



# **Securities Act (New Zealand Stock Exchange—New Capital Market) Exemption Notice 2000**

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 (New Zealand Stock Exchange—New Capital Market) Exemption Notice 2000.

### **2 Commencement**

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

### **3 Expiry**

This notice expires on the close of 10 March 2003.

### **4 Interpretation**

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

**Act** means the Securities Act 1978

**Exchange** means the New Zealand Stock Exchange

**NCM issuer** means a company that has applied for listing on the Exchange as an NCM issuer and in respect of which the Exchange has delivered an acknowledgment to the Registrar to the effect that all its requirements (other than those relating to the number of holders of securities) for quoting the securities have been met

**NCM rules** means the listing rules of the Exchange that apply to NCM issuers

**Regulations** means the Securities Regulations 1983.

- (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 from regulation 23 of Regulations**

- (1) Every NCM issuer and every person acting on its behalf are exempted from regulation 23 of the Regulations in respect of the first offer to the public of equity securities of the NCM issuer.
- (2) The exemption is subject to the condition that the Exchange has approved any statements in the registered prospectus or advertisement, as the case may be, that refer to quoting the equity securities on the Exchange.

## **6 Exemption from clauses 9, 10(1)(c), 11(3)(d), (f), and (g) of First Schedule of Regulations**

Every NCM issuer and every person acting on its behalf are exempted from clauses 9, 10(1)(c), and 11(3)(d), (f), and (g) of the First Schedule of the Regulations in respect of the first offer to the public of equity securities of the NCM issuer.

## **7 Conditions relating to investment statement and prospectus**

The exemption in clause 6 is subject to the condition that the investment statement and the registered prospectus relating to the offer each contain,—

- (a) on its cover (if it is in physical form) or the first page of it that can be seen (if it is in electronic form), the following statement:

“Prospective investors are cautioned that an investment in an NCM issuer is a speculative investment and may involve a high degree of risk. Such investments are designed for persons who can bear the loss of their entire investment.”; and

- (b) a statement to the effect that the notice of meeting relating to a meeting of shareholders called to consider a resolution approving the NCM issuer’s entry into a key transaction will contain all information material to the key transaction (including prospective financial information) and any offer of securities related to the key transaction.

## **8 Condition relating to capital**

The exemption in clause 6 is also subject to the condition that, immediately after the allotment of the equity securities relating to the first public offer by an NCM issuer, the amount of the NCM issuer’s capital raised by the issue of equity securities since its incorporation is not more than \$10 million.

## **9 Conditions relating to Exchange**

The exemption in clause 6 is also subject to the condition that—

- (a) the Exchange consults with the Securities Commission before making any material change to the NCM rules; and
- (b) before 31 March 2001 and 31 March 2002, the Exchange makes a written report to the Securities Commission on the operation of the Exchange’s new capital market during the calendar year immediately before each of those dates; and
- (c) all material information released by an NCM issuer to the Exchange for disclosure to the market is—
- (i) placed immediately on an internet webpage for the NCM issuer that is located on the Exchange’s internet site for the new capital market and indexed on the site by the NCM issuer’s name; and
- (ii) available at all reasonable times through the Exchange’s internet site, except when the site or

the NCM issuer's internet webpage are unavailable due to maintenance or to circumstances that are unforeseen by the Exchange or that the Exchange cannot reasonably avoid.

Dated at Wellington this 7th day of March 2000.

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

[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 comes into force on the day after the date of its notification in the *Gazette*, and expires on the close of 10 March 2003.

The notice exempts certain companies known as NCM issuers, subject to conditions, from requirements under the Securities Regulations 1983 to include prospective financial information and certain other financial information in the registered prospectus relating to the first public offer of their equity securities.

The notice also conditionally exempts NCM issuers from the provisions of the Securities Regulations 1983 relating to statements about quoting securities on the New Zealand Stock Exchange in respect of the first public offer of their equity securities.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 9 March 2000.  
This notice is administered in the Securities Commission.

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