



**SECURITIES ACT (DIVIDEND REINVESTMENT) EXEMPTION
NOTICE 1998**

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

ANALYSIS

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| 1. Title, commencement, and expiry | | 4. Exemption |
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NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Dividend Reinvestment) Exemption Notice 1998.

(2) This notice (except clause 6) comes into force on the day after the date of its notification in the *Gazette*.

(3) Clause 6 comes into force on 1 January 1999.

(4) This notice expires on the close of 30 September 2000.

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

“Act” means the Securities Act 1978:

“Dividend” means,—

(a) In relation to equity securities, a dividend within the meaning of the Companies Act 1993; and

(b) In relation to a unit in a unit trust or an interest in a group investment fund, a distribution of the income or gains (whether in the nature of capital or income) of the trust or fund to a holder of a unit in the trust or of an interest in the fund:

“Group investment fund” means a group investment fund established under section 29 of the Trustee Companies Act 1967 or section 42A of the Public Trust Office Act 1957:

“Regulations” means the Securities Regulations 1983:

“Scheme”—

(a) Has the meaning given to it by the Act; and

(b) Includes, in relation to an interest in a group investment fund, that group investment fund:

“Specified securities” means the following kinds of securities:

(a) Equity securities; or

- (i) Issued on the terms disclosed to the holder; and
- (ii) Subject to the same rights as the securities issued to all holders of securities of the same kind who agree to receive the securities.

6. Revocation—The Securities Act (Dividend Reinvestment) Exemption Notice 1997* is revoked.

Dated at Wellington this 29th day of September 1998.

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

[L.S.]

M. R. H. WEBB,
Member.

*S.R. 1997/228

EXPLANATORY NOTE

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

This notice comes into force on the day after the date of its notification in the *Gazette* (except *clause 6*, which comes into force on 1 January 1999) and expires on 30 September 2000. It replaces and extends the provisions of the Securities Act (Dividend Reinvestment) Exemption Notice 1997.

The notice applies to equity securities, units in unit trusts, and interests in group investment funds that are offered to existing holders of the same kind of securities, on terms which—

- (a) Entitle an existing holder to subscribe for the securities by applying dividends payable to that person; or
- (b) Require the issuer to allot the securities as fully paid in consideration for that person forgoing the right to receive dividends payable to that person.

The notice exempts issuers, in the case of those securities and subject to conditions, from sections 37 and 37A of the Securities Act 1978 and the Securities Regulations 1983 (other than regulation 8). Issuers are exempted from the prospectus and investment statement requirements of the Act and the Regulations, but are required to provide investors with an offer document that contains details of the dividend reinvestment plan.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 1 October 1998.
This notice is administered in the Securities Commission.