



Institute of Finance Professionals New Zealand Inc.

PO Box 10 350

Wellington, New Zealand

Telephone 64-4-499 1870

Facsimile 64-4-499 1840

Email mail@infinz.com

www.infinz.com

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Bianca Garwood
Analyst
Regulatory and Competition Policy Branch
Ministry of Economic Development
WELLINGTON

By Email: bianca.garwood@med.govt.nz

Dear Madam

**Submission: Trans-Tasman Mutual Recognition
of offers of Securities and Managed
Investment Scheme Interests**

Thank you for the opportunity to make a submission on this issue.

INFINZ is particularly interested in this matter because we have as two of our guiding principles:

- ◆ Decreasing the cost of capital.
- ◆ Increasing the flow of funds into the New Zealand financial markets.

We have perused the discussion document and believe that the proposed model is a good means of meeting both the broad principles that the document espouses and our two guiding principles above. We therefore support the proposed model for mutual recognition.

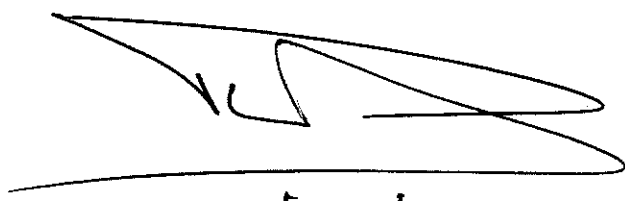
We particularly stress our support for the aim of avoiding double jeopardy for any breaches and would broaden this to suggest that any civil claims or penalties applied in the host company be prosecuted in the home country so that the home precedents apply and so that local providers of legal services can be employed.

In this regard we suggest that a breach of the entry requirements should be prosecuted by the home regulator in the home courts under the law of the home court rather than as a breach of the host country laws as this will add cost and perceived weakness to the efficiency of the model that may mean less people will take advantage of it than would be hoped.

We believe that the model should not weaken the economic case for or attraction of offers of securities under existing New Zealand exemptions. For example, the operation of the New Zealand Exchange NZAX market is proving popular because of the exemptions available for Initial Public Offerings and subsequent capital raisings. The proposed regime and model should not cause any permanent changes to this successful market and its exemptions.

Should you have any questions please do not hesitate to contact the writer.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P R S Hocking', written over a horizontal line.

Paul R S Hocking
Executive Director