

may be on the third business day prior to and inclusive of the date of closing of transfer books, to determine those entitled to participate in the distribution.

(ii) Where a transfer of securities sold cum dividend, cum interest, or cum capital return is delivered during the 3 business days prior to and inclusive of the date of the closing of the transfer books or on any day thereafter, the selling broker shall allow for the amount of the dividend, interest, or capital return at the time of settlement.

(iii) Where a transfer of securities sold—

(a) "Ex dividend", "ex interest", or "ex capital return"; or

(b) "Cum dividend", "cum interest", or "cum capital return", and settlement is adjusted by the amount of the dividend, interest, or capital return involved is delivered on any of the 3 business days prior to and inclusive of the date of closing of transfer books, the transfer must be clearly endorsed by the selling broker that it is "ex" dividend, interest, or capital return as the case may be and the buyer must not lodge it with the company for registration purposes until after the date of closing of the transfer books. When such a transfer is lodged contrary to this rule, the buying broker must immediately refund the amount involved to the selling broker.

For the purpose of this rule a business day shall mean any day other than Saturday, Sunday, or any holiday which is common to all affiliated stock exchanges.

This amendment is to come into force on the first day of the month following its gazetting.

**Rule 121**—This rule is to be amended by adding to paragraph (iv):

Save that, unless otherwise agreed, where a buying broker requests split transfers for shares in a company which does not permit marking of transfers, scrip must be delivered to match up with each transfer at time of delivery.

**Rule 122**—The word "registered" in the sixteenth line of Rule 122 is to be deleted.

**Rule 130**—This is amended by adding at the end of the present rule:

Provided that where the committee so approves the foregoing requirements of this rule may be dispensed with.

**Rule 132**—This rule is deleted and the following substituted:

**Right of Quotation**—The right of quotation on the official list shall be granted only by the Association and upon such terms and conditions as the committee may generally or in any particular case from time to time determine. Notwithstanding the foregoing the committee may delegate to the secretary/treasurer or other officer or officers of the Association (subject to such conditions as it shall from time to time determine) a general power to grant such right of quotation in respect of any securities already listed on a recognised overseas stock exchange or in any case where an exchange has so recommended and the general requirements and conditions from time to time laid down by the committee or the executive as a condition precedent to the right of quotation on the official list have been complied with.

**Rule 134**—This rule is deleted and the following substituted:

Where a prospectus states that listing is being sought, no member shall act as agent in buying or selling the securities concerned until they have been listed by the Association or until exchanges have been notified that listing has been refused. Dealing in securities prior to allotment is prohibited.

**Rule 137**—The following paragraph is to be added:

Subject to the consent of the executive, the committee of an exchange may grant authority to members to act in a new issue with a non-member provided that the whole of the issue (except, if desired, a reasonable allocation to staff) is made available to a member or members and that the non-member does not compete in placing the issue.

**Rule 137A**—Consent to act.

Upon receipt of an application for consent pursuant to Rule 137 for a member to act in a flotation which he is underwriting whether wholly or in part or in conjunction with any other person the committee of the exchange shall require a report from the inspector appointed by the exchange for the purpose of the Fidelity Guarantee Fund stating whether in his opinion the obligations likely to devolve upon the member are within his financial capacity, having regard to the extent that the flotation is sub-underwritten by any person and the financial capacity of the sub-underwriters. If in the inspector's opinion obligations undertaken by the member are not within his financial capacity, the inspector shall provide a general estimate of the maximum deficiency. The costs of the inspector are to be borne by the applicant member.

#### *New Rule 145—Regulations.*

The executive may from time to time by resolution make such regulations as the executive may deem necessary or expedient for the purposes of giving full effect to these provisions as to the establishment and operation of the Fidelity Guarantee Fund including regulations providing for the inspection of the books of members and the supply by members of monthly returns of balances and other information to an inspector appointed by the committee of an exchange. Upon making by the executive of any regulations hereunder the executive shall cause a copy of the regulations to be forwarded to the secretary of each exchange and the regulations shall thereupon become binding on all members. Any breach by a member of any provisions of the regulations shall be deemed to be a breach of these rules.

#### *New Rule 146—Fidelity Fund.*

(i) In addition to any outstanding monetary contributions payable into the fidelity fund by a member under Rule 144, every member for himself and in respect of each other person for whom he is required to contribute under Rule 144 shall pay (except as provided in subclause (iii) hereof) such annual contribution being not more than \$200 or less than \$50 and such additional levy not exceeding \$200 in any one year, as may be fixed by the executive; provided that no member shall be required in the whole period of his practice as a stockbroker to pay additional levies under this rule totalling more than \$1,000 per person in respect of himself and each person for whom he is liable to contribute under Rule 144; provided also that if the further payment of \$200 referred to in Rule 144 has been paid by a member for himself and in respect of each such other person for whom he is required to contribute as at 31 December 1970 under Rule 144 such member will be not liable to pay in respect of himself and each such person any contribution under this rule for the year ending 31 October 1971.

(ii) Any person becoming a member after the 1st day of January 1971 shall not be liable for the payments under Rule 144 nor shall an existing member be liable for such payments in respect of a person for whom he is liable to contribute under Rule 144 where such liability arises after the 1st day of January 1971.

(iii) If at the beginning of any year the amount of the fund, including any investments thereof and after deducting the amount of all unpaid claims and other liabilities outstanding against the fund, is not less than the executive may for the time being by resolution determine (being not less than \$250,000) the amount of the annual contributions payable under paragraph (i) of this rule in respect of that year shall be such amount as the executive may determine being not more than \$200 provided that nothing herein shall be construed to limit the power of the executive under paragraph (i) of this rule to fix additional levies.

(iv) No person shall be entitled to a refund of any contributions or additional levies paid by or on behalf of such person into the fund.

(v) As from 31 December 1970 a person claiming to be entitled to reimbursement from the fund shall not be entitled to receive more than \$10,000 in respect of any loss suffered as a result of the acts or defaults of any one member or his firm.

(vi) The total amount payable out of the fund to meet claims (as limited by paragraph (v) of this rule) arising out of the inability of any member or his firm to meet the financial obligation of such member or his firm shall be limited to \$150,000 or such other amount as may be from time to time determined only by the committee.

(vii) Subject to paragraphs (v) and (vi) the executive in its absolute discretion may determine the extent (if any) to which such claims or any of them may be paid whether in whole or in part.

Approved in Council.

P. J. BROOKS, Clerk of the Executive Council.

#### *Members of Port Conciliation Committee for Port of Napier Appointed*

PURSUANT to the Waterfront Industry Act 1953, the Minister of Labour hereby appoints:

Newell de Val Lawrence (nominated by the Napier Harbour Board), and

Robert Harry Porter (nominated by the Napier Waterfront Workers' Industrial Union of Workers)

to be members of the Port Conciliation Committee for the Port of Napier for the term expiring on the 30th day of April 1972.

Dated at Wellington this 12th day of October 1971.

J. R. MARSHALL, Minister of Labour.