

Reprint
as at 1 December 2016



Futures Contracts (iPredict Limited) Declaration and Exemption Amendment Notice (No 2) 2013

(SR 2013/448)

Futures Contracts (iPredict Limited) Declaration and Exemption Amendment Notice (No 2) 2013: expired, on the close of 30 November 2016, pursuant to clause 3 of the Futures Contracts (iPredict Limited) Declaration and Exemption Notice 2008 (SR 2008/285).

Pursuant to sections 37(10) and 48B of the Securities Markets Act 1988, the Financial Markets Authority gives the following notice (to which is appended a statement of reasons of the Financial Markets Authority).

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Notice

1 Title

This notice is the Futures Contracts (iPredict Limited) Declaration and Exemption Amendment Notice (No 2) 2013.

2 Commencement

This notice comes into force on its notification in the *Gazette*.

3 Principal notice

This notice amends the Futures Contracts (iPredict Limited) Declaration and Exemption Notice 2008 (the **principal notice**).

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

This notice is administered by the Financial Markets Authority.

4 Clause 3 amended (Expiry)

In clause 3, replace “31 October 2013” with “30 November 2016”.

Dated at Wellington this 29th day of October 2013.

Elaine Campbell,
Head of Compliance Monitoring.

Statement of reasons

This notice, which comes into force on its notification in the *Gazette*, amends the Futures Contracts (iPredict Limited) Declaration and Exemption Notice 2008 (the **principal notice**). The effect of the amendment is that the principal notice will expire on 30 November 2016 instead of on 31 October 2013.

Under the principal notice,—

- every specified agreement and every specified right (as each of those terms is defined in the principal notice) is declared to be an agreement to which Part 3 of the Securities Markets Act 1988 (the **Act**) applies; and
- the provider of a market for the trading of futures contracts (**iPredict Limited**) and an associated clearing house are exempted from the Futures Industry (Client Funds) Regulations 1990 in respect of the market.

The term futures contract is defined in section 37(1) of the Act to include an agreement or a right declared by the Financial Markets Authority (the **FMA**) to be an agreement or a right to which Part 3 of the Act applies. The declaration, and a separate authorisation to be granted by the FMA to iPredict Limited under section 38(1) of the Act to carry on the business of dealing in futures contracts, means that every specified agreement and every specified right are authorised futures contracts (within the meaning of section 37(1) of the Act) and that trading in them is regulated under the Act and not the Securities Act 1978 or the Gambling Act 2003.

The FMA, after satisfying itself as to the matters set out in section 48(2) of the Act, considers it appropriate to amend the principal notice to extend its expiry date because—

- the amendment enables iPredict Limited to continue to offer trading in the contracts made on its predictions market under its current regulatory arrangements until it becomes subject to the Financial Markets Conduct Act 2013; and
- the contracts have the characteristics of futures contracts, in that they are valued by reference to a future outcome and they are settled by a cash payment rather than by the delivery of any goods. Renewing the declaration contained

within the principal notice is appropriate and will maintain the legal certainty as to the treatment of the contracts; and

- the conditions of exemption in the principal notice include the requirement that client money must be held in a trust account and restrictions on the amounts of money that may be held for individual clients. The conditions continue to provide adequate alternative safeguards for the protection of client money and client property; and
- the exemption granted to iPredict Limited in the principal notice, as amended by this notice, is not broader than is reasonably necessary to address the matters that give rise to the exemption.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 31 October 2013.

Reprints notes

1 *General*

This is a reprint of the Futures Contracts (iPredict Limited) Declaration and Exemption Amendment Notice (No 2) 2013 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Futures Contracts (iPredict Limited) Declaration and Exemption Notice 2008 (SR 2008/285): clause 3