



Securities Act (HSBC Investments New Zealand Limited) Exemption Notice 2010

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 (HSBC Investments New Zealand Limited) Exemption Notice 2010.
- 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 2011.

4 Interpretation

- (1) In this notice, unless the context otherwise requires,—
- Act** means the Securities Act 1978
- HSBC Portfolios** means HSBC Portfolios, a company incorporated in the Grand Duchy of Luxembourg
- specified securities** means units in any specified unit trust that are offered in a prospectus that is registered between the commencement of this notice and the close of 31 August 2010
- specified unit trust** means a unit trust that—
- (a) is established under the HSBC Investments New Zealand Master Unit Trust Deed dated 1 May 2008 (as amended); and
 - (b) invests in shares in HSBC Portfolios
- Regulations** means the Securities Regulations 2009.
- (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 from clause 11(3)(d) of Schedule 4 of Regulations

HSBC Investments New Zealand Limited is exempted from clause 11(3)(d) of Schedule 4 of the Regulations in respect of specified securities.

6 Conditions

The exemption in clause 5 is subject to the conditions that the registered prospectus for the specified securities must contain—

- (a) unaudited financial statements for HSBC Portfolios for the period starting on 21 July 2009 and ending on 31 January 2010 that are prepared in accordance with the law, and the generally accepted accounting principles, of the Grand Duchy of Luxembourg; and
- (b) a statement to the effect that those financial statements—
 - (i) are unaudited; and

- (ii) are for the period starting on 21 July 2009 and ending on 31 January 2010 (rather than a complete accounting period); and
- (iii) have been prepared in accordance with the law, and the generally accepted accounting principles, of the Grand Duchy of Luxembourg (rather than New Zealand generally accepted accounting practice).

Dated at Wellington this 20th day of July 2010.

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

[Seal]

N O Todd,
Member.

Statement of reasons

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on the close of 30 June 2011.

This notice exempts, subject to conditions, HSBC Investments New Zealand Limited (**HSBC**) from clause 11(3)(d) of Schedule 4 of the Securities Regulations 2009 (the **Regulations**) in respect of an offer of units in certain unit trusts.

The unit trusts intend to invest in an investment company incorporated in the Grand Duchy of Luxembourg called HSBC Portfolios. Clause 11(3)(d) of Schedule 4 of the Regulations would otherwise require the prospectus for the offer of the units in the unit trusts to include financial statements for HSBC Portfolios or a reference to

those statements (being statements that comply with, and have been registered under, the Financial Reporting Act 1993 or are prepared in accordance with New Zealand generally accepted accounting practice (**NZ GAAP**)).

The Securities Commission considers that the exemption is appropriate because—

- HSBC is unable to include in the prospectus for the offer of the units in the unit trusts audited financial statements relating to HSBC Portfolios because HSBC Portfolios has not yet completed an accounting period, and has not registered financial statements under the Financial Reporting Act 1993 or prepared financial statements in accordance with NZ GAAP. The exemption allows HSBC to make an offer to New Zealand investors without waiting until HSBC Portfolios has completed an accounting period, and without registering financial statements under the Financial Reporting Act 1993 or preparing financial statements in accordance with NZ GAAP:
- alternative unaudited interim financial statements for HSBC Portfolios will provide the best available information about the financial circumstances of HSBC Portfolios. The provision of this information means that New Zealand investors are not materially disadvantaged in considering the financial circumstances of HSBC Portfolios:
- the conditions of exemption mean that investors will be warned that the interim financial statements of HSBC Portfolios are not audited, are for the period starting on 21 July 2009 and ending on 31 January 2010, and are prepared in accordance with the law and generally accepted accounting principles of the Grand Duchy of Luxembourg.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 22 July 2010.
This notice is administered by the Securities Commission.
