory Mortgage) Regulations (Solicitors) Exemption Notice 1996 (SR 1996/13)

New clause 1A: insert after clause 1:

1A Expiry

This notice expires on the close of 30 September 2012.

Securities Act (Co-operative Companies) Exemption Notice 2002 (SR 2002/403)

Clause 3: omit “2007” and substitute “2012”.

Clause 5(1)(c): revoke.

Clause 9: omit “The exemptions in clause 5(1)(b) and (c) are” and substitute “The exemption in clause 5(1)(b) is”.

Securities Act (Employee Share Purchase Schemes—Unlisted Companies) Exemption Notice 2005 (SR 2005/276)

Clause 3: omit “2 years after the date of its notification in the *Gazette*” and substitute “30 September 2012”.

Securities Act (Estates and Interests in Australian Land) Exemption Notice 2002 (SR 2002/290)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Fonterra Co-operative Group Limited) Exemption Notice 2003 (SR 2003/397)

Clause 3: omit “2007” and substitute “2012”.

Definition of **Fonterra constitution** in clause 4(1): revoke.

Clause 5(1)(c): revoke.

Clause 9: omit “The exemptions in clause 5(1)(b) and (c) are” and substitute “The exemption in clause 5(1)(b) is”.

Securities Act (Foodstuffs (South Island) Limited) Exemption Notice 2002 (SR 2002/304)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Friendly Societies) Exemption Notice 2002 (SR 2002/291)

Clause 3: omit “2007” and substitute “2012”.

Clause 5(1)(a): omit “37A(2),”.

Securities Act (Industrial and Provident Societies) Exemption Notice 2002 (SR 2002/404)

Clause 3: omit “2007” and substitute “2012”.

Clause 5(1)(c): revoke.

Clause 9: omit “The exemptions in clause 5(1)(b) and (c) are” and substitute “The exemption in clause 5(1)(b) is”.

Items relating to GreenFields Society Limited, Independent Timber Merchants Society Limited, and Landbase Trading Society Limited in the Schedule: omit.

Securities Act (Life Insurance Companies) Exemption Notice 2002 (SR 2002/298)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Overseas Companies) Exemption Notice 2002 (SR 2002/299)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Overseas Employee Share Purchase Schemes) Exemption Notice 2002 (SR 2002/329)

Clause 3: omit “2007” and substitute “2012”.

Clause 10: revoke.

Securities Act (Overseas Listed Issuers) Exemption Notice 2002 (SR 2002/326)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Overseas Takeovers by New Zealand Companies) Exemption Notice 2002 (SR 2002/300)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Renewals and Variations) Exemption Notice 2002 (SR 2002/292)

Clause 3: omit “2007” and substitute “2012”.

Clause 7: omit “and (2)”.

Securities Act (Sharebrokers) Exemption Notice 1984 (SR 1984/333)

New clause 1A: insert after clause 1:

1A Expiry

This notice expires on the close of 30 September 2012.

Securities Act (Short Form Prospectus) Exemption Notice 2002 (SR 2002/301)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Stock and Station Agents) Exemption Notice 2002 (SR 2002/293)

Clause 3: omit “2007” and substitute “2012”.

Item relating to PGG Wrightson Limited in the Schedule: omit.

Securities Act (Union Medical Benefits Society Limited) Exemption Notice 2002 (SR 2002/287)

Clause 3: omit “2007” and substitute “2012”.

Securities Act (Unit Trust Certificates) Exemption Notice 2002 (SR 2002/302)

Clause 3: omit “2007” and substitute “2012”.

Dated at Wellington this 18th day of September 2007.

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

J Diplock,

Chairperson.

[Seal]

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette*, extends the terms of various class exemption notices for a term of 5 years. The notice makes some minor amendments to a number of those exemption notices, including—

- revoking references to section 37A(2) of the Securities Act 1978 (which has been repealed);
- revoking a transitional provision in the Securities Act (Amalgamations) Exemption Notice 2002. This transitional provision allowed offers to be made in accordance with a preceding notice if the securities offered were allotted before 31 December 2002. Persons now seeking to rely on this notice will no longer

be able to allot securities before 31 December 2002 and, accordingly, the transitional provision is now spent:

- revoking clause 10 of the Securities Act (Overseas Employee Share Purchase Schemes) Exemption Notice 2002. This clause provides for a condition to the exemptions in that notice requiring, in respect of securities offered after 31 March in a calendar year, the issuer to report to the Securities Commission on the securities offered in New Zealand and overseas in the preceding calendar year.

The notice also—

- inserts a clause into the Securities Act (Sharebrokers) Exemption Notice 1984 and the Securities Act (Contributory Mortgage) Regulations (Solicitors) Exemption Notice 1996 that provides for those notices to expire on 30 September 2012; and
- revokes various exemption notices; and
- extends the terms of 3 individual exemption notices for a term of 5 years (namely, the Securities Act (Fonterra Co-operative Group Limited) Exemption Notice 2003, the Securities Act (Foodstuffs (South Island) Limited) Exemption Notice 2002, and the Securities Act (Union Medical Benefits Society Limited) Exemption Notice 2002).

The Securities Commission (the **Commission**) considers that the extension of expiry dates and the amendments are appropriate because—

- the class notices being amended were introduced to reduce compliance costs for issuers of securities, and to address rigidities in the application of the law to certain investment products. The exemptions have been in place for a number of years, and consultation by the Commission demonstrates support from market participants for the retention of these exemptions:
- in the case of the revocation of clause 10 of the Securities Act (Overseas Employee Share Purchase Schemes) Exemption Notice 2002, the reporting requirement in that clause was introduced so as to allow the Commission to gather information to ensure that the notice is being used as intended. As reports received since 2002 indicate that the notice is being used as intended, the Commission considers that this requirement is no longer necessary. Removing the requirement will reduce the costs for issuers who rely on the notice:
- in the case of the Securities Act (Fonterra Co-operative Group Limited) Exemption Notice 2003, the notice continues to be appropriate, having regard to the nature of the securities offered by Fonterra Co-operative Group Limited (Fonterra) to supplying shareholders and the manner in which the price of the securities is set in accordance with the Dairy Industry Restructuring Act 2001 and Fonterra's constitution:
- in the case of the Securities Act (Foodstuffs (South Island) Limited) Exemption Notice 2002, the notice continues to be appropriate because it is consistent with the policy of the Securities Act (Co-operative Companies) Exemption Notice

2002 and only differs from that class notice where this is justified given the nature of Foodstuffs (South Island) Limited's business and share structure:

- in the case of the Securities Act (Union Medical Benefits Society Limited) Exemption Notice 2002, the notice continues to be appropriate because—
 - the ownership of shares in Union Medical Benefits Society Limited (**Union**) by members of that company is a legal requirement of the Industrial and Provident Societies Act 1908 and incidental to the provision of health insurance services by Union; and
 - the shares are not investment products in the traditional sense; and
 - the potential compliance costs for Union if the exemption were not continued would be disproportionate to any benefit received by a person seeking health insurance from Union; and
 - there have been no material changes to the nature of the offers made by Union since the notice was granted that would justify changing the Commission's policy:
- the amendments update the notices (for example, to reflect changes to the entities named in the schedules to those notices since the notices were granted).

The Commission considers that inserting an expiry clause into the Securities Act (Sharebrokers) Exemption Notice 1984 and the Securities Act (Contributory Mortgage) Regulations (Solicitors) Exemption Notice 1996 is appropriate because the amendment—

- will align the notices with other class notices; and
- is consistent with the Commission's policy to review class notices every 5 years.

The Commission considers that the revocations are appropriate because—

- the companies concerned either no longer exist or have advised the Commission that the exemptions are no longer required; or
- a number of the notices include exemptions from the provisions of subpart 3 of Part 2 of the Securities Markets Act 1988, which will be repealed and replaced by the Securities Markets Amendment Act 2006 on a date to be appointed by Order in Council; or
- in the case of the Securities Act (Morgan Stanley Companies) Exemption Notice 1992, the exemption concerns compliance with the Securities (Substantial Security Holders) Regulations 1989, which have been revoked.

Eprint notes

1 *General*

This is an eprint of the Securities Act (Extension of Term, Amendment, and Revocation of Certain Exemptions) Exemption Notice 2007 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *About this eprint*

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

3 *Amendments incorporated in this eprint*

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