



The New Zealand Gazette

OF THURSDAY, 17 DECEMBER 1992

WELLINGTON: WEDNESDAY, 23 DECEMBER 1992 — ISSUE NO. 208

Regulation Notices

Notice Under the Acts and Regulations Publication Act 1989

Pursuant to the Acts and Regulations Publication Act 1989, notice is hereby given of the making of regulations as under:

<i>Authority for Enactment</i>	<i>Title or Subject-matter</i>	<i>Serial Number</i>	<i>Date of Enactment</i>	<i>Price Code</i>	<i>Postage and Pack-aging</i>
United Nations Act 1946	United Nations Sanctions (Liberia) Regulations 1992	1992/371	21/12/92	4-BX	\$2.10
United Nations Act 1946	United Nations Sanctions (Federal Republic of Yugoslavia (Serbia and Montenegro)) Regulations 1992, Amendment No. 1	1992/372	21/12/92	3-BX	\$2.10
Accident Rehabilitation and Compensation Insurance Act 1992	Accident Rehabilitation and Compensation Insurance (Social Rehabilitation—Training for Independent Living) Regulations 1992	1992/373	21/12/92	5-BY	\$2.30
Accident Rehabilitation and Compensation Insurance Act 1992	Accident Rehabilitation and Compensation Insurance (Social Rehabilitation—Home Help) Regulations 1992, Amendment No. 1	1992/374	21/12/92	2-A	\$1.60
Accident Rehabilitation and Compensation Insurance Act 1992	Accident Rehabilitation and Compensation Insurance (Social Rehabilitation—Attendant Care) Regulations 1992, Amendment No. 1	1992/375	21/12/92	2-A	\$1.60
Private Savings Banks (Transfer of Undertakings) Act 1992	Bank of New Zealand Savings Bank Limited (Transfer of Undertaking) Order 1992	1992/376	21/12/92	2-A	\$1.60
Commodity Levies Act 1990	Commodity Levies (Winemaking Grapes) Order 1992	1992/377	21/12/92	6-BY	\$2.30
Forests Act 1949	Forestry (East Coast) Grants Regulations 1992, Amendment No. 1	1992/378	21/12/92	2-A	\$1.60
Tariff Act 1988	Tariff (Underpants and Briefs) Amendment Order 1992	1992/379	21/12/92	3-BX	\$2.10
Resource Management Act 1991	Resource Management (Approval of Auckland Electric Power Board as Requiring Authority) Order 1992	1992/380	21/12/92	2-A	\$1.60

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Resource Management Act 1991	Resource Management (Approval of Broadcast Communications Limited as Requiring Authority) Order 1992	1992/381	21/12/92	4-BX	\$2.10
Resource Management Act 1991	Resource Management (Approval of New Zealand Rail Limited as Requiring Authority) Order 1992	1992/382	21/12/92	2-A	\$1.60
Resource Management Act 1991	Resource Management (Approval of Queenstown Airport Corporation Limited as Requiring Authority) Order 1992	1992/383	21/12/92	3-BX	\$2.10
Resource Management Act 1991	Resource Management (Approval of Trans Power New Zealand Limited as Requiring Authority) Order 1992	1992/384	21/12/92	3-BX	\$2.10
Resource Management Act 1991	Resource Management (Approval of Waikato Regional Airport Limited as Requiring Authority) Order 1992	1992/385	21/12/92	2-A	\$1.60
Marine Reserves Act 1971	Marine Reserve (Tuhua (Mayor Island)) Order 1992	1992/386	21/12/92	2-A	\$1.60
Marine Reserves Act 1971	Marine Reserve (Whanganui A Hei (Cathedral Cove)) Order 1992	1992/387	21/12/92	2-A	\$1.60
Fire Service Act 1975	Fire Service Levy Order 1992	1992/388	21/12/92	2-A	\$1.60
Customs Act 1966	Customs Regulations 1968, Amendment No. 33	1992/389	21/12/92	2-A	\$1.60
Shipping and Seamen Act 1952	Shipping Restricted Limits Notice 1980, Amendment No. 6	1992/390	17/12/92	2-A	\$1.60
Securities Act 1978	Securities Act (New Zealand Futures & Options Exchange—Trading in Options for Quoted Securities) Exemption Notice 1992	1992/391	22/12/92	2-A	\$1.60
Securities Amendment Act 1988	Futures Contracts (Options for Quoted Securities) Notice 1992	1992/392	22/12/92	2-A	\$1.60

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Government Notices

Internal Affairs

Electoral Act 1956

Resignation of Deputy Clerk of the Writs

Her Excellency of Governor-General has accepted the resignation of

John Lindell O'Sullivan, L.V.O., of Wellington
from the office of Deputy Clerk of the Writs.

Dated at Wellington this 18th day of December 1992.

J. B. BOLGER, Prime Minister.

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Deputy Clerk of the Writs Appointed

Pursuant to the Electoral Act 1956, Her Excellency the Governor-General has been pleased to appoint

Joel Michael George, of Wellington

to be Deputy Clerk of the Writs.

Dated at Wellington this 18th day of December 1992.

J. B. BOLGER, Prime Minister.

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Agriculture and Fisheries

Animals Act 1967

Area Movement Control: Tuberculosis Amendment Notice (No. 5200)

Pursuant to section 13A (3) of the Animals Act 1967, I hereby amend Notice No. 5177 published in the *New Zealand Gazette* on 24 September 1992, No. 154, page 3202, by replacing and substituting the first paragraph to read ...

"Pursuant to section 13A of the Animals Act 1967 I require that all cattle or deer being moved from any place, not being a public saleyard, in a designated Movement Control Area to any other place, shall be accompanied by a signed and dated document by the owner or his/her agent attesting to the matters referred to in (i) and (ii) below, and; in the case of cattle or deer being moved from a public saleyard in a designated Movement Control Area to any other place, there shall be made available either by, accompanying the animals or being despatched to the consignee within 2 working days of the date of the sale, a signed and dated document by the owner or his/her agent attesting to the matters in (i) and (ii) below:

(i) in the case of deer and cattle 12 months of age or older, that within 90 days prior to the date of movement they have undergone a test for tuberculosis approved by the Director-General of Agriculture and Fisheries and carried out by an inspector or veterinarian, with negative results; and

(ii) in the case of all animals, in respect of tuberculosis the status assigned in writing by an inspector to the herd of origin as at the date of the statement."

Reason for this Notice

The changes are made to:

(a) extend the requirement, regarding herd status, to all animals being moved from a place in a designated area, irrespective of age; and

(b) to permit the required document for animals sold at saleyards to be sent to consignees at the same time as the Stock Agency Company invoice, instead of physically accompanying the animals.

This notice comes in effect on 11 January 1993.

Dated at Wellington this 22nd day of December 1992.

JOHN FALLOON, Minister of Agriculture.

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Notice to Set Apart and Define a Special Quarantine Ground in Room 508, Level 5, Burns Wing, Lincoln University, Lincoln, Canterbury (Notice No. 5201; Qual/0966/LIC)

Pursuant to section 11A (1) of the Animals Act 1967, land, as specified in the attached Shedule, is hereby declared to be a special quarantine ground for the detention of imported animals or one or more kinds of imported animals.

Schedule

Ellesmere County—Canterbury Survey District

Room 508, Level 5 of the Burns Wing, Lincoln University, corner Springs and Ellesmere Junction Roads, Lincoln, situated in Lot 4, Deposited Plan 6070, Rural Section 40354, and part Rural Section 10001, Block VIII, Ellesmere County certificate of title 33K/1177.

Dated at Wellington this 22nd day of December 1992.

PETER O'HARA, Chief Veterinary Officer, MAF Regulatory Authority, Ministry of Agriculture and Fisheries (acting pursuant to delegated authority).

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Fisheries Act 1983

Fisheries (Quota Aggregation Limit Exemption) Notice (No. 2) 1992 (Notice No. 5199)

Pursuant to section 28W of the Fisheries Act 1983 and section 5 of the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 the Minister of Fisheries, after consultation with the Fishing Industry Board and after consideration of the matters specified in section 28W (5) of the said Act, hereby gives the following notice:

Notice

1. **Title**—(1) This notice may be cited as the Fisheries (Quota Aggregation Limit Exemption) Notice (No. 2) 1992.

(2) This notice will come into effect on the day after its notification in the *Gazette*.

2. **Interpretation**—In this notice:

(a) Any reference to a Quota Management Area means

(i) in the case of species of fish to which section 28W (1) (b) and (d) refers, the appropriate Quota Management Area as defined in the Fisheries (Quota Management Areas, Total Allowable Catches and Catch Histories) Notice 1986*; and

(ii) in the case of species to which section 28W (1) (a) refers, New Zealand fisheries waters as defined in section 2 (1) of the said Act;

(b) Species and quota management areas are specified by way of fishstock codes, being fishstock codes as defined in the Second Schedule to the Fisheries (Reporting) Regulations 1990†

(c) "the Commission" means the Treaty of Waitangi Fisheries Commission established by section 4 of the Maori Fisheries Act 1989 (as amended by the Treaty of Waitangi (Fisheries Claims) Settlement Act 1992) and includes any statutory successor to the Treaty of Waitangi Fisheries Commission;

(d) A company shall be deemed to be a subsidiary of another company or a statutory corporation if:

(i) that company or that statutory corporation is a member of it and controls the composition of its board of directors; or holds more than half in nominal value of its equity share capital (as that term is defined in section 158 (5) of the Companies Act 1955); or

(ii) the first mentioned company is a subsidiary of any company which is a subsidiary of that other company or that statutory corporation;

(e) A company shall be deemed to be associated with another company, if the two companies consist of substantially the same shareholders or are under the control of the same persons (as that term is defined by section 7 of the Income Tax Act 1976);

(f) "the Joint Venture" means the joint venture between Te Waka Unua Limited (a wholly owned subsidiary of the Commission) and Brierley Investments Limited;

(g) "the Consortium" means the consortium comprising the Commission and its subsidiary and associated companies, Sealord Products Limited and its subsidiary and associated companies, and Brierley Investments Limited and its subsidiary and associated companies.

3. **Exemption to quota aggregation limit**—(1) As from the date that this notice takes effect, the Consortium is permitted

to hold the quota and interests in quota described in paragraphs (3), (4), and (5) of this clause.

(2) For the purpose of calculating the amount of quota and interests in quota held by the Consortium for the purposes of this notice :

(a) any interest in quota held by any person in the Consortium that relates to any quota or any other interest in quota held by any other person in the Consortium will be disregarded;

(b) any interest in quota that is an interest in quota to which subsection (2A) of section 28w refers shall be included.

(3) Subject to paragraph (6) of this clause, for the purposes of section 28w (3) (a) of the said Act, the Consortium may hold quota and interest in quota up to, and including, the percentage limits for New Zealand fisheries waters in respect of the fish species specified in the following table :

Species	Quota Aggregation Limit %
Hake	45%
Hoki	47%
Ling	45%
Orange Roughy	45%
Oreo Dory	45%
Squid	41%

(4) Subject to paragraph (6) of this clause, for the purposes of section 28w (3) (b), the Consortium may hold quota and interest in quota up to, and including, the percentage limits for spiny rock lobster in the quota management areas specified in the following table:

Fishstock	Quota Aggregation Limit %
CRA 1	31%
CRA 10	15%
CRA 2	21%
CRA 3	23%
CRA 4	16%
CRA 5	18%
CRA 6	12%
CRA 7	12%
CRA 8	19%
CRA 9	12%

(5) Subject to paragraph (6) of this clause, for the purposes of section 28w (3) (d), the Consortium may hold quota and interest in quota up to, and including, the percentage limits for the species and quota management areas specified in the following table:

Fishstock	Quota Aggregation Limit %
BAR 4	30%
BAR 5	38%
BAR 7	37%
BNS 1	40%
BNS 2	45%
BNS 3	29%
BNS 7	28%
BYX 1	23%
BYX 2	51%
BYX 3	28%
FLA 2	22%
GUR 1	25%
GUR 2	34%
HPB 1	32%
HPB 2	26%
HPB 5	44%
JDO 1	30%
JDO 2	29%
JDO 7	30%
JMA 7	28%
PAU 1C	51%
PAU 4	23%
PAU 7C	26%
RCO 3	22%

Fishstock

RCO 7	21%
SCH 1	22%
SCH 2	25%
SCH 4	29%
SKI 1	27%
SKI 2	32%
SKI 3	40%
SKI 7	50%
SNA 1	27%
SNA 2	31%
SNA 8	25%
SPO 1	22%
SPO 2	26%
STA 2	33%
TAR 1	42%
TAR 2	34%
TAR 5	33%
TAR 7	23%
TAR 8	32%
TRE 1	28%
TRE 2	28%
TRE 7	27%
WAR 1	20%
WAR 2	22%
WAR 3	32%
WAR 7	21%

Quota Aggregation Limit %

(6) This consent will continue in effect with respect to any quota in respect of any species in any area for 5 years from the date hereof.

Dated at Wellington this 23rd day of December 1992.

D. L. KIDD, Minister of Fisheries.

*S.R. 1986/267

†S.R. 1990/214

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New Zealand Grown Fruit and Vegetables Regulations 1975

Standard Grade for the Export of Buttercup Squash Notice (Ag. 12/2/14; No. 5195)

This notice revokes the Standard Grade for the Export of Buttercup Squash Notice (No. 5121; Ag. 12/2/14) published in the *New Zealand Gazette* on 14 November 1991 at page 3585.

Pursuant to regulations 13 and 16 of the New Zealand Grown Fruit and Vegetables Regulations 1975*, the Director-General of Agriculture and Fisheries hereby gives notice that the Standard Grade for the Export of Buttercup Squash (also known as Kabocha) shall be set out in this notice.

Notice

1. **Title**—(1) This notice may be cited as the Standard Grade for the Export of Buttercup Squash Notice 1992.

(2) This notice shall come into force on the day after the date of its notification in the *New Zealand Gazette*.

2. **Interpretation**—Unless the context otherwise requires, terms and expressions used in this notice shall have the same meaning as in the New Zealand Grown Fruit and Vegetables Regulations 1975*. Certain of these terms and expressions are applicable to buttercup squash.

2.1 **Application of notice**—This notice determines the standard grade for the export of buttercup squash from New Zealand.

2.2 **Title and grade**—The grade mark assigned to this standard grade shall be grade 1 (hereinafter referred to as 'the grade').

2.3 **Definition of produce**—This grade applies to the fruit of

Curcubita maxima known as buttercup squash, (kabocha), to be supplied fresh to the customer.

Note: Buttercup squash for industrial processing is excluded from this grade providing the packages are marked accordingly.

2.4 Provisions concerning quality—The purpose for this standard is to define the quality requirements for buttercup squash at the dispatching stage, after preparation and packaging.

Refer schedules:

One—Definition of terms and provisions concerning fruit quality;

Two—Provisions concerning sizing, tolerance and presentation; and

Three—Allowance for defects.

2.5 Provisions concerning packaging—Refer Schedule Four.

2.6 General Information and exemptions—Refer Schedule Five.

Schedule One

3. Definition of Terms:

3.1 “Colour” means typical of the variety.

3.2 “Cured” means that at the time of loading into the export sea container or vessel the fruit has been held for an adequate time period to allow:

(a) The cut surface of the stalk to dry;

(b) The remainder of the stalk to have commenced shrivelling to a firm texture with a brown withered surface.

(c) During the curing/holding process all product shall be stored to allow maximum ventilation, and have a minimum of 10 cm between rows of stacked bins.

3.3 An adequate time period is considered to be:

(a) In the case of dry/door off container shipment:

a minimum of 48 hours with strong recommendation for 72 hours from harvest to shipment.

(b) In the case of reefer vessel shipment:

a minimum of 96 hours with a strong recommendation for 192 hours from harvest to shipment.

3.4 “Mature” means that the fruit has reached a minimum maturity at harvest as indicated by:

(a) the development of prominent brown flecks on the stalk; and

(b) the development of a dull dark green colour to the skin, with the loss of a glossy sheen on the skin; and

(c) a full orange colour in the flesh; and

(d) more than 50% of seed display kernel formation that is firm.

3.5 “Sound” means free from any decay, rots, (including small shallow rots even if dry and calloused), breakdown freezing or chilling injury, damage and similar defects, and not of an age which may cause rapid loss of condition or rapid decay.

3.6 “Storage Defects” means decay, fungal rots, wilt or other injury as a result of storage.

3.7 “Sunburn” means injury from exposure to the sun which results in sunken white areas of damaged flesh.

3.8 “Trimmed” means the stalk is cut cleanly and is less than 20 mm long or does not protrude more than 10 mm above the shoulders of the fruit.

4. Provisions Concerning Fruit Quality

The fruit shall be:

4.1 Free from pests and diseases and meet any quarantine and other legal requirements of the importing country;

4.2 Intact, whole;

4.3 Sound—free from storage defects or any other defects which may impair their general appearance or keeping quality;

4.4 Clean—free from soil, practically free of any other visible foreign matter;

4.5 Free from abnormal external moisture;

4.6 Free from foreign smell or taste;

4.7 Mature;

4.8 Trimmed;

4.9 Cured;

4.10 Of good quality, with similar varietal characteristics including shape and colour and without distortion due to abnormal development;

4.11 Capable of withstanding handling, storage and transport, and arriving at the destination in a sound condition;

4.12 Free from sunburn and scald;

Note: Skin defects which are not liable to impair the keeping qualities are permitted within the limits specified in the Third Schedule to this notice.

Schedule Two

5. Provisions Concerning Sizing, Tolerance, and Presentation:

5.1 Provisions concerning sizing—Sizing is determined by weight at the time of packing. The minimum size for export in bulk packs is 1.2 kg and above which should be marked Grade 1.

Note: Fruit in the size range of 1 kg up to 1.2 kg only is permitted as a separate pack which shall be marked accordingly and checked for maturity prior to export.

5.2 Tolerance—Any one package shall not contain more than 5 percent of individual fruit whose weight is outside the branded size range.

5.3 Presentation

(a) *Uniformity*—For the purposes of grade the contents of each package shall be uniform; each package must contain only fruit of the same origin, variety, quality, degree of ripeness and size. The visible part of each package shall be representative of the entire contents.

(b) *Packaging*—The fruit shall be packed in clean new packages substantially free of fungi and all other foreign material and in such a way to ensure that they are suitably protected.

Packages shall be free of all foreign matter.

(c) *Export Bin specifications*—All wooden bins used to export buttercup squash shall meet the specifications and dimensions, as set out in the Fourth Schedule to this notice.

Schedule Three

6. Allowances for Defects:

6.1 Soil bleaching (groundspot)—Shall not cover more than 15 percent of the surface area on individual fruit.

6.2 Discolouration (bronzing)—The result of exposure to the sun. Where the colour of the affected area is still predominantly green the fruit is acceptable. Where a brown or bronzed colour is dominant in the affected area the fruit is not acceptable.

6.3 Vine marks—The vine must not have substantially distorted the outline or shape of the fruit. A vine mark must be:

(a) No deeper than 20 mm from the normal surface of the fruit at the deepest point.

(b) No wider than 20 mm at the widest point.

(c) No longer than 100 mm.

6.4 Callousing—Surface callousing (ie non-raised areas) shall

not exceed 4 square cm in aggregate on all export fruit from 1.2 kg up to 2 kg in weight, and 6 square cm in aggregate on all export fruit above 2 kg. Callousing with raised areas such as "pimples" or oedema ("warts") shall not exceed 2 square cm in aggregate area and 5 mm in height at any point.

6.5 Bruising—Marks resulting from pressure shall not:

- (a) Have broken the skin.
- (b) Exceed 2 square cm in aggregate area.

6.6 Cuts are not acceptable on fruit—Cuts or broken skin which may be caused by cutting (knives, secateurs) or impact on a sharp edge (stalks, timber, metal).

6.7 Dirty fruit—Soil, grease, bird droppings or other foreign matter on the fruit is not acceptable.

6.8 Shape—The fruit shall be wider than it is high, and typical of the variety.

6.9 Shrinkage (weight loss)—Shrinkage allowance of 7 percent of nett weight at the time of dispatch is to be provided for.

6.10 External moisture—All fruit shall be substantially free of external moisture (water from washing procedures) prior to stowage for export shipment.

Schedule Four

7. Provisions Concerning Packaging:

For the purposes of this notice a container, a bin and a 10 kg carton are deemed to be packages as per Regulation 16 of the New Zealand Grown Fruit and Vegetables Regulations 1975*.

7.1 Reefer Vessel Bins

(a) Timber lengths for front and back	1.18 m
(b) Timber lengths for pallet base	1.22 m
(c) Timber lengths for bin caps	1.22 m
(d) Timber lengths for sides	1.02 m
(e) Timber lengths for corners	0.92 m
(f) Timber lengths for base bearers	1.02 m

Bins for export by reefer vessel shall be manufactured in compliance with clause 7.4.

7.2 Door Off Sea Dry Container Bins—All bins to be of a size that allows twenty bins of the same dimensions per twenty foot dry sea container.

Bins for export by door off dry sea containers shall be manufactured in compliance with clause 7.4.

7.3 Reefer Sea Container Bins.

Bins for export by reefer sea containers shall be manufactured in compliance with clause 7.4.

7.4 Timber and Construction Specifications for all Bins:

7.4.1 Timber.

- (a) Bins shall be constructed of one of the following timbers:
Pine, Douglas Fir, Tanekaha.
- (b) The timber shall be:

New (clean, unused), bark-free, air seasoned (maximum of 25% moisture content) or anti-sap stain treated.

7.4.2 Bin Side Boards:

- (a) Minimum thickness 18 mm or 15 mm with vertical stays. Vertical stays in the centre of all sides (four at minimum) shall be 15 mm by 50 mm and shall be bevelled.
- (b) Minimum width 95 mm.
- (c) Knots No greater than 50% of board width.
- (d) Beveling Compulsory if timber multi-ripped.
- (e) No. of boards Six on each of the four sides.

7.4.3 Base of Pallet Boards for Door off Dry Sea Container Bins:

- (a) Minimum thickness 18 mm.
- (b) Minimum width 95 mm.
- (c) Knots No greater than 50% of board width.
- (d) Beveling Compulsory if timber multi-ripped.
- (e) No. of boards Nine

Note: 8 base boards may be used where the gap achieved between boards is 39 mm \pm 6 mm.

7.4.4 Base of Pallet Boards for Reefer Vessel Bins:

- (a) Minimum thickness 18 mm.
- (b) Minimum width 95 mm.
- (c) Knots No greater than 50% of board width.
- (d) Beveling Compulsory if timber multi-ripped.
- (e) No. of boards Eight.
- (f) Seven base boards may be used where the first layer of product is packed flat (to minimise damage).

7.4.5 Base of Pallet Bearers:

- (a) Size 100 mm \times 50 mm.
- (b) Number Three spaced evenly over pallet.

7.4.6 Cap Rails:

- (a) Minimum thickness 18 mm.
- (b) Minimum width 95 mm.
- (c) Knots No greater than 50% of board width.
- (d) Beveling Compulsory if timber multi-ripped.

Note: 2 cap rails must be applied per bin, one on the front and one on the back.

7.4.7 Corner Stays

- (a) Minimum dimensions 100 mm \times 50 mm } diagonally cut.
75 mm \times 75 mm }

7.4.8 Fastenings—Nails or staples to be used as follows:

- (a) Nails Ring shank, angular groove or equivalent.
- (b) Length 55 mm for all bins with 18 mm side boards.
51 mm for all bins with 15 mm side boards.
- (c) No. of nails Two nails per join and four where bottom side boards join base.
Total number of nails: for bins with 18 mm side boards = 182, for bins with 15 mm side boards = 230.
- (d) Staples length Q23-55 mm for all bins with 18 mm side boards, Q21-50 mm for all bins with 15 mm side boards.
- (e) No. of staples Three staples per join and six where bottom side boards join base. Total number of staples: for bins with 18 mm side boards = 273, for bins with 15 mm side boards = 345.

7.4.9 Construction:

All bins must be constructed in accordance with these specifications using sound building practices, in a tight, square and uniform way.

Schedule Five

1. General Information:

The following explanatory notes do not form part of this

standard grade, but are presented for the information of growers, packers and exporters.

1.1 It is the responsibility of the exporter to ensure the produce exported meets the legal requirements of the importing country and the specification of the importer and that the produce be substantially free of pest and disease.

1.2 Handling and Packing:

(a) Packing of shipping containers in the field is not acceptable.

(b) Fruit should not be cut or harvested in rain or damp conditions. Full bins should be protected from inclement weather.

(c) Avoid the possibility of sunburn following cutting and during harvesting. Packed bins should be protected from the sun at all times.

(d) After harvesting it is desirable to hold fruit in a shaded airy place for a minimum of 48 hours prior to export packing.

(e) Fruit should be harvested at optimum maturity. Over mature fruit has a greater loss of colour and higher levels of post-harvest decay during and after shipment.

(f) The curing process is to be completed prior to export.

1.3 Export Bin Labels

Each export bin should be labelled with an accurate description of the contents of the bin. This label should only contain the information outlined in Section 1.4 below and the official control mark or inspection stamp of the Official Control Authority.

1.4 Provisions Concerning Marking

Packages shall be marked as per Regulation 24 of the New Zealand Grown Fruit and Vegetables Regulations 1975 and should only contain the following information:

- | | |
|----------------------------|--|
| - Identification | Registered mark of grower and packing establishment and exporters' identification. |
| - Nature of Produce | Kind and variety. |
| - Country of Origin | New Zealand. |
| - Commercial Specification | Grade contents. |

Note: Size ranges may also be included on bin labels.

1.5 Container specifications

All fan-ventilated containers used to export buttercup squash shall be fitted with an accurate temperature recorder at the commencement of loading. The recorder shall remain in place until fruit is unloaded.

2. Exemptions

Exemptions to the export marketing strategy for buttercup squash in relation to the packaging specification may be granted by the Director-General, New Zealand Ministry of Agriculture and Fisheries on receipt of a written submission and a recommendation by the New Zealand Buttercup Squash Council Incorporated.

Dated at Wellington this 16th day of December 1992.

P. JOHNSTON, National Manager, (Plants Market Access), of Agriculture and Fisheries, signed pursuant to a delegated authority under section 41 of the State Sector Act 1988.

* S.R. 1975/57.

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Noxious Plants Act 1978

Notice Declaring *Spartina (Spartina anglica, S. x townsendii)* a Class B Noxious Plant (No. 5196; Ag. 1570-03-3)

1. Pursuant to section 19 of the Noxious Plants Act 1978, the Noxious Plants Council hereby declares spartina (*Spartina*

anglica, S. x townsendii) to be Class B noxious plant in that part of New Zealand lying within the boundaries of the regions of Otago and Southland Regional Council District Noxious Plants Authorities.

2. This notice shall come into effect on the day after its date of notification in the *Gazette*.

Dated at Wellington this 1st day of December 1992.

J. L. RANDALL, Secretary, Noxious Plants Council.

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Notice Declaring Perennial nettle (*Urtica dioica*) a Class B Noxious Plant (No. 5197; Ag. 1570-03-3)

1. Pursuant to section 19 of the Noxious Plants Act 1978, the Noxious Plants Council hereby declares perennial nettle (*Urtica dioica*) to be a Class B noxious plant in that of New Zealand lying within the boundaries of the region of Otago Regional Council District Noxious Plants Authority.

2. This notice shall come into effect on the day after its date of notification in the *Gazette*.

Dated at Wellington this 1st day of the December 1992.

J. L. RANDALL, Secretary, Noxious Plants Council.

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Notice Revoking Classification of Barberry (*Berberis glaucocarpa*) as a Class B Noxious Plant (No. 5198; Ag. 1570-03-3)

1. Pursuant to section 19 of the Noxious Plants Act 1978, the Noxious Plants Council hereby revokes the declaration of barberry (*Berberis glaucocarpa*) as a Class B noxious plant in that part of New Zealand lying within the boundaries of the region of Otago Regional Council District Noxious Plants Authority, appearing in the Schedule to the notice entitled Declaration of Class B Noxious Plants in Otago Regional Council District Noxious Plants Authority (No. 4970; Ag. 12/10/18/6) published in the *New Zealand Gazette* on 22 March 1990, No. 43, page 953.

2. This notice shall come into effect on the day after its date of notification in the *Gazette*.

Dated at Wellington this 1st day of December 1992.

J. L. RANDALL, Secretary, Noxious Plants Council.

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Inland Revenue

Income Tax (Determinations) Regulations 1987

This anonymous version appears in substitution for the full version of Determination S1: Funding and Hedging Arrangements Denominated in a Foreign Currency in Respect of the Forward Purchase of a Commodity and Payment in Full at the Date of Agreement. The determination is made pursuant to regulations 8 and 10 of the Income Tax (Determinations) Regulations 1987. The determination was signed by R. D. Adair, Deputy Commissioner, on 8 December 1992.

Funding and Hedging Arrangements Denominated in Foreign Currency in Respect of the Forward Purchase of a Commodity and Payment in Full at the Date of Agreement

This determination may be cited as "Determination S1: Funding and Hedging Arrangements Denominated in a Foreign Currency in Respect of the Forward Purchase of Commodity and Payment in Full at the Date of Agreement".

1. *Explanation* (Which does not form part of the Determination)

(1) A has entered into an agreement to purchase a commodity

in order to pay a cash sum to B. This sum has had to be funded from C, who has provided a loan to A. A is a wholly owned subsidiary of C, and has entered into hedging arrangements with its parent in order to minimise its exposure to commodity price movements. As A and C are able functionally to be treated as one person when characterising this transaction, all financial arrangements within the scope of this determination can be treated as one financial arrangement. That financial arrangement consists of the following. An agreement whereby a holder sells a commodity to be delivered in instalments over a period of time, and the issuer pays the full purchase price at the time of entering into the agreement for those deliveries. An agreement whereby the issuer under the agreement for the sale and purchase of a commodity borrows the amount of purchase price required to pay the holder under the former agreement. The issuer under the agreement for sale and purchase of the commodity enters into an a commodity price swapping agreement in order to hedge the risk of price movements in the commodity in the period during which the agreement for the sale and purchase of that commodity operates.

(2) This determination applies to all these financial arrangements, together with any consequential financial arrangements arising as a result of deferred settlement of payment obligations under these financial arrangements (as more fully described in this determination) being in all cases financial arrangements denominated in a base currency.

This determination allows an issuer under the agreement for sale and purchase of the commodity to calculate income or expenditure in relation to all of these financial arrangements.

(3) A has agreed to buy and B has agreed to sell quantities of a commodity for delivery over 36 months. The amounts of the commodity to be delivered each month are quantified by reference to a schedule of base quantities known at the time the agreement was entered into. The actual amount of commodity to be delivered each month may vary from the agreed base quantities, but only by reference to movements between two commodity indices relative to each other. The actual value of the commodity to be delivered each month expressed in a Base Currency will not change by reason of the fact that there is a movement between these two commodity indices. A will pay a sum certain on the day of entering into the agreement to B for all future deliveries. No further adjustment to the price is contemplated in the agreement for the sale and purchase of the commodity.

(4) A will borrow from C the full amount of the purchase price to be paid to B. This loan to A will be denominated in a Base Currency, as will the purchase price paid by A to B. The loan will provide for repayment of principal and interest each month according to a schedule under which the amount to be paid by A every month is equivalent to the value of the base quantity of the commodity B has agreed to deliver to A each month, calculated by reference to the commodity price prevailing in the month the agreement for sale and purchase of the commodity was entered into.

(5) A will enter into hedging arrangements at the time the agreement for sale and purchase of the commodity from B to A, the "Forward Commodity Purchase agreement", is executed. The hedging arrangements will be in the nature of commodity price swaps, under which A will receive from C, each month for 36 months, an amount equal to the price of the commodity, expressed in the base currency, as prevailing at the date the Forward Commodity Purchase agreement was entered into. This is calculated by reference to the base quantity of commodity to be delivered in respect of each month of payment, and in any event being an amount equal to the loan repayment to be made by A to C under the Base Currency Loan to A to enable it to pay the purchase price of the commodity to B. The other party to the swap will pay to A, each month for 36 months, an amount calculated by reference to the base quantity of the commodity to be

delivered by B to A in that month and by reference to the commodity price prevailing on a recognised market for that commodity in that month expressed in Base Currency. The amount to be paid by each party in respect of any month under this swap agreement is calculated on the last day of the month, although actual payment is not required until 35 days thereafter.

(6) A and B have applied for a determination pursuant to section 64E (1) of the Act.

(7) Income or expenditure under the Forward Commodity Purchase agreement will be recognised using a methodology identical to that applied to the income or expenditure arising under the Base Currency Loan between A and C, after taking into account commodity price increases in each month, if any.

(8) The income or expenditure shall, in respect of the Forward Commodity Purchase agreement be recognised on the basis of the lowest price agreed by the parties pursuant to section 64BA (1) (c) (i) of the Act being the market price in the month each respective delivery is made in that month.

(9) The parties have entered into this arrangement in order to provide a cash sum to B, in circumstances in which C will not be a direct funder. C has accordingly purchased forward commodity, and taken the commodity risk on price movements which it has hedged.

2. *Reference*—This determination is made pursuant to section 64E (1) of the Act.

3. *Scope of determination*—This determination shall apply to the Forward Commodity Purchase agreement and the funding and hedging arrangements denominated in a Base Currency in respect of the forward purchase and forward payment for commodity entered into between A and B on 7 December 1992 under which the purchase price will be paid in full in that month, and shall bind both A and B.

4. *Principle*—(1) The Forward Commodity Purchase agreement is an arrangement transferring the commodity pursuant to a financial arrangement expressed in a Base Currency. The Commissioner accepts that the lowest price the parties have agreed and would have agreed for the purposes of section 64BA (1) (c) (i) is the market price in the month of each delivery in respect of deliveries made in that month. To the extent that the market price exceeds that part of the payment attributable to those deliveries, it shall contain both an element of capital (being part payment of the purchase price), and an element of interest. To the extent to which the market price of the commodity delivered in any month is less than that part of the purchase price attributable to the commodity delivered, B as the holder under the financial arrangement would have derived income to the extent of the difference in value, and correspondingly A as issuer would have incurred expenditure. As the commodity or the consideration given for the commodity is relevant under provisions of the Act other than sections 64B to 64M, and as the price at which the commodity is transferred pursuant to the Forward Commodity Purchase agreement includes an amount deemed to be income derived or expenditure incurred by the issuer or the holder, section 64L (2) of the Act will apply to determine the amount to be taken into account as the price or cost price or selling price of or capital expenditure incurred in respect of the commodity. This determination provides the method for recognising income derived or expenditure incurred in any year in respect of this financial arrangement, and allocates that income derived or expenditure incurred to the relevant monthly periods.

(2) The Base Currency Loan from C to A is a financial arrangement under which C is the holder and A is the issuer. Scheduled monthly repayments by A to C will contain elements of both capital and interest. This determination provides the method for recognising the income derived and expenditure incurred in any year under this financial arrangement.

(3) The Commodity Price Swap agreement entered into between A and C contains two notional arrangements. One financial arrangement consists of the obligation of A to pay an amount equal to the prevailing market price for the commodity in each of 36 months, and the other arrangement consists of a right in A to receive a fixed amount in respect of the same 36 months. This determination provides the method for recognising income or expenditure under these financial arrangements.

(4) It is assumed that the financial arrangements described above will be performed without amendment in accordance with the terms of the documents disclosed to the Commissioner prior to the issuing of this determination.

(5) It is assumed that the amount of income derived or expenditure incurred as calculated pursuant to this determination and under section 64B to 64M of the Act in relation to the commodity price swap agreement, will be equivalent to the net expenditure incurred or income derived (as the case may be), calculated in accordance with this determination and sections 64B to 64M of the Act, arising under the Forward Commodity Purchase agreement and the Base Currency Loan. The overall net effect should, in the absence of other income arising otherwise than under these financial arrangements, result in A being in a tax neutral position in respect of these financial arrangements in each year.

5. *Interpretation*—(1) In this determination, unless the context otherwise requires,—

words and expressions shall have the same meaning as in the Act, except that, where there is a conflict between the meaning of an expression in sections 64B to 64M of the Act and the meaning of the expression elsewhere in the Act, the expression shall have the same meaning as in the said sections 64B to 64M;

“the Act” means the Income Tax Act 1976;

“Base Currency” in relation to a financial arrangement means the currency in which the rights and obligations under the financial arrangement are fixed;

“Base Currency Loan” refers to a Base Currency Loan entered into between A and C to the extent of an amount equal to the purchase price payable on 8 December 1992 by A to B under the Forward Commodity Purchase agreement;

“Commodity Price Swap agreement” means the commodity price swap agreement executed between A and C on 7 December 1992 in the form disclosed to the Commissioner prior to the issuing of this determination;

“Exchange Rate” means the price of one currency expressed in another currency;

“Forward Commodity Purchase agreement” means a document entered into between A and B for the forward purchase of commodity where payment is received in full at the time the contract is entered into;

“Market Price” means the index price for commodity in a recognised market calculated as the average of the spot prices for any month in which it is necessary during that month to fix a market value;

“NZD” means the currency of New Zealand;

“Separate Agreement” means an agreement between A and B entered into on 7 December 1992 containing schedules of delivery;

“Spot Rate” means the Exchange Rate for a spot contract as defined in Determination G6D: Foreign Currency Rates; and

“Value” in respect of any obligation expressed in a Base Currency means the amount outstanding in respect of any obligation to pay or right to receive any amount of that Base Currency; and in respect of any outstanding

obligation to deliver commodity, or to pay an amount equal to or calculated by reference to an outstanding obligation to deliver commodity, or the right to receive outstanding deliveries of commodity, or an amount calculated by reference to an outstanding obligation to deliver commodities, the value of those rights or obligations shall be determined by applying the market rate at the relevant time to the base quantities of commodity outstanding undelivered at that time.

(2) 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.

(3) For convenience, words and phrases defined in this determination are indicated by initial capital letters, but the absence of a capital letter shall not alone imply that the word or phrases are used with a meaning different from that given by its definition.

6. *Method*—(1) In respect of the Forward Commodity Purchase agreement, the purchase price shall be apportioned to each monthly delivery of commodity by determining the proportion of the scheduled amounts to be delivered in each month in accordance with a schedule to the Separate Agreement to the total base quantities of the commodity to be delivered over the 36 months and applying those proportions to the purchase price paid for those commodities in December 1992.

(2) The amount of the core acquisition price of the Forward Commodity Purchase agreement, is to be determined in accordance with sub-paragraph 64BA (1) (c) (i). In relation to the Forward Commodity Purchase agreement the lowest price agreed and which would be agreed by the parties in accordance with that sub-paragraph is the Market Price in a recognised market for any month. That price is determined monthly in relation to the deliveries made in that month.

(3) The amount of income derived or expenditure incurred by A as issuer and B as holder under the Forward Commodity Purchase agreement shall be calculated in accordance with the following formula:

$$a + b + c - d - e - f$$

Where:

a = the value in NZD of the amount of the commodity, calculated by reference to the Market Price in the month the Forward Commodity Purchase agreement was entered into, which is yet to be delivered as at the beginning of any year; and

b = the value in NZD of the amount of the commodity calculated by reference to the Market Price in the last month of any year in respect of commodity that is yet to be delivered as at the end of any year; and

c = the value in NZD of the amount of commodity delivered by reference to the Market Price in the month of delivery in respect of deliveries that month and converted into NZD as at the last day of that month; and

d = the value in NZD of the amount of the commodity undelivered calculated by reference to the Market Price at the beginning of any year;

e = the value in NZD of the amount of the commodity undelivered as at the end of any year calculated by reference to the Market Price in the month the Forward Commodity Purchase agreement was entered into; and

f = the proportion of the purchase price apportioned to the deliveries made during any month of the year converted into NZD at the last day of any month in which deliveries are made

and the amount so calculated shall:

- (a) where it is a positive amount be deemed to be expenditure incurred by the holder and income derived by the issuer in the income year;
- (b) where it is a negative amount be deemed to be income derived by the holder and expenditure incurred by the issuer in the income year.

(4) Where—

- (a) any amount at any time is expressed in a currency other than NZD in relation to the financial arrangement; and
- (b) it is necessary to convert the amount of NZD or the base currency or otherwise to calculate the value of the amount in NZD or the Base Currency—

the Exchange Rate for the purposes of the calculation shall be in accordance with Determination G6D.

(5) Determination G2: Requirements as to Precision shall apply to the calculation of income and expenditure under this determination.

(6) The amount of income or expenditure incurred by A under the Base Currency Loan agreement shall be calculated in accordance with the following formula:

$c - f$

Where:

c = the value in NZD of the amount of the principal borrowed allocated to the month of payment as at the month of payment.

f = the value in NZD as at the month of payment of the amount of consideration paid by A;

The principal borrowed is allocated to any month of payment by determining the amount of commodity to be delivered in any month as a percentage of the total commodity to be delivered, and applying that percentage to the total principal borrowed.

(7) The price at which the commodity is transferred pursuant to the Forward Commodity Purchase agreement, shall include an amount deemed to be income derived or expenditure incurred by the issuer or the holder. The amount of any income or expenditure recognised in any year in respect of the Forward Commodity Purchase agreement, shall be allocated to each month in that year in respect to which the commodity has been delivered, in the same proportion as the value of the commodity delivered in that month expressed in the base currency bears to the value of the commodity delivered in that year expressed in the base currency. Where the value of the commodity delivered in that month expressed in the Base Currency (being the amount allocated above together with the proportion of the purchase price paid under that agreement referable to that month), exceeds that proportion of the purchase price, an amount of assessable income shall be deemed to have arisen under section 64B to 64M for the purposes of section 64L (2) for the issuer and an amount of expenditure incurred shall be deemed to have arisen under section 64B to 64M for the purposes of section 64L (2) for the holder. Where the value of commodity delivered in that month expressed in the Base Currency is less than the purchase price paid under the agreement attributable to that month, an amount of expenditure incurred shall be deemed to have arisen under section 64B to 64M for the purposes of section 64L (2) for the issuer, and an amount of assessable income shall be deemed to have arisen under section 64B to 64M for the purposes of section 64L (2) for the holder.

(8) Where any repayments under the Base Currency Loan would be unable to be made as a result of delays in A receiving amounts payable under the Commodity Price Swap agreement, any loan to A expressed in the Base Currency on a fully fluctuating basis for the purpose of meeting the loan repayments under the Base Currency Loan will be a financial arrangement and subject, as far as possible, to the provisions of subclause 6(9) hereof.

(9) The Commodity Price Swap agreement shall be treated as consisting of two notional arrangements as follows:

(i) the obligation of A to pay in each of 36 months an amount equal to and calculated by reference to the market price for the commodity in each of those months shall be treated as a notional sale of the commodity to A at market value for that month. Because the commodity to be delivered in any month and the amount to be received in respect of it is in both cases the market value, there is no income or expenditure to be recognised under this notional financial arrangement, other than in respect of income or expenditure to be recognised as the result of any delay in payment of any amounts owing under this financial arrangement expressed in a currency other than NZD, in respect of which the provisions of this clause shall as far as possible apply.

(ii) The right of A to receive under the Commodity Price Swap agreement a sum of money in each of 36 months calculated by reference a fixed price, itself calculated by reference to the base quantities and the prevailing market price of the commodity (in the month in which the Commodity Price Swap agreement was entered into), shall be treated as a notional financial arrangement under which A on-sells the base quantities of commodity to be delivered during that month by B to A to the other party to the Commodity Price Swap agreement. The income or expenditure arising under this financial arrangement to A shall be calculated in accordance with the following formula:

$$a + b + c - d - e - f$$

where:

- a = the future consideration payable in respect of the financial arrangement as at the beginning of the year, converted into NZD as at the beginning of the year;
- b = the future consideration receivable in respect of the financial arrangement as at the end of the year, converted into NZD as at the end of the year;
- c = consideration received in respect of the financial arrangement in the year, converted into NZD as at the date of the receipt;
- d = the future consideration receivable in respect of the financial arrangement as at the beginning of the year, converted into NZD as at the beginning of the year;
- e = the future consideration payable in respect of the financial arrangement as at the end of the year, converted into NZD as at the end of the year;
- f = the consideration paid in respect of the financial arrangement in the year, converted into NZD as at the date of payment;

excepting that at the end of any year where a right to receive a sum of money has arisen and that money has not yet been paid, then for the purposes of calculating the value of any rights and obligations or of any consideration given, that value shall be ascertained at the time at which the right or obligation to payment arose. In such circumstances the delay in payment shall be regarded as a further financial arrangement and treated in accordance with this clause.

7. *Example*—The scheduled delivery quantities and timing of such deliveries under the Forward Commodity Purchase agreement is as follows:

1 January 1993	1,000 units
1 July 1993	750 units
1 January 1994	500 units
1 July 1994	250 units
	2,500 units

This schedule is also used to determine the notional delivery quantities and times under the Commodity Price Swap agreement.

Under the Forward Commodity Purchase agreement, A has paid \$2,000 to B on 1 January 1993, as full payment for the abovementioned deliveries. A funded this \$2,000 through a Base Currency Loan from C, which is repayable in instalments due on the abovementioned dates.

Under the Commodity Price Swap agreement, A agrees to pay a sum equal to the market value of the commodity on the abovementioned quantity as at the abovementioned delivery dates (the Floating Price Swap). Another party agrees to pay A \$1.00 per unit on the same dates and for the same quantities (the Fixed Price Swap).

Although payment obligations under the Commodity Price Swap agreement are fixed and incurred on the above dates, payment may not be made until 6 months later.

When A receives the commodity on the delivery date, it then on-sells. Again, payment for this on-sale may not be made until 6 months later.

For the relevant period, the following assumptions are made:

(a) the commodity price was increased at a uniform rate, being:

1 January 1993	\$1.00
1 July 1993	\$1.20
1 January 1994	\$1.40
1 July 1994	\$1.60
1 January 1995	\$1.80

(b) the Base Currency \$ rate to NZD has moved at a constant rate, being:

1 January 1993	1.00
1 July 1993	0.95
1 January 1994	0.90
1 July 1994	0.85
1 January 1995	0.80

A shall have the following income/expenditure.

In respect of the Forward Commodity Purchase Agreement

At first balance date - 31 December 1993

$$\begin{aligned}
 a &= \$2,500 \\
 b &= 750 \times \$1.40 = \$1,050 \\
 c &= 1000 \times \$1 + 750 \times \$1.20 \\
 &= \$1,000 + \$900 \\
 d &= \$2,500 \\
 e &= \$750 \\
 f &= \frac{1,000}{2,500} \times \$2,000 + \frac{750}{2,500} \times \$2,000 \\
 &= \$800 + \$600
 \end{aligned}$$

Income/expenditure is:

$$\begin{aligned}
 &\frac{2,500}{1.0} + \frac{1,050}{0.9} + \frac{1,000}{1.0} + \frac{900}{0.95} - \frac{2,500}{1.0} \\
 &- \frac{750}{0.9} - \frac{800}{1.0} - \frac{600}{0.95}
 \end{aligned}$$

Base Currency = \$800

NZD = \$849

At the second balance date - 31 December 1994

$$\begin{aligned}
 a &= \$750 \\
 b &= 0 \\
 c &= 500 \times \$1.40 + 250 \times \$1.60 \\
 &= \$700 + \$400 \\
 d &= 750 \times \$1.40 \\
 &= \$1,050 \\
 e &= 0 \\
 f &= \frac{500}{2,500} \times \$2,000 + \frac{250}{2,500} \times \$2,000 \\
 &= \$400 + \$200
 \end{aligned}$$

Income/expenditure is:

$$\begin{aligned}
 &\frac{750}{0.9} + 0 + \frac{700}{0.9} + \frac{400}{0.85} - \frac{1,050}{0.9} - 0 \\
 &- \frac{400}{0.9} - \frac{200}{0.85}
 \end{aligned}$$

Base Currency = \$200

NZD = \$235

In respect of the Base Currency Loan Agreement

At the first balance date - 31 December 1993

$$\begin{aligned}
 c &= \frac{1,500}{2,500} \times \$2,000 + \frac{750}{2,500} \times \$2,000 \\
 &= \$800 + \$600 \\
 f &= \$1,000 + \$750
 \end{aligned}$$

Income/expenditure is:

$$\frac{800}{1.0} - \frac{1,000}{1.0} + \frac{600}{0.95} - \frac{750}{0.95}$$

Base Currency = (\$350)

NZD = (\$358)

At the second balance date - 31 December 1994

$$\begin{aligned}
 c &= \frac{500}{2,500} \times \$2,000 + \frac{250}{2,500} \times \$2,000 \\
 &= \$400 + \$200 \\
 f &= \$500 + \$250
 \end{aligned}$$

Income/expenditure is:

$$\frac{400}{0.9} - \frac{500}{0.9} + \frac{200}{0.85} - \frac{250}{0.85}$$

Base Currency = (\$150)

NZD = (\$170)

In respect of the Floating Price Swap

Under subclause 6 (9) there is no income or expenditure in either income year.

In respect of the Swap

At the first balance date - 31 December 1993

$$\begin{aligned}
 a &= \$2,500 \\
 b &= \$750 \\
 c &= \$1,000 + \$750 \\
 d &= \$2,500 \\
 e &= 750 \times \$1.40 \\
 &= \$1,050 \\
 f &= 1,000 \times \$1 + 750 \times \$1.20 \\
 &= \$1,000 + \$900
 \end{aligned}$$

Income/expenditure is:

$$\begin{aligned}
 &\frac{2,500}{1.0} + \frac{750}{0.9} + \frac{1,000}{1.0} + \frac{750}{0.95} - \frac{2,500}{1.0} \\
 &- \frac{1,050}{0.9} - \frac{1,000}{1.0} - \frac{900}{0.95}
 \end{aligned}$$

Base Currency = (\$450)

NZD = (\$491)

At the second balance date - 31 December 1994

$$\begin{aligned}
 a &= 750 \times \$1.40 \\
 &= \$1,050 \\
 b &= 0 \\
 c &= \$500 + \$250 \\
 d &= \$750 \\
 e &= 0 \\
 f &= 500 \times \$1.40 + 250 \times \$1.60 \\
 &= \$700 + \$400
 \end{aligned}$$

Income/expenditure is:

$$\frac{1,050}{0.9} + 0 + \frac{500}{0.9} + \frac{250}{0.85} - \frac{750}{0.9} - 0 - \frac{700}{0.9} - \frac{400}{0.85}$$

Base Currency (BCD) = (\$50)

NZD = (\$65)

Adding all 3 =

At the first balance date - 31 December 1993

NZD = \$849 - \$358 - \$491 = 0

BCD = \$800 - \$350 - \$450 = 0

At the second balance date – 31 December 1994

$$\begin{aligned} \text{NZD} &= \$235 - \$170 - \$65 = 0 \\ \text{BCD} &= \$200 - \$150 - \$50 = 0 \end{aligned}$$

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This anonymous version appears in substitution for the full version of Determination S2: Funding and Hedging Arrangements Denominated in a Foreign Currency in Respect of the Forward Purchase of a Commodity Where Payment is Received at Irregular Periods. The determination is made pursuant to regulations 8 and 10 of the Income Tax (Determinations) Regulations 1987. The determination was signed by R. D. Adair, Deputy Commissioner, on 8 December 1992.

funding and Hedging Arrangements Denominated in Foreign Currency in Respect of the Forward Purchase of a Commodity Where Payment is Received at Irregular Periods

This determination may be cited as "Determination S2: Funding and Hedging Arrangements Denominated in a Foreign Currency in Respect of the Forward Purchase of Commodity where Payment is Received at Irregular Periods".

1. *Explanation* (Which does not form part of the determination)

(1) A has entered into an agreement to purchase commodity in order to pay a cash sum to B. This sum has had to be funded from C, who has provided a loan to A. A is a wholly owned subsidiary of C, and has entered into hedging arrangements with its parent in order to minimise its exposure to commodity price movements. As A and C are able functionally to be treated as one person when characterising this transaction, all financial arrangements within the scope of this determination can be treated as one financial arrangement. That financial arrangement consists of the following. An agreement whereby a holder sells commodity to be delivered in instalments over a period of time, and the issuer pays the full purchase price at the time of entering into the agreement for those deliveries. An agreement whereby the issuer under the agreement for the sale and purchase of commodity borrows the amount of purchase price required to pay the holder under the former agreement. The issuer under the agreement for sale and purchase of the commodity enters into a commodity price option agreement in order to hedge the risk of price movements in the commodity in the period during which the agreement for the sale and purchase of that commodity operates.

(2) This determination applies to all these financial arrangements, together with any consequential financial arrangements arising as a result of deferred settlement of payment obligations under these financial arrangements (as more fully described in this determination) being in all cases financial arrangements denominated in a base currency.

This determination allows an issuer under the agreement for sale and purchase of the commodity to calculate income or expenditure in relation to all of these financial arrangements.

(3) A has agreed to buy and B has agreed to sell quantities of commodity for delivery over 36 months. The amounts of the commodity to be delivered each month are quantified by reference to a schedule of base quantities known at the time the agreement was entered into. The actual amount of commodity to be delivered each month may vary from the agreed base quantities, but only by reference to movements between two commodity indices relative to each other. The actual value of the commodity to be delivered each month expressed in a Base Currency will not change by reason of the fact that there is a movement between these two commodity indices. A will pay a sum on the day of entering into the agreement to B for all future deliveries. Further adjustment to the price is contemplated in the agreement for the sale and purchase of the commodity where the value of the commodity delivered each month exceeds the value of the commodity

delivered that month as calculated according to the market value of that commodity during the month in which the agreement was entered into.

(4) A will borrow from C the amount of the purchase price to be paid to B. This loan to A will be denominated in a Base Currency, as will the purchase price paid by A to B. The loan will provide for repayment of principal and interest each month according to a schedule under which the amount to be paid by A every month is equivalent to the value of the base quantity of the commodity B has agreed to deliver to A each month, calculated by reference to the commodity price prevailing in the month the agreement for sale and purchase of the commodity was entered into.

(5) A will enter into hedging arrangements at the time the agreement for sale and purchase of the commodity from B to A, the "Forward Commodity Purchase agreement", is executed. The hedging arrangements will be in the nature of commodity price options, under which A will receive from the other party to the option, in any month for 36 months, an amount if any equal to the difference between the commodity option price ("the floor price") for that month, and an amount calculated by reference to the base quantity of the commodity to be delivered by B to A in that month and by reference to the commodity price prevailing on a recognised market for that commodity in that month expressed in the Base Currency. The amount if any to be paid by the other party in respect of any month under this commodity price option agreement will be calculated on the last day of the month, although actual payment is not required until 35 days thereafter.

(6) A and B have applied for a determination pursuant to section 64E (1) of the Act.

(7) Income or expenditure under the Forward Commodity Purchase agreement will be recognised using a methodology similar to that applied to the income or expenditure arising under the Base Currency Loan between A and C.

(8) The income or expenditure shall, in respect of the Forward Commodity Purchase agreement be recognised on the basis of the lowest price agreed by the parties pursuant to section 64BA (1) (c) (i) of the Act being the market price in the month the Forward Commodity Purchase agreement was entered into.

(9) The parties have entered into this arrangement in order to provide a cash sum to B, in circumstances in which C will not be a direct funder. C has accordingly purchased forward commodity, and taken the commodity risk on price movements which it has hedged.

2. *Reference*—This determination is made pursuant to section 64E(1) of the Act.

3. *Scope of determination*—This determination shall apply to the Forward Commodity Purchase agreement and the funding and hedging arrangements denominated in a Base Currency in respect of the forward purchase and forward payment for commodity entered into between A and B on 7 December 1992 under which the purchase price will be received at irregular intervals, and shall bind both A and B.

4. *Principle*—(1) The Forward Commodity Purchase agreement is an arrangement transferring the commodity pursuant to a financial arrangement expressed in a Base Currency. The Commissioner accepts that the lowest price the parties have agreed and would have agreed for the purposes of section 64BA (1) (c) (i) is the market price of the commodity in the month the Forward Commodity Purchase agreement is entered into. To the extent that the proportion of the agreed lowest price referable to deliveries in any month exceeds that part of the payment attributable to those deliveries, it shall contain both an element of capital (being part payment of the purchase price), and an element of interest. To the extent to which that proportion of the agreed lowest price referable to deliveries in any month is less than that part of the purchase price attributable to the commodity delivered, B as the holder under the financial arrangement would have derived income to

the extent of the difference in value, and correspondingly A as issuer would have incurred expenditure. As the commodity or the consideration given for the commodity is relevant under provisions of the Act other than sections 64B to 64M, and as the price at which the commodity is transferred pursuant to the Forward Commodity Purchase agreement includes an amount deemed to be income derived or expenditure incurred by the issuer or the holder, section 64L (2) of the Act will apply to determine the amount to be taken into account as the price or cost price or selling price of or capital expenditure incurred in respect of the commodity. This determination provides the method for recognising income derived or expenditure incurred in any year in respect of this financial arrangement, and allocates that income derived or expenditure incurred to the relevant monthly periods.

(2) The Base Currency Loan from C to A is a financial arrangement under which C is the holder and A is the issuer. Scheduled monthly repayments by A to C will contain elements of both capital and interest. This determination provides the method for recognising the income derived and expenditure incurred in any year under this financial arrangement.

(3) The Commodity Price Option agreement entered into between A and another party is a financial arrangement. Payment of the commodity option price in any month is accrual income to A in the month the commodity option price becomes payable. This determination provides the method for recognising income under this financial arrangement.

(4) It is assumed that the financial arrangements described above will be performed without amendment in accordance with the terms of the documents disclosed to the Commissioner prior to the issuing of this determination.

5. *Interpretation*—(1) In this determination, unless the context otherwise requires,

words and expressions shall have the same meaning as in the Act, except that, where there is a conflict between the meaning of an expression in sections 64B to 64M of the Act and the meaning of the expression elsewhere in the Act, the expression shall have the same meaning as in the said sections 64B to 64M;

“the Act” means the Income Tax Act 1976;

“Base Currency” in relation to a financial arrangement means the currency in which the rights and obligations under the financial arrangement are fixed;

“Base Currency Loan” refers to a Base Currency Loan entered into between A and C to the extent of an amount equal to the purchase price payable on 8 December 1992 by A to B under the Forward Commodity Purchase agreement;

“Commodity Price Option agreement” means the commodity price option agreement executed between A and another party on 7 December 1992 in the form disclosed to the Commissioner prior to the issuing of this determination;

“Commodity Option Price” means in respect of any month the floor price specified under the Commodity Price Option agreement for that month;

“Exchange Rate” means the price of one currency expressed in another currency;

“Forward Commodity Purchase agreement” means a document entered into between A and B for the forward purchase of commodity where payment is received at irregular periods;

“Market Price” means the index price for commodity in a recognised market calculated as the average of the spot prices for any month in which it is necessary during that month to fix a market value;

“NZD” means the currency of New Zealand;

“Purchase Price Adjustment Amount” means any payment received after the month the Forward Commodity Purchase agreement was entered into;

“Separate Agreement” means an agreement between A and B entered into on 7 December 1992 containing schedules of delivery;

“Spot Rate” means the Exchange Rate for a spot contract as defined in Determination G6D: Foreign Currency Rates; and

“Value” in respect of any obligation expressed in a Base Currency means the amount outstanding in respect of any obligation to pay or right to receive any amount of that Base Currency; and in respect of any outstanding obligation to deliver commodity, or to pay an amount equal to or calculated by reference to an outstanding obligation to deliver commodity, or the right to receive outstanding deliveries of commodity, or an amount calculated by reference to an outstanding obligation to deliver commodities, the value of those rights or obligations shall be determined by applying the market rate at the relevant time to the base quantities of commodity outstanding undelivered at that time.

(2) 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.

(3) For convenience, words and phrases defined in this determination are indicated by initial capital letters, but the absence of a capital letter shall not alone imply that the word or phrases are used with a meaning different from that given by its definition.

6. *Method*—(1) In respect of the Forward Commodity Purchase agreement, the purchase price shall be apportioned to each monthly delivery of commodity by determining the proportion of the schedule amounts to be delivered in each month in accordance with a schedule to the Separate Agreement to the total base quantities of the commodity to be delivered over the 36 months and applying those proportions to the purchase price paid for those commodities in December 1992, and adding to the sum so determined the Purchase Price Adjustment Amount, if any for that month.

(2) The amount of the core acquisition price of the Forward Commodity Purchase agreement, is to be determined in accordance with sub-paragraph 64BA (1) (c) (i). In relation to the Forward Commodity Purchase agreement the “lowest price” agreed and which would be agreed by the parties in accordance with that sub-paragraph is the Market Price in the month the Forward Commodity Purchase agreement is entered into. The amount of the “lowest price” attributable to any month is an amount which bears the same proportion to the “lowest price” as the deliveries made in any month bear to the total base quantity to be delivered.

(3) The amount of income derived or expenditure incurred by A as issuer and B as holder under the Forward Commodity Purchase agreement shall be calculated in accordance with the following formula:

$$a + b + c - d - e - f$$

Where:

a = the value in NZD of the undelivered commodity calculated by reference to the market price in the month the Forward Commodity Purchase agreement was entered into plus any additional amounts which would be payable as Purchase Price Adjustment Amounts as at the beginning of the year if all deliveries were then made; and

b = the value in NZD of the amount of the commodity calculated by reference to the Market Price in the month the Forward Commodity Purchase agreement

was entered into in respect of commodity that is yet to be delivered as at the end of any year; and

- c = the value in NZD of the amount of commodity delivered by reference to the Market Price in the month the Forward Commodity Purchase agreement was entered into in respect of deliveries that month and converted into NZD as at the last day of that month; and
- d = the value in NZD of the amount of the commodity undelivered calculated by reference to the Market Price in the month the Forward Commodity Purchase agreement was entered into in respect of commodity that is yet to be delivered as at the beginning of any year;
- e = the value in NZD of the undelivered commodity calculated by reference to the market price in the month the Forward Commodity Purchase agreement was entered into plus any additional amounts which would be payable as Purchase Price Adjustment Amounts as at the end of the year if all deliveries were then made; and
- f = the proportion of the purchase price apportioned to the deliveries made during any month of the year together with any Purchase Price Adjustment Amounts payable in respect of that month converted into NZD at the last day of any month in which deliveries are made

and the amount so calculated shall:

- (a) where it is a positive amount be deemed to be expenditure incurred by the holder and income derived by the issuer in the income year;
- (b) where it is a negative amount be deemed to be income derived by the holder and expenditure incurred by the issuer in the income year.

(4) Where—

- (a) any amount at any time is expressed in a currency other than NZD in relation to the financial arrangement; and
- (b) it is necessary to convert the amount of NZD or the Base Currency or otherwise to calculate the value of the amount in NZD or the Base Currency—

the Exchange Rate for the purposes of the calculation shall be in accordance with Determination G6D.

(5) Determination G2: Requirements as to Precision shall apply to the calculation of income and expenditure under this determination.

(6) The amount of income or expenditure incurred by A under the Base Currency Loan agreement shall be calculated in accordance with the following formula:

$$c - f$$

Where:

- c = the value in NZD of the amount of the principal borrowed allocated to the month of payment as at the month of payment.
- f = the value in NZD as at the month of payment of the amount of consideration paid by A;

The principal borrowed is allocated to any month of payment by determining the amount of commodity to be delivered in any month as a percentage of the total commodity to be delivered, and applying that percentage to the total principal borrowed.

(7) The price at which the commodity is transferred pursuant to the Forward Commodity Purchase agreement, shall include an amount deemed to be income derived or expenditure incurred by the issuer or the holder. The amount of any income or expenditure recognised in any year in respect of the Forward Commodity Purchase agreement, shall be allocated to each month in that year in respect to which the commodity

has been delivered in the same proportion as the "lowest price" referable to deliveries in that month expressed in the Base Currency bears to the "lowest price" referable to deliveries in that year expressed in the Base Currency. Where the "lowest price" referable to deliveries in that month expressed in the Base Currency exceeds the proportion of the purchase price paid under that agreement referable to that month (as calculated under subclause 6(2)), an amount of assessable income shall be deemed to have arisen under sections 64B to 64M for the purposes of section 64L (2) for the issuer, and an amount of expenditure incurred shall be deemed to have arisen under sections 64B to 64M for the purposes of 64L (2) for the holder. Where the "lowest price" referable to deliveries in that month expressed in the Base Currency is less than the purchase price paid under the agreement attributable to that month, an amount of expenditure incurred shall be deemed to have arisen under sections 64B to 64M for the purposes of 64L (2) for the issuer, and an amount of assessable income shall be deemed to have arisen under sections 64B to 64M for the purposes of 64L (2) for the holder.

(8) Where any repayments under the Base Currency Loan would be unable to be made as a result of delays in A receiving amounts payable under the Commodity Price Option agreement, any loan to A expressed in the Base Currency on a fully fluctuating basis for the purpose of meeting the loan repayments under the Base Currency Loan will be a financial arrangement and subject, as far as possible, to the provisions of subclauses 6 (3) and 6 (4) hereof.

(9) The Commodity Price Option agreement is a financial arrangement and payments under the agreement to A shall represent income derived. Because those amounts are expressed in a Base Currency the provisions of subclauses 6 (3) and 6 (4) shall, as far as possible, apply, excepting that at the end of any year where a right to receive a sum of money has arisen and that money has not yet been paid, then for the purposes of calculating the value of any rights and obligations or of any consideration given, that value shall be ascertained at the time at which the right or obligation to payment arose. In such circumstances the delay in payment shall be regarded as a further financial arrangement and treated in accordance with subclause 6 (8).

7. *Example*—The scheduled delivery quantities and timing of such deliveries under the Forward Commodity Purchase agreement is as follows:

1 January 1993	1,000 units
1 July 1993	750 units
1 January 1994	500 units
1 July 1994	250 units

This schedule is also used to determine the notional delivery quantities and times under the Commodity Price Swap agreement.

Under the Forward Commodity Purchase agreement, A has paid \$2,000 to B on 1 January 1993, as full payment for the abovementioned deliveries. A funded this \$2,000 through a Base Currency Loan from another party, which is repayable in instalments due on the abovementioned dates.

When A receives the commodity on the delivery date, it then on-sells. Again, payment for this on-sale may not be made until 6 months later.

For the relevant period, the following assumptions are made:

(a) the commodity price was increased at a uniform rate, being:

1 January 1993	\$1.00
1 July 1993	\$1.20
1 January 1994	\$1.40
1 July 1994	\$1.60
1 January 1995	\$1.80

(b) the Base Currency \$ rate to NZD has moved at a constant rate, being:

1 January 1993	1.00
1 July 1993	0.95
1 January 1994	0.90
1 July 1994	0.85
1 January 1995	0.80

A shall have the following income/expenditure at the end of the 1993 year:

In respect of the Forward Commodity Purchase Agreement At the first balance date - 31 December 1993

$$\begin{aligned}
 a &= \$2,500 \\
 b &= 750 \\
 c &= 1000 + \$750 \\
 d &= \$2,500 \\
 e &= \$750 + 750 \times \$0.4 \\
 &= \$1,050 \\
 f &= \frac{1,000}{2,500} \times \$2,000 + \frac{750}{2,500} \times \$2,000 + 750 \times \$0.2 \\
 &= \$800 + (\$600 + \$150) \\
 &= \$800 + \$750
 \end{aligned}$$

Income/expenditure is:

$$\begin{aligned}
 &\frac{2,500}{1.0} + \frac{750}{0.9} + \frac{1,000}{1.0} + \frac{750}{0.95} - \frac{2,500}{1.0} \\
 &- \frac{1,050}{0.9} - \frac{800}{1.0} - \frac{750}{0.95}
 \end{aligned}$$

Base Currency (BCD) = (\$100)

NZD = (\$133)

At the second balance date - 31 December 1994

$$\begin{aligned}
 a &= \$750 + 750 \times \$0.4 \\
 &= \$1,050 \\
 b &= 0 \\
 c &= \$500 + \$250 \\
 d &= \$750 \\
 e &= 0 \\
 f &= \frac{500}{2,500} \times \$2,000 + 500 \times \$0.4 + \frac{250}{2,500} \times \$2,000 + 250 \times \$0.6 \\
 &= \$600 + \$350
 \end{aligned}$$

Income/Expenditure is:

$$\begin{aligned}
 &\frac{1,050}{0.9} + 0 + \frac{500}{0.9} + \frac{250}{0.85} - \frac{750}{0.9} \\
 &- 0 - \frac{600}{0.9} - \frac{350}{0.85}
 \end{aligned}$$

Base Currency = \$100

NZD = \$105

In respect of the Base Currency Loan Agreement At the first balance date - 31 December 1993

$$\begin{aligned}
 c &= \frac{1,000}{2,500} \times \$2,000 + \frac{750}{2,500} \times \$2,000 \\
 &= 800 \times 600 \\
 f &= 1,000 + 750
 \end{aligned}$$

Income/expenditure is

$$\frac{800}{1.0} - \frac{1,000}{1.0} + \frac{600}{0.95} - \frac{750}{0.95}$$

Base Currency = (\$350)

NZD = (\$358)

At the second balance date - 31 December 1994

$$\begin{aligned}
 c &= \frac{500}{2,500} \times \$2,000 + \frac{250}{2,500} \times \$2,000 \\
 &= \$400 + \$200 \\
 f &= \$500 + \$250
 \end{aligned}$$

Income/Expenditure is:

$$\frac{400}{0.9} - \frac{500}{0.9} + \frac{200}{0.85} - \frac{250}{0.85}$$

Base Currency (BCD) = (\$150)

NZD = (\$170)

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Securities Commission

Securities Amendment Act 1988

The Authorised Futures Dealers Notice

Pursuant to section 38 of the Securities Amendment Act 1988, the Securities Commission gives the following notice.

Notice

1. Title and commencement—(1) This notice may be cited as the Authorised Futures Dealers Notice 1992.

(2) This notice shall come into force on the date on which Aklaw Number Thirty Nine Limited commences to conduct a market or exchange in New Zealand for trading in futures contracts.

2. Interpretation—(1) In this notice, unless the context otherwise requires,—

“The Act” means the Securities Amendment Act 1988:

“The Exchange” means Aklaw Number Thirty Nine Limited.

(2) Any term or expression that is not defined in this notice, but that is defined in the Act, has the meaning given to it by the Act.

3. Persons authorised to carry on business of dealing in futures contracts—(1) Every person named in the First Schedule to this notice is hereby authorised to carry on the business of dealing in futures contracts generally.

(2) The authorisation of each person named in the First Schedule to this notice is subject to the condition that that person—

(a) Is a dealer within the meaning of the rules of the Exchange; and

(b) Agrees to be bound by the rules of the Exchange; and

(c) Within 3 months after the end of each financial year of that person, sends to the Securities Commission a copy of the audited financial statements for that financial year.

4. Revocations—The notices specified in the Second Schedule to this notice are hereby revoked.

First Schedule

ANZ Banking Group (New Zealand) Limited
 Bank of New Zealand
 Barclays Bank PLC
 BT Futures New Zealand Limited
 Buttle Wilson Futures Limited
 Citibank N.A.
 CS First Boston NZ Futures Limited
 Fay, Richwhite Futures Limited
 The London Clearing House Limited
 The National Bank of New Zealand Limited
 Ord Westpac Futures—NZ—Limited
 State Bank of South Australia
 Trust Bank New Zealand Limited
 Westpac Banking Corporation

Second Schedule

NOTICES REVOKED

Notice

The Authorised Futures Dealers Notice 1989

The Authorised Futures Dealers Notice 1990

The Authorised Futures Dealers Notice (No. 2) 1990

The Authorised Futures Dealers Notice 1991

Gazette

Gazette, 30 June 1989, page 2851.

Gazette, 2 August 1990, pages 2741 to 2742.

Gazette, 27 September 1990, pages 3567 to 3568.

Gazette, 26 April 1991, pages 1355 to 1356.

Dated at Wellington this 22nd day of December 1992.

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

[L.S.]

P. D. MCKENZIE, Chairman.

Explanatory Note

This note is not part of the notice, but is intended to indicate its general effect.

This notice, which comes into force on the date on which Aklaw Number Thirty Nine Limited commences to conduct a market or exchange in New Zealand for trading in futures contracts, authorises the persons named in the First Schedule to carry on the business of dealing in futures contracts.

Section 38 of the Securities Amendment Act 1988 prohibits any person carrying on the business of dealing in futures contracts unless that person is—

- (a) A member of an authorised futures exchange; or
- (b) Authorised to do so by the Securities Commission.

The authorisation applies to futures contracts generally.

It is intended that Aklaw Number Thirty Nine Limited will acquire the business of New Zealand Futures & Options Exchange Limited which will then cease to conduct a market or exchange for trading in futures contracts.

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Authorised Futures Exchange Notice 1992

Pursuant to section 37 (8) of the Securities Amendment Act 1988, the Securities Commission gives the following notice.

Notice

1. Title and commencement—(1) This notice may be cited as the Authorised Futures Exchange Notice 1992.

(2) This notice shall come into force on the day after the date of its publication in the *Gazette* and shall continue in force until revoked by the Commission.

2. Aklaw Number Thirty Nine Limited declared to be an authorised futures exchange—Aklaw Number Thirty Nine Limited is hereby declared to be an authorised futures exchange for the purposes of Part III of the Securities Amendment Act 1988.

Dated at Wellington this 22nd day of December 1992.

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

[L.S.]

P. D. MCKENZIE, Chairman.

Explanatory Note

This note is not part of the notice, but is intended to indicate its general effect.

This notice declares Aklaw Number Thirty Nine Limited to be an authorised futures exchange for the purposes of Part III of the Securities Amendment Act 1988.

Section 37 (8) of the Securities Amendment Act 1988 provides that the Securities Commission may, by notice in the *Gazette*, declare a body corporate that proposes to conduct a market or exchange for trading in futures contracts to be an authorised futures exchange for the purposes of Part III of that Act.

It is intended that Aklaw Number Thirty Nine Limited will acquire the business of New Zealand Futures & Options Exchange Limited which is, at present, an authorised futures exchange. That company will then cease to conduct a market or exchange for trading in futures contracts.

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