



## Securities Act (Bloodstock) 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 (Bloodstock) 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

**approved code of practice** means a code of practice for the regulation of offers of equity securities or specified participatory securities to the public for subscription that is—

(a) administered by a designated association; and

(b) approved by the Securities Commission

**designated association** means—

- (a) New Zealand Thoroughbred Racing Incorporated;
- (b) Harness Racing New Zealand Incorporated

**registered** means—

- (a) registered under—
  - (i) the New Zealand Rules of Racing of New Zealand Thoroughbred Racing Incorporated; or
  - (ii) the New Zealand Rules of Harness Racing of Harness Racing New Zealand Incorporated; or
- (b) recorded on a Foaling Return, Stud Book Certificate, Certificate of Export, or equivalent document and deposited with New Zealand Thoroughbred Racing Incorporated or Harness Racing New Zealand Incorporated

**Regulations** means the Securities Regulations 1983

**specified issuer** means,—

- (a) in relation to an offer of equity securities, any company—
  - (i) that is bound by the rules of a designated association to comply with an approved code of practice relating to the making of offers of equity securities to the public for subscription; and
  - (ii) the business of which consists of—
    - (A) the ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing; or
    - (B) the ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing and any progeny of that horse or horses or any interest or interests in that progeny, being progeny that is eligible to be, but is not, registered:
- (b) in relation to an offer of specified participatory securities, any person who is bound by the rules of a designated association to comply with an approved code of practice relating to the making of offers of specified participatory securities to the public for subscription

**specified participatory security** means a participatory security relating exclusively to—

- (a) any scheme in respect of the ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing; or
  - (b) any scheme in respect of the ownership of any registered horse or horses or any interest or interests in a registered horse or horses that is or are used, or intended to be used, for the purpose of breeding or racing and any progeny of that horse or horses or any interest or interests in that progeny, being progeny that is eligible to be, but is not, registered.
- (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 equity securities**

- (1) Every specified issuer and every person acting on behalf of a specified issuer are exempted from sections 37(1) to (4), 37A, and 54 of the Act in respect of any equity securities of which that specified issuer is the issuer.
- (2) The exemption is subject to the condition that a copy of the audited financial statements of the specified issuer and of the auditor's report is sent to every member or shareholder of the specified issuer within 3 months after the end of each financial year.

#### **6 Exemption relating to specified participatory securities**

- (1) Every specified issuer and every person acting on behalf of a specified issuer are exempted from sections 33(3), 37(1) to (4), 37A, and 54 of the Act in respect of any specified participatory securities of which that specified issuer is the issuer.
- (2) The exemption is subject to the condition that the financial statements relating to the scheme to which the specified participatory securities relate are audited at least once a year by a qualified auditor and a copy of those statements and of the auditor's report is sent to every person who is the holder of those securities within 3 months after the end of each financial year of the scheme.

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.

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### 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 (Bloodstock) Exemption Notice 1997. The provisions of that notice have been carried forward with no change of substance. However, the names of the designated associations have been updated and certain drafting changes have been made to reflect current drafting practices.

*Clause 5* exempts certain companies whose business consists of the ownership of registered horses or interests in registered horses that are used or intended to be used for breeding or racing, and progeny and interests in progeny, from compliance with sections 37(1) to (4), 37A, and 54 of the Securities Act 1978 in respect of equity securities.

The exemption applies to companies that are bound, by the rules of New Zealand Thoroughbred Racing Incorporated or Harness Racing New Zealand Incorporated, to comply with a code of practice for regulating the offering of equity securities to the public administered by those organisations and approved by the Securities Commission.

The exemption is subject to the condition that a copy of the audited financial statements of the company and the auditor's report is sent to every member or shareholder of the company within 3 months of the end of each financial year.

*Clause 6* exempts persons offering participatory securities that relate to schemes for the ownership of registered horses or interests in registered horses that are used or intended to be used for breeding, or racing, and progeny and interests in progeny, from compliance with sections 33(3), 37(1) to (4), 37A, and 54 of the Securities Act 1978.

That exemption applies to persons who are bound, by the rules of New Zealand Thoroughbred Racing Incorporated or Harness Racing New Zealand Incorporated, to comply with a code of practice for regulating the offering of such securities to the public administered by those organisations and approved by the Securities Commission. The exemption is subject to the condition that the financial statements of the scheme are audited each year by a qualified auditor and a copy of those statements and the auditor's report are sent to the holders of the securities within 3 months of the end of each financial year.

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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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