

## SECURITIES INDUSTRY ACT 1983

### SECURITIES INDUSTRY (EXEMPT DEALER) (No. 2) ORDER 2002

IN exercise of the powers conferred by paragraph (d) in the definition of "exempt dealer" in subsection 2(1) of the Securities Industry Act 1983 [Act 280], the Minister makes the following order:

#### Citation and commencement

1. (1) This order may be cited as the Securities Industry (Exempt Dealer) (No. 2) Order 2002: ;
- (2) This Order comes into operation on 1 August 2002.

#### Interpretation

2. In this Order, unless the context otherwise requires-

"listed" means admitted for quotation on a stock market of a stock exchange;

"interest" means-

- (a) a rights issue of securities;
- (b) a bonus issue of securities; or
- (c) any other rights, options or interests as may be specified by the Commission in respect of securities;

"venture capital corporation" means a corporation that is registered with the Commission in accordance with any guidelines issued by the Commission relating to venture capital corporation;

"venture capital management corporation" means a corporation that is registered with the Commission in accordance with any guidelines issued by the Commission relating to venture capital management; and

"securities" has the same meaning as in the Securities Commission Act 1993 [Act 498].

#### Venture capital corporation and venture capital management corporation declared to be exempt dealers

3. Subject to the terms and conditions specified in paragraph 4, a venture capital corporation and a venture capital management corporation are declared to be exempt dealers.

Terms and conditions

4. (1) A venture capital corporation is limited to deal in securities in the following activities:
  - (a) the acquisition of, disposition of or subscription for, securities that are not listed; or
  - (b) the making or offering to make with any person, or inducing or attempting to induce any person, to enter into or to offer to enter into-
    - (i) an agreement to or with a view to acquire, dispose of or subscribe for securities that are not listed; or

(ii) an agreement, other than a futures contract, the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities that are not listed, or by reference to fluctuations in the value of such securities.

(2) A venture capital management corporation is limited to deal in securities in the following activities:

(a) prior to the listing of the securities

(i) the acquisition of, disposition of or subscription for, such securities; or  
(ii) the making or offering to make with any person, or inducing or attempting to induce any person, to enter into or to offer to enter into

(A) an agreement to or with a view to acquire, dispose of or subscribe for such securities; or

(B) an agreement other than a futures contract, the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of such securities or by reference to fluctuations in the value of such securities;

(b) upon the securities referred to in subparagraph (a) being listed

(i) the disposition of such securities; or  
(ii) the making, or offering to make with any person, or inducing or attempting to induce any person, to enter into or to offer to enter into an agreement for or with a view to dispose of such securities;

(c) in relation to the securities referred to in subparagraph (a) which have been listed and which the venture capital management corporation has not disposed of

(i) the acquisition of, disposition of or subscription for, any interest in respect of such securities; or  
(ii) the making or offering to make with any person, or inducing or attempting to induce any person, to enter into or to offer to enter into an agreement for or with a view to acquiring, disposing of or subscribing for any interest in respect of such securities.

(3) A venture capital corporation and a venture capital management corporation shall comply with such guidelines relating to venture capital corporations or venture capital management corporations, as the case may be, and any amendments made to it, as may be issued from time to time by the Commission.

Made 29 July 2002

[S(8.02)443-21 Jd. 3; PN(PU2)135/VII]

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*Minister of Finance*