



## Securities Act (Rights, Options, and Convertible Securities) Exemption Amendment Notice 2002

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

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### Notice

#### 1 Title

- (1) This notice is the Securities Act (Rights, Options, and Convertible Securities) Exemption Amendment Notice 2002.
- (2) In this notice, the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 1997<sup>1</sup> is called “the principal notice”.

<sup>1</sup> SR1997/250

#### 2 Commencement

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

#### 3 Interpretation

Clause 2 of the principal notice is amended by revoking subclause (2), and substituting the following subclause:

“(2) In this notice, a reference to an option, share warrant, convertible note, preference share, or preference unit includes a reference to a security that is in the nature of an option, share warrant, convertible note, preference share, or preference unit.”

**4 Exemption relating to options, share warrants, convertible notes, and preference shares**

(1) Clause 3 of the principal notice is amended by revoking subclauses (2) and (3), and substituting the following subclauses:

“(2) Every person is exempted from section 37 of the Act—

“(a) in respect of any equity securities that are, or are to be, allotted under the terms of, or on the exercise by any person of a right conferred by, any option, share warrant, convertible note, or preference share that was allotted on or after 1 October 1997:

“(b) in respect of any units that are, or are to be, allotted under the terms or, on the exercise by any person of a right conferred by, any option, convertible note, or preference unit that was allotted on or after 1 October 1997.

“(3) Except as provided by subclause (4), subclauses (1) and (2) do not apply where—

“(a) equity securities are, or are to be, allotted under the terms of, or on the exercise by any person of a right conferred by, an option, share warrant, convertible note, or preference share that has been previously allotted; and

“(b) the issuer of the equity securities is not the issuer of the previously allotted option, share warrant, convertible note, or preference share.”

(2) Clause 3 of the principal notice is amended by inserting, after subclause (4), the following subclauses:

“(5) Except as provided by subclause (6), subclause (2) does not apply where—

“(a) units are, or are to be, allotted under the terms of, or on the exercise by any person of a right conferred by, an option, convertible note, or preference unit that has been previously allotted; and

- “(b) the issuer of the units is not the issuer of the previously allotted option, convertible note, or preference unit.
- “(6) Subclause (5) does not apply if—
  - “(a) the issuer of the option, convertible note, or preference unit—
    - “(i) was a wholly-owned subsidiary of the issuer of the units at the time the option, convertible note, or preference unit was offered and allotted; and
    - “(ii) is also a wholly-owned subsidiary of the issuer of the units at the time of the offer and the allotment of the units; and
  - “(b) units issued by the issuer of the units were at the time of the offer and allotment of the option, convertible note, or preference unit, and are also at the time of the offer and allotment of the units, quoted on the New Zealand Stock Exchange; and
  - “(c) the option, convertible note, or preference unit was quoted on the New Zealand Stock Exchange on allotment and remains quoted for the period it is current; and
  - “(d) the units will be quoted on the New Zealand Stock Exchange on allotment.”

## **5 Conditions relating to exemption under clause 3**

- (1) Clause 4 of the principal notice is amended—
  - (a) by inserting, after the words “equity securities” in each place where they appear, the words “or units (as the case may be),”:
  - (b) by deleting the words “option, share warrant, convertible note, or preference share” in each place where they appear, and substituting in each case the words “option, share warrant, convertible note, preference share, or preference unit”.
- (2) Clause 4(b)(i) and clause 4(b)(ii)(B) of the principal notice are amended by inserting, after the words “issuing group” in both places where they appear, the words “or the scheme (as the case may be)”.

Dated at Wellington this 24th day of April 2002.

[L.S.]

F. R. S. Clouston,  
Member.

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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 the day after the date of its notification in the *Gazette*, amends the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 1997. The effect of the amendments is that, where certain conditions are met, section 37 of the Securities Act 1978 does not apply to the allotment of units in a unit trust on the exercise of rights conferred by an option, convertible note, or preference unit.

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

Date of notification in *Gazette*: 26 April 2002.

This notice is administered in the Securities Commission.

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