



# Securities Act (Australian Unit Trusts) Exemption Notice 2005

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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## Notice

- 1 Title**  
This notice is the Securities Act (Australian Unit Trusts) Exemption Notice 2005.
- 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 30 June 2010.
- 4 Interpretation**
- (1) In this notice, unless the context otherwise requires,—
- Act** means the Securities Act 1978
- Australian unit trust** means a unit trust established under the laws of Australia
- Regulations** means the Securities Regulations 1983

**specified participatory securities** means any interests or rights to participate in any capital, assets, earnings, or other property of an Australian unit trust; and includes any renewal or variation of the terms or conditions of any of those interests or rights.

- (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

Every manager of an Australian unit trust and every person acting on the manager's behalf is exempted from clause 1(4) of Schedule 3 of the Regulations in respect of specified participatory securities of which the manager is the issuer if the price or other consideration to be paid or provided for the specified participatory securities being offered is not fixed at the specified date.

## 6 Condition of exemption

The exemption in clause 5 is subject to the condition that the registered prospectus relating to the specified participatory securities contains a description of the manner by which the price or other consideration to be paid or provided for the specified participatory securities is to be fixed.

Dated at Wellington this 26th day of July 2005.

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

[L.S.]

C. A. N. Beyer,  
Member.

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### Statement of reasons

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on 30 June 2010.

This notice exempts, subject to conditions, managers of Australian unit trusts from clause 1(4) of Schedule 3 of the Securities Regulations 1983 in respect of specified participatory securities. That provision requires the registered prospectus to disclose the price or other consideration to be paid or provided for the securities.

The Securities Commission considers it is appropriate to grant the exemption because—

- Australian unit trusts that invest in market securities can be unable to state a specific price for units as the price depends on the value of the trust's underlying assets, as is the case for a similar New Zealand unit trust. The exemption is limited to cases where the price of the securities is unable to be determined at the specified date:
- the condition of exemption requires that investors receive certain relevant information about the pricing mechanism for the securities. This is consistent with the obligations on a New Zealand unit trust.

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Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 28 July 2005.

This notice is administered by the Securities Commission.

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