



## Securities Act (Continuous Debt Issues) Exemption Notice 2002

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice.

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### Notice

#### 1 Title

This notice is the Securities Act (Continuous Debt Issues) Exemption Notice 2002.

#### 2 Commencement

This notice comes into force on 1 October 2002.

#### 3 Expiry

This notice expires on the close of 30 September 2007.

#### 4 Interpretation

(1) In this notice, unless the context otherwise requires,—

**Act** means the Securities Act 1978

**address** means a postal or electronic address; and includes a Post Office box address, document exchange box number, fax number, and email address

**continuous debt issue**, in relation to a continuous issuer, means an issue of debt securities of a kind that are continuously offered by the continuous issuer to the public for subscription

**continuous issuer** means an issuer that in the ordinary course of its business continuously offers debt securities to the public for subscription

**Regulations** means the Securities Regulations 1983

**security holder** means a holder of debt securities issued as part of a continuous debt issue.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

## 5 Exemption relating to receipt of investment statements

- (1) Every continuous issuer and every person acting on its behalf are exempted from section 37A(1)(a) of the Act in respect of any continuous debt issue of the continuous issuer.
- (2) The exemption is subject to the condition that the continuous issuer must not allot a debt security that is part of a continuous debt issue unless the continuous issuer or any person acting on its behalf has sent an investment statement relating to the debt security, at least 3 working days before the subscriber subscribes for the debt security, to—
- (a) an address specified by the subscriber for this purpose; or
  - (b) the last address of the subscriber known to the continuous issuer.
- (3) The exemption is subject to the further condition that, if an investment statement relating to the continuous debt issue is sent by—
- (a) fax, the fax machine has generated a record of the transmission of the investment statement to the fax machine of the recipient; or
  - (b) other electronic means, the machine used to transmit the investment statement has not generated a record that the investment statement has failed to be transmitted.

**6 Exemption from register requirements**

- (1) Every continuous issuer is exempted from section 52(1) and (3) of the Act in respect of the register kept by the continuous issuer under section 51(1)(b) of the Act, in so far as that register relates to continuous debt issues.
- (2) The exemption from section 52(1) of the Act is subject to the condition that every register of securities kept under section 51(1)(b) of the Act by the continuous issuer is, except when duly closed (but subject to any reasonable restrictions that the continuous issuer may impose, so that not less than 2 hours in each day must be allowed for inspection), open to the inspection of any security holder in respect of the securities of that security holder entered on the register, without fee.
- (3) The exemption from section 52(3) of the Act is subject to the condition that, on payment by a security holder of the fee prescribed for the purposes of section 52(4) of the Act, the continuous issuer provides to the security holder a copy of that part of the register kept under section 51(1)(b) of the Act that relates to securities of that security holder.

**7 Exemption from certificate requirements**

- (1) Every continuous issuer is exempted from section 54 of the Act in respect of any continuous debt issue of the continuous issuer.
- (2) The exemption is subject to the condition that the continuous issuer sends, or causes to be sent, to a security holder at any time on request, and to each security holder at least once every 6 months, a written statement that properly evidences the nature and ownership of the debt securities of the security holder issued as part of the continuous debt issue.

Dated at Wellington this 17th day of September 2002.

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

[L.S.]

J. Diplock,  
Chairperson.

### Explanatory note

*This note is not part of the notice, but is intended to indicate its general effect.*

This notice, which comes into force on 1 October 2002 and expires on 30 September 2007, replaces the Securities Act (Continuous Issues) Exemption Notice 1997. The provisions of that notice have been carried forward with no change of substance. Certain drafting changes have been made to reflect current drafting practice.

The notice exempts, subject to conditions, issuers who, in the ordinary course of their business, continuously offer debt securities to the public from—

- the requirement in section 37A(1)(a) of the Securities Act 1978 that, before the allotment of a security offered to the public for subscription, the subscriber has received an investment statement; and
- certain other provisions of the Act relating to the inspection of registers and issue of certificates evidencing securities.

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Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 19 September 2002.

This notice is administered in the Securities Commission.

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