

Securities Act (Trade Me Limited Pre-paid Accounts) Exemption Revocation Notice 2013

Pursuant to section 70D of the Securities Act 1978, the Financial Markets Authority gives the following notice (to which is appended a statement of reasons of the Financial Markets Authority):

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Notice

1 Title

This notice is the Securities Act (Trade Me Limited Pre-paid Accounts) Exemption Revocation Notice 2013.

2 Commencement

This Notice comes into force on 10 December 2013.

3 Revocation

The Securities Act (Trade Me Limited Pre-paid Accounts) Exemption Notice 2011 is revoked.

Dated at Wellington this 9th day of December 2013.



Simone Robbers
Head of Primary Regulatory Operations
Financial Markets Authority

Statement of Reasons

This notice, which comes into force on 10 December 2013, revokes the Securities Act (Trade Me Limited Pre-paid Accounts) Exemption Notice 2011. The exemption was due to expire on 31 October 2016. The

Securities Act (Trade Me Limited Pre-paid Accounts)
Exemption Revocation Notice 2013

Financial Markets Authority (**FMA**) considers that it is appropriate to revoke the exemption because –

- Trade Me Limited (**Trade Me**) provides pre-paid accounts to its members to pay for certain services provided by Trade Me. The Securities Act (Trade Me Limited Pre-paid Accounts) Exemption Notice 2011 (the **exemption notice**) was granted on the basis that the pre-paid accounts were debt securities but were not investment products in the usual sense, rather they provided a means of paying for services:
- Trade Me has reviewed the structure of its pre-paid accounts and has advised that the money paid into member accounts is held on trust for members and this money is only paid to Trade Me once it has provided the relevant services in accordance with its commercial terms. On this basis, there is no allotment of debt securities and the exemption notice is no longer required:

As Trade Me's structure of its member accounts does not result in an allotment of securities, FMA considers that the revocation of the exemption notice will not cause significant detriment to subscribers and is not broader than reasonably necessary.

