

- each calendar year, it shall be mandatory for all members to give notice in accordance with Rule 18.05 in respect to all deliveries which have been outstanding for more than 1 month.
- 18.151 For the purpose aforesaid, the President shall nominate the month or months in each calendar year and members will be given at least 10 business days' notice of any day so fixed.
- 18.16 The seller shall deliver separate transfers representing the total number of shares in the sale where the buyer requests at the time of sale separate transfers provided always that where a marketable parcel is bought and no conditions are agreed upon at the time of sale it shall not be obligatory for the seller to deliver more than one transfer.
- 18.17 In no case is it incumbent on a seller to deliver scrip otherwise than in accordance with the terms of the contract. 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.
- 18.18 The selling broker shall be responsible for a reasonable time from date of delivery for the validity of all documents delivered, and for the shares being free from all liability due or payable at the time of sale.
- 18.19 It shall not be incumbent upon a member to accept a marked transfer of any security where there are less than 14 days in the case of transfers on an overseas register and 7 days in the case of transfers on a New Zealand register before the expiry of the period for which scrip is being held in support.
- 18.20 A seller of shares in an overseas company having a New Zealand register shall deliver scrip on an overseas register unless the contract otherwise provides.
- 18.21 A seller of shares in an overseas company not having a New Zealand register, shall deliver scrip on the register of the head office of the company unless the contract otherwise provides.
- 18.22 Delivery of bonds shall be in single \$1000 bonds unless otherwise arranged at time of sale.
- 18.23 In the event of a member's client dying or becoming otherwise incapable of receiving and paying for, or delivering or transferring stocks or shares which the client has ordered to be bought or sold and, after reasonable inquiry the member has no knowledge of anyone legally authorised to complete such purchases or sales on the client's behalf, the member may, through the chairman or with his authority, resell or repurchase as the case may be, and the client (or his estate) shall be liable for any deficiency and be entitled to any surplus which may result.
- 18.24 In the event of a member's client failing or refusing to complete a contract or a number of contracts on demand (which demand need not be in writing) the member may resell or repurchase as the case may be, the securities the subject of the contract or contracts at the client's risk and expense, which expenses shall include brokerage and stamp duty.
- 18.241 Any deficiency arising from any such resale or repurchase shall constitute a debt owing by the client to the member and in any case where there shall be a surplus arising from any such transaction the member shall account to his client accordingly subject in either instance to any right of set off which may exist.
- 18.242 Any written communication (including any demand) from a member to his client shall if sent by cable, telegram, telex or prepaid letter addressed to the last known address of the client be deemed to be delivered to the client on the next business day following the day of posting or sending.
- 18.25 Powers of Attorney—Where a transfer of securities purports to be executed under a power of attorney or by an executor or administrator such transfer shall bear an acknowledgement by the registrar or a regional stock exchange to the effect that the power of attorney, probate, or letters of administration have been exhibited.
- 18.26 Where the seller has not tendered the documents within 6 weeks of the date of sale and the buyer has not acted under Rule 18.05 the buyer may give notice to the seller that, unless the documents are tendered within 72 hours of the receipt of such notice, the buyer will not thereafter accept delivery and, if the seller fails to deliver within the said 72 hours, then he shall not be entitled thereafter to deliver.
- 18.261 Nothing in this Rule shall be deemed to prejudice the rights of the buyer against the seller in respect of non-delivery as aforesaid.
- 19.0 Short-term Money Market, Commercial Bills, Contributory Mortgages**
- 19.01 No member shall:
- 19.011 Act as an agent for an authorised money market dealer.
- 19.012 Participate in this market in conjunction with his sharebroking business.
- 19.02 No member shall without the consent of the committee of his regional exchange:
- 19.021 Be a director of an authorised money market dealer company.
- 19.022 Be named as a director in a prospectus issued by such a company.
- 19.023 Approach such a company for business.
- 19.024 Accept a procuration fee from such a company.
- 19.03 In considering an application for consent under Rule 19.02, the committee may, if it thinks fit, grant consent if the member holds no other office in the authorised money market dealer company, the company does not have a name which is indicative of, or related to, the name of the member or his firm and the company operates from a location, and through staff, entirely divorced from those of the member and his firm. If consent is given any procuration fee received from the company shall be disclosed to the client.
- 19.04 When dealing in commercial bills, Bank TCDs and other bearer securities:
- 19.041 No member shall act as a principal.
- 19.042 No member shall hold any security on behalf of a client.
- 19.043 No member shall endorse or guarantee any bill.
- 19.044 Every member shall ensure that bills are forwarded to the client or lodged at a trading bank for custody and collection.
- 19.045 Every member shall ensure that full details of every transaction are advised to the client in writing.
- 19.046 Every member shall ensure that the receipt of any fee is disclosed to the client.
- 19.05 Where any funds are placed on deposit for a client and remain to any degree under the control of a member written authority shall be obtained from the client.
- 20.0 Discipline**
- 20.01 A Disciplinary Committee of the Exchange shall be appointed by the Council and shall consist of a barrister of not less than 7 years' practice who shall be chairman, and not less than 2 or more than 7 other members none of whom shall be a sitting chairman of a regional exchange, or a member of its committee. The Council may from time to time remove from office any member of the Disciplinary Committee or fill any vacancy in its membership or appoint any additional member within the limits set by this Rule. No member who has attained the age of 70 years shall be eligible for appointment and a member of the Disciplinary Committee attaining that age shall retire from the Disciplinary Committee at the conclusion of the next annual meeting of the Council and shall not be eligible for re-appointment.
- 20.02 Subject to the proviso to Rule 20.08, a quorum shall consist of the chairman and not less than 2 other voting members of the Disciplinary Committee.
- 20.03 If the chairman, through absence or any other cause is unable to act, the Executive may appoint a qualified person in his place for a period not exceeding 6 months. Such appointment may be renewed only by the Council.
- 20.04 The chairman of the Disciplinary Committee shall appoint one member of the public (who shall not be a barrister or solicitor) residing in Wellington, to be the lay member of the Disciplinary Committee. Each such appointment shall be for a period of one year, but may be renewed.
- 20.041 The appointment shall be advised to the Securities Commission to whom the lay member shall report at least once in each year.
- 20.042 The lay member shall be entitled to receive all notices and reports sent to the Disciplinary Committee and to attend all its meetings. He may speak and take part in proceedings and deliberations on hearings and appeals, but shall not have a vote. His remuneration and expenses shall be as agreed with the chairman of the Disciplinary Committee and shall be paid by the Exchange.
- 20.043 The lay member shall have no obligation to attend hearings of the Disciplinary Committee which he considers do not involve the public interest.