

The Bell Gully *Regulator Report* lists recent changes, decisions and developments at the main New Zealand and Australian corporate, commercial and competition regulatory bodies for the period to 6 March 2007. For further details on any matter in this report, just click on the hyperlink below each item. Should you have any questions regarding the contents of the Bell Gully *Regulator Report* please call your usual contact at Bell Gully or contact a member of the Bell Gully [Corporate Team](#) or the [Competition Team](#). For past editions of the Bell Gully *Regulator Report* please [click here](#).

A companion publication, *Commercial Quarterly*, covers current corporate and commercial law issues that may be relevant to your business and is published every quarter. For the Summer issue of *Commercial Quarterly* please [click here](#). For all other Bell Gully publications please [click here](#).

<p>New Zealand Exchange (NZX)</p>	<ul style="list-style-type: none"> <li>• <b>Market insight</b> NZX has published the January and February edition of its monthly newsletter, "Market insight", which contains details of the latest news and events at NZX. <a href="#">Click here to access a copy of January's Market insight</a>      <a href="#">Click here to access a copy of February's Market insight</a></li> <li>• <b>New amendments to the NZAX listing rules</b> After an extensive consultation and review of the NZAX market, the amendments to the NZAX listing rules are now in effect. The amendments largely mirror the changes made to the NZSX listing rules in May 2006. They also have been reordered to follow the structure of the NZSX listing rules to enable NZAX listed issuers to have a clearer understanding of the distinctions between the two sets of rules. <a href="#">Click here to access the NZAX listing rules</a></li> </ul>
<p>Securities Commission</p>	<ul style="list-style-type: none"> <li>• <b>MOU with Dubai Financial Services Authority</b> The Securities Commission has signed a memorandum of understanding with the Dubai Financial Services Authority. The MOU sets out arrangements for the two regulators to cooperate and share information in relation to enforcement of securities law. <a href="#">Click here for more</a></li> <li>• <b>Review of trading in Wool Equities Limited</b> The Securities Commission has completed a review of trading in the shares of Wool Equities Limited. This matter was referred to the Commission by NZX on 22 November 2006, following a complaint by some shareholders. The review related to allegations of insider trading against the former chairman, Mr Richard Bentley, and the former chief executive officer, Mr Mark O'Grady. The Commission will not be taking any further action in this matter. <a href="#">Click here for more</a></li> <li>• <b>Securities Act Exemption Notices</b> The following Securities Act exemption notices have been published: <ul style="list-style-type: none"> <li>➤ <b>Securities Act (Rural Portfolio Capital Limited) Exemption Notice 2007/24</b> This notice exempts Rural Portfolio Capital Limited (Rural Portfolio) from clause 10(1)(c) of Schedule 1 of the Securities Regulations 1983. The exemption will allow the prospective statement of cash flows to be aligned with Rural Portfolio's normal accounting period, so that the prospective information will be easier to compare with Rural Portfolio's financial statements.</li> </ul> </li> </ul>

<p>Securities Commission continued</p>	<ul style="list-style-type: none"> <li>➤ <b>Securities Act (Huka Falls Resort Limited) Exemption Notice 2007/25</b> and <b>Securities Act (Kensington Park Properties Limited) Exemption Notice 2007/26</b>  These notices exempt Huka Falls Resort Limited, Huka Falls Resort Residents' Association Incorporated, Kensington Park Properties Limited and the Kensington Park Residents' Association, from various disclosure requirements in the Securities Act 1978 and from the Securities Regulations 1983 (except regulation 8), in respect of the offer of participatory securities in the form of membership of the Association that confers rights to participate in the ownership and use of all or part of the communal facilities in a development undertaken at Huka Falls Resort, Taupo and Kensington Park, Orewa, and Auckland.  <a href="#">Click here for exemption notices</a></li> </ul>
<p>Takeovers Panel</p>	<ul style="list-style-type: none"> <li>• <b>Takeovers Code Exemption Notices</b>  The following Takeovers Code exemption notice has been published: <ul style="list-style-type: none"> <li>➤ <b>Takeovers Code (Westgate Power Centre Limited) Exemption Notice 2007/14</b>  The Takeovers Panel has granted an exemption from rule 6(1) of the Takeovers Code (the Code) to West Group Limited (West) and the intended shareholders of that company in respect of West becoming the holder or controller of voting rights in Westgate Power Centre Limited (Westgate). After the completion of a share acquisition approved by shareholders of Westgate under rule 7(c) of the Code, the Mark Gunton Trust (MGT) and its associates will wholly own New Zealand Retail Property Group Limited (NZRPG). NZRPG holds or controls more than 20% of the voting rights in Westgate. West is wholly owned by MGT. MGT and its associates intend to transfer to West all of their shares in NZRPG (the acquisition) in exchange for shares in West. The acquisition will result in West becoming the holder or controller of more than 20% of the voting rights in Westgate.  <a href="#">Click here for exemption notices</a></li> </ul> </li> </ul>
<p>Ministry of Economic Development (MED)</p>	<ul style="list-style-type: none"> <li>• <b>Legislation update: amendments to the Financial Reporting Act 1993 – clarification of companies that are required to register financial statements</b>  In its latest newsletter, the Companies Office provides some clarification on the application of the new section 19(1)(c) of the Financial Reporting Act 1993 (FRA) relating to the requirements to register financial statements by any company that is a subsidiary of any company or body that is incorporated outside New Zealand. It also notes that notwithstanding the changes to the FRA, there has been no change to the audit requirements under section 196(3) of the Companies Act 1993. This means that even though a company may no longer need to register financial statements as a result of the FRA amendments (for instance because it is not “large” according to the definition under section 19A(1)(b)) it may still be required to appoint an auditor and have its financial statements audited.  <a href="#">Click here to access the newsletter</a></li> </ul>
<p>New Zealand Commerce Commission (NZCC)</p>	<ul style="list-style-type: none"> <li>• <b>Altered States: Co-operation between Cartel &amp; Commerce Commission – 7th Annual Competition Law &amp; Regulation Review</b>  Mary-Anne Borrowdale, Senior Legal Counsel for the NZCC, presented a paper on cooperation between cartel participants and the NZCC, at the 7th Annual Competition Law &amp; Regulation Review.  <a href="#">Click here to access this paper</a></li> <li>• <b>NZCC media releases</b>  The NZCC has issued the following media releases: <ul style="list-style-type: none"> <li>➤ The NZCC has received an application for an undertaking from Vodafone. The application is in the context of the NZCC's investigation into whether or not to amend the roaming and co-location services currently regulated under the Telecommunications Act.  <a href="#">Click here for more</a></li> <li>➤ The NZCC has issued a draft decision after reconsidering the pricing aspects of Decision 582. Decision 582 was made by the NZCC in June 2006. It sets the price at which Telecom must sell its Unbundled Bitstream Service (UBS) to ihug and CallPlus. After Decision 582 was issued, ihug and CallPlus requested that the NZCC reconsider the pricing aspects of the decision. This draft decision presents a revised pricing methodology.  <a href="#">Click here for more</a></li> <li>➤ The NZCC has cleared BOC Limited to acquire Shell New Zealand Limited's LPG business and Shell New Zealand Holding Company Limited's shareholding in Liquigas Limited; collectively referred to as Shell's LPG Portfolio.  <a href="#">Click here for more</a></li> </ul> </li> </ul>

<p>NZCC continued</p>	<ul style="list-style-type: none"> <li>➤ The NZCC has begun the process of deciding standard terms covering access by other operators to Telecom's copper local loops and bitstream services. The NZCC will require Telecom to submit standard proposals for the supply of these services. After consulting the industry on Telecom's proposals, the NZCC will issue a decision that will set price and non-price supply terms that Telecom will be required to provide to other operators. <a href="#">Click here for more</a></li> <li>➤ The NZCC has received an application from Transpacific Technical Services (NZ) Limited (TTS) seeking clearance to acquire the assets and businesses of Medi-Chem Waste Services Limited (Medi-Chem) that relate to the treatment, recycling, and disposal of solvents; and the assets and businesses of Medi-Chem that relate to the collection, treatment and disposal of other hazardous wastes (not including the business relating to medical, quarantine and infectious waste, or the business of collecting and recycling lamps, amalgam and x-ray film and fluids). TTS is a wholly-owned subsidiary of Transpacific Industries Group Limited (TPI), which is listed on the Australian Stock Exchange. TPI has interests in both the hazardous and non-hazardous waste sectors in New Zealand and Australia. <a href="#">Click here for more</a></li> <li>➤ The NZCC has cleared Elite Truck Rentals Limited (Elite) to acquire 100% assets of ORIX Truck Rental (ORIX), a division of ORIX New Zealand Limited. ORIX is a wholly-owned subsidiary of ORIX Australia Corporation Limited, which is in turn a wholly-owned subsidiary of the ORIX Corporation of Japan, a major international finance company. <a href="#">Click here for more</a></li> </ul>
<p>Australian Competition and Consumer Commission (ACCC)</p>	<ul style="list-style-type: none"> <li>• <b>ACCC media releases</b> The ACCC has issued the following media releases: <ul style="list-style-type: none"> <li>➤ The ACCC has granted authorisation for five years to the Australian Payments Clearing Association for certain provisions of the High Value Clearing System (HVCS) regulations and procedures. The provisions relate to suspension and termination of HVCS membership and the requirement that members use the SWIFT payment delivery system in clearing and settling payments. The HVCS provides a framework within which members can electronically exchange high value payments. SWIFT is the payment delivery system used by the HVCS in clearing and settling payments. The HVCS regulations and procedures were previously authorised by the ACCC in 1998. <a href="#">Click here for more</a></li> <li>➤ The ACCC has published the interim determinations, together with the statement of reasons, in two telecommunications access disputes regarding the supply of the mobile terminating access service (MTAS) by Optus Mobile Pty Limited and Optus Networks Pty Limited (together, the Optus Entities) to Telstra Corporation Ltd (Telstra). The interim determination sets out the charges to be paid by Telstra to the Optus Entities for the supply of the MTAS, except where agreed otherwise by the parties. The interim determinations were made on 18 December 2006. <a href="#">Click here for more</a></li> <li>➤ The ACCC has decided not to object to SCT Logistics obtaining a selection of 'East West Rail assets' in accordance with the Toll undertakings. Pursuant to the undertakings given to the ACCC in connection with Toll's acquisition of Patrick Corporation in 2006, Toll agreed to make the assets available to a competing rail operator. The undertakings include a mechanism for the ACCC to object to a party obtaining the East West Rail assets. <a href="#">Click here for more</a></li> <li>➤ The ACCC has announced that it will oppose Santos' proposed acquisition of QGC. Having withdrawn a previous proposal to acquire QGC that it had put before the ACCC, Santos approached the ACCC on 30 January 2007 with a revised proposal that included undertakings which it submitted would preserve the competitive structure of the wholesale gas supply industry in southern Queensland. Further amendments to this proposal were made on 7 February 2007. <a href="#">Click here for more</a></li> <li>➤ The ACCC has called for tenders for the development of a fixed network services cost model to inform its regulatory decisions in the future. Tenderers are asked to bid on the development of an engineering-economics model that estimates the efficient, forward-looking costs of supplying services on Australia's fixed telecommunications network. <a href="#">Click here for more</a></li> <li>➤ The ACCC has issued <i>Airports price monitoring and financial report 2005-06</i> which reports on the prices charged by Adelaide, Brisbane, Canberra, Darwin, Melbourne, Perth and Sydney airports. It shows that the prices that airlines pay for aeronautical services such as use of runways and passenger processing facilities at Australia's major airports have continued to increase. <a href="#">Click here for more</a></li> </ul> </li> </ul>

<p>ACCC continued</p>	<ul style="list-style-type: none"> <li>➤ The ACCC has published further details of interim determinations made in two telecommunications disputes regarding the supply of the Line Sharing Service (LSS). The publication relates to the terms to apply on an interim basis to the connection and disconnection of the LSS (either on an ad hoc basis or as part of a managed network migration), and the basis upon which those terms have been specified. The two interim determinations were made in arbitrations between Telstra and Chime Communications Pty Ltd and Request Broadband Pty Ltd, respectively. <a href="#">Click here for more</a></li> <li>➤ Take-up of broadband services in Australia continues to increase, according to the latest ACCC Snapshot of Broadband Deployment. "The report estimates that as at 30 September 2006, there were 3,639,700 total broadband connections across Australia," ACCC Commissioner, Mr Ed Willett, said. "Once again, the September quarter showed an increase of more than one million customers, or 51.2%, over the preceding 12 month period. This growth continues a trend observed since June 2005." <a href="#">Click here for more</a></li> <li>➤ The ACCC has issued material to assist the petrol wholesale, retail and distribution industry to understand its rights and responsibilities under the new Oilcode, which came into effect on 1 March 2007. "The Oilcode is binding on participants in the petrol wholesale, retail and distribution industry," ACCC Chairman, Mr Graeme Samuel, said. "It encourages greater transparency of terminal gate pricing and fuel re-selling agreements, greater certainty for industry participants regarding supply of petroleum products and tenure under agreements." <a href="#">Click here for more</a></li> <li>➤ The ACCC will not intervene in the proposed acquisition of Qantas Airways Ltd by the consortium represented by Airline Partners Australia Ltd. <a href="#">Click here for more</a></li> <li>➤ The Competition Notice issued in relation to Telstra's wholesale line rental price increase has been revoked by the ACCC. The Competition Notice was issued because the ACCC had reason to believe that Telstra's wholesale and retail pricing was anti-competitive. <a href="#">Click here for more</a></li> <li>➤ The ACCC and the Australian Communications and Media Authority (ACMA) intend to facilitate the flow of information between the two agencies during media merger investigations in a way that protects confidential information while helping to ensure that each agency's investigations are fully effective, the chairman of the ACCC, Mr Graeme Samuel, and the chairman of ACMA, Mr Chris Chapman, have said. In particular, the ACCC and ACMA will ask parties involved in a media merger who provide confidential information to either agency to agree to that information being provided to the other agency. <a href="#">Click here for more</a></li> <li>➤ Primus Telecommunications Pty Ltd notified the ACCC of two telecommunications access disputes with Telstra Corporation Limited on 21 February 2007. The first access dispute relates to the price for the supply of the local carriage service from Telstra to Primus. The second access dispute relates to the price for the supply of the wholesale line rental service from Telstra to Primus. The ACCC has commenced the arbitration process for these access disputes. <a href="#">Click here for more</a></li> </ul>
<p>Bell Gully News</p>	<ul style="list-style-type: none"> <li>• <b><i>Bell Gully authors New Zealand M&amp;A chapter in international publication</i></b> Bell Gully partners Andrew Brown and Andrew Abernethy have authored the New Zealand section of the International Comparative Legal Guide to Mergers &amp; Acquisitions 2007, published by the Global Legal Group. The New Zealand chapter includes relevant information about New Zealand authorities and legislation, the mechanics of acquisition, stakebuilding, deal protection and bidder protection. <a href="#">Click here to read this Bell Gully article</a></li> <li>• <b><i>A guide to the new offshore portfolio investment rules</i></b> The Government enacted new tax rules late last year which will affect most New Zealand investors who hold interests in offshore companies and unit trusts from 1 April 2007. This update provides a general summary of the new rules. They are complex and there are still a number of interpretation issues that need to be worked through. Bell Gully will send a series of updates focusing on more specific issues over the coming weeks and months. <a href="#">Click here to read this Bell Gully article</a></li> </ul>

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