

“Multicontributor page” means a multicontributor page of information that is displayed on a screen provided by Reuters New Zealand Ltd. or Telerate New Zealand Limited;

“Shorter maturing financial arrangement”, in relation to a financial arrangement, means another financial arrangement similar, in all respects material to investors to the first-mentioned financial arrangement, except that the maturity of the other financial arrangement will occur before the maturity of the first-mentioned financial arrangement;

“Reuters New Zealand Ltd.” means Reuters New Zealand Ltd. or any company that is an associated person in relation to Reuters New Zealand Ltd. and is in the business of providing financial information in the form of multicontributor screens or contributor screens;

“Telerate New Zealand Limited” means Telerate New Zealand Limited or any company that is an associated person in relation to Telerate New Zealand Limited and is in the business of providing financial information in the form of multicontributor screens or contributor screens.

(2) In this determination, unless the context otherwise requires, expressions used except those expressions defined in paragraph (1) of this clause have the same meanings as sections 2 and 64B to 64M of the Act.

(3) Any reference in this determination to another determination made by the Commissioner shall be construed as referring to any fresh determination made by the Commissioner to vary, rescind, restrict, or extend that determination.

6. *Method*—(1) *Approved Domestic Markets*—The markets in the following securities are approved—

- (a) New Zealand Government Treasury Bills;
- (b) New Zealand Government Stock;
- (c) Bank bills.

(2) *Approved Foreign Markets*—The markets in the securities issued by the central government of the following countries are approved—

- Canada.
- Commonwealth of Australia.
- Federal Republic of Germany.
- French Republic.
- Japan.
- Kingdom of the Netherlands.
- Republic of Italy.
- Swiss Confederation.
- United Kingdom of Great Britain and Northern Ireland.
- United States of America.

(3) *Approved sources of information*—In relation to an approved market referred to in the preceding subclauses of this clause, the following sources of information are approved—

- (a) A multicontributor page that quotes prices or yields for securities traded in the market;
- (b) A contributor page or other noticeboard of prices or yields at which the persons posting prices or yields are prepared to buy from and sell to any other person;
- (c) A person active in the market.

(4) *Selecting buying or selling price*—Where for the purpose of determining the income or expenditure of a person, in respect of a financial arrangement and an income year, it is necessary to refer to the price or yield for an identical financial arrangement and a market referred to in this determination, the price or yield shall be determined where the first mentioned financial arrangement is—

- (a) A debt or a debt instrument, and the person is a holder of the financial arrangement, by reference to the price or yield at which the person could sell or otherwise dispose

of the financial arrangement (i.e., the market “bid” or “buy” price);

(b) A debt or a debt instrument, and the person is not a holder of the financial arrangement, by reference to the price or yield at which the person could purchase or otherwise acquire the financial arrangement (i.e., the market “sell” price);

(c) A forward or futures contract, by reference to the price at which the person could close out the contract;

(d) An exchange-traded option, by reference to the price at which the person could make an offsetting contract.

(5) *Application of cut-off time*—Where the price or yield of any financial arrangement is used by a person for the purpose of calculating the income derived or expenditure incurred by the person in respect of any financial arrangement in an income year pursuant to this determination, the price or yield shall be determined at the cut-off time in relation to the person and the income year:

Provided that where there is no active market in financial arrangements of the same class at the cut-off time in relation to the person and the income year, the price or yield applied shall be the price or yield determined at—

- (a) The end of trading in the market in the class of financial arrangements by the person in the income year; or
- (b) The commencement of trading in the market in the class of financial arrangements by the person in the immediately succeeding income year.

(6) *Method for determining cut-off time*—The method adopted by a person for the purpose of determining the cut-off time in respect of an income year shall be adopted and consistently applied by that person in respect of every income year.

(7) *Approved methods*—Where for the purpose of determining the income or expenditure of a person in respect of a financial arrangement and an income year, it is necessary to refer to the price or yield for an identical financial arrangement and a market referred to in this determination, the price or yield shall be determined—

- (a) By reference to the price or yield quoted, in relation to the identical financial arrangements and the market, on a multicontributor page;
- (b) Where the price or yield cannot be determined pursuant to the preceding paragraph of this subclause, by reference to the arithmetic mean of three prices or yields quoted in relation to the identical financial arrangements and the market on a contributor page or by a broker active in the market;

Provided that—

- (i) Where quotes are available on contributor pages these shall be used in preference to quotes from persons active in the market;
- (ii) All quotes used shall be from persons acting independently of any other.

(c) Where—

(i) The price or yield cannot be determined pursuant to the preceding paragraphs of this subclause; and

(ii) The prices or yields for shorter maturing financial arrangements and for longer maturing financial arrangements in relation to the identical financial arrangements and the market are quoted on a multicontributor page, by interpolation between the price or yield so quoted for the shorter maturing financial arrangement that matures closest in time to the maturity of the financial arrangement and the price or yield so quoted for the longer maturing financial arrangement that matures closest in time to the maturity of the financial arrangement.