

(11) Are there any other matters or circumstances which, in the auditor's opinion, affect the financial position of the member?

(12) Has all necessary information been available to enable this certificate to be given?

#### QUARTERLY STATEMENTS OF ITEMS OUTSTANDING

78A. Each member shall within 14 days after 31 January, 30 April, 31 July, and 31 October in each year, issue to the chairman of his exchange, a statement of all items (excluding courtesy claims for dividends) outstanding with other members for more than one calendar month prior to any such date. Where a member has any such item outstanding with a member of another exchange he shall also send a statement thereof to the chairman of such other exchange.

#### AMENDMENTS TO RULES

79. (i) These rules or any of them may be altered by way of repeal, amendment, addition, or otherwise, by a resolution passed by a three-fourths majority of the votes cast at an annual or special meeting of the committee provided however that if at such a meeting all exchanges are represented by delegate or by proxy and the resolution is opposed only by the delegates or proxy of one exchange then in such case but not otherwise the resolution may be passed by a bare majority of the votes cast.

(ii) No resolution for alteration of these rules or any of them shall be submitted to a meeting of the committee unless the same has been proposed by the President or unless the same has been approved by a general meeting of an exchange, provided, however, that any resolution so submitted may be passed in amended form if in the opinion of the chairman of the meeting the amendment does not substantially alter the character and purpose of the original resolution.

(iii) No proposed alteration if rejected shall without the consent of the executive be reconsidered by the committee for six months.

(iv) Where a rule is altered no further alteration to that rule shall, without the consent of the executive, be considered by the committee for six months.

(v) Notice of any resolution for alteration of these rules shall be given in writing to the secretary.

(vi) Fourteen days' notice in writing of a meeting of the committee to which any resolution for alteration of these rules is intended to be submitted shall be sent by the secretary to all members of the committee and to all exchanges.

#### INVESTMENT OF FUNDS

80. The committee may set aside unexpended funds of the Association and may invest them in such securities or otherwise deal with such funds as the committee may from time to time determine.

#### MISCELLANEOUS MACHINERY RULES

81. Each exchange shall, within six months of the passing of these rules, cause to be passed and incorporated in its rules a rule that each of its members shall be deemed to be bound in all respects by the rules of this Association as amended from time to time in the same manner as if the same were incorporated in the rules of such exchange and that, in the event of any conflict between the rules of the Association and the rules of such exchange, then the rules of the Association shall prevail. Each exchange shall take all proper steps to have such rule approved in accordance with the Sharebrokers Act 1908.

82. In addition to the foregoing rule and without limiting the effect thereof each exchange shall—

- (i) At all times (saving only the necessary time required to fill vacancies) maintain all proper officers to carry out the functions appointed by these rules to be carried out by officers of an exchange.
- (ii) Provide rules whereby such exchange is authorised to fine, suspend, or expel any of its members.
- (iii) Provide rules whereby it is authorised and empowered to carry out any of the powers provided by the rules referred to in subparagraph (ii) hereof at the direction of this Association.
- (iv) Provide rules whereby it shall carry out as against its members any decisions, award, or ruling (whether involving a penalty or not) of this Association whether given on appeal or otherwise in accordance with these rules.
- (v) Nothing in this rule shall be read and construed as affecting the rights and powers of an exchange (subject always to appeal to the Association in accordance with these rules) to deal with its members by way of fine, suspension, or expulsion in accordance with its rules.
- (vi) For the purpose only of implementing the powers of this Association it shall when necessary be deemed to exercise its functions as agent of any exchange in any case where an exchange has any powers not possessed by this Association otherwise than by virtue of this rule.

83. Where any dispute arises or complaint or charge is being investigated or any decision is to be made as to which or any of which these rules are silent then such decision, complaint, or charge shall be dealt with and decision made in accordance with good stockbroking practice and where such exists in accordance with the established custom in New Zealand. The transaction out of which such dispute, complaint, or charge

arises or in respect of which a decision is made shall be deemed to be a transaction to which these rules apply. The committee shall be the sole judge as to the existence and terms of an established custom in accordance with this rule and the sole judge as to what is good stockbroking practice in accordance with this rule and where any ambiguity arises as to the meaning and effect of these rules, the sole judge as to the interpretation of these rules.

84. Nothing in these rules shall apply to any transaction in progress at the time of coming into operation thereof and any such transaction shall be completed as if these rules had not been made.

#### PART II

85. *Brokerage*—The rates of brokerage shall be:

(i) (a) On New Zealand Government and on New Zealand local body securities and on the securities of such New Zealand corporations as the executive may from time to time define as semi-Government corporations—

	On Nominal Value	Per Cent
On the first £25,000 .....	.....	$\frac{1}{2}$
On the excess over £25,000 up to and including £50,000 .....	.....	$\frac{1}{4}$
On the excess over £50,000 .....	.....	$\frac{1}{8}$

*Reduced Rates:*

- (1) The reduced rate of brokerage on amounts exceeding £25,000 as above shall be applicable only to the extent to which the particular order is completed within a period of one calendar month from the receipt of the order, and any uncompleted balance at that date shall be deemed for the purposes of this rule to be a new order received on that date.
- (2) If the final or advised date of maturity is within 12 months of the date of sale, then brokerage shall be charged at half the rate which would otherwise be chargeable
- (3) Where New Zealand Government or New Zealand local body securities are sold and within 24 hours of the time of sale the selling broker purchases New Zealand Government or New Zealand local body securities for the same client, then brokerage at half the rate which would otherwise be chargeable may be charged on that part of the transaction (if not the whole) involving the sale of securities and the purchase of other securities of the same face value.
- (4) Where New Zealand Government or New Zealand local body securities are sold and within 24 hours of the time of sale the selling broker arranges a reinvestment of any part of the proceeds of sale in a new New Zealand Government or a new New Zealand local body loan then brokerage on so much of the securities in respect of which the net proceeds of sale are reinvested as aforesaid may be charged at half the rate which would otherwise be chargeable provided that a placement commission is allowed by the New Zealand Government or the New Zealand local body as the case may be.
- (5) Should the brokerage shown on a contract note be less than  $\frac{1}{2}$  per cent the note should be stamped as follows—  
"This transaction qualifies for special rates of brokerage under rule 85."

(b) On overseas Government and on overseas local bodies securities— $\frac{1}{2}$  per cent on nominal value. If the final or advised date of maturity is within 12 months of the date of sale, then brokerage shall be charged at half rates.

(c) On the bonds, debentures, and debenture stock whether registered or not of companies and all other corporations and on note issues not carrying the right of conversion into shares—

Listed .....	1 per cent on nominal value.
Unlisted .....	1-1/3rd per cent on nominal value.

If the final or advised date of maturity is within 12 months of the date of sale, then brokerage shall be charged at half rates.

(d) On listed shares, stock, and note issues carrying the option exercisable by the holder of conversion into shares or stock—

#### *Sale Price of Share, Stock, or Note Issue per Unit*

Up to 6d. ....	$\frac{1}{4}$ d. per unit.
Over 6d. and up to 2s. ....	$\frac{1}{2}$ d. per unit.
Over 2s. and up to 5s. ....	1d. per unit.
Over 5s. and up to 11s. ....	2d. per unit.
On all units over 11s. ....	$1\frac{1}{2}$ per cent.

(e) On unlisted shares, stock, and note issues carrying the option exercisable by the holder of conversion into shares or stock: The rates prescribed in paragraph (d) plus  $33\frac{1}{3}$  per cent.

(f) On syndicate shares— $2\frac{1}{2}$  per cent on sale price.

(g) *Rights to New Issues*—The executive shall be empowered to fix a rate of brokerage in respect of any particular issue or issues, but unless so fixed the rate shall be:

*To Sellers*—The brokerage shall be double the rates prescribed in paragraphs (d), (e), and (f) above calculated on the sale price of the rights, providing however, that if the price of the rights be not less than 5s. nor more than 7s. the brokerage shall be 3d. per right.