

1992—No. 89

**GOVERNMENT INSURANCE OFFICE (PRIVATISATION) ACT
1991—REGULATION**

(Government Insurance Office (Privatisation) Savings and Transitional
Regulation 1992)

NEW SOUTH WALES



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HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Government Insurance Office (Privatisation) Act 1991, has been pleased to make the Regulation set forth hereunder.

N. F. GREINER
Premier and Treasurer.

Citation

1. This Regulation may be cited as the Government Insurance Office (Privatisation) Savings and Transitional Regulation 1992.

Definitions

2. In this Regulation:

“**affiliate**” of a GIO underwriter means a person who, by the operation of section 31 (4) of the Act, is taken to have an interest in shares in GIO acquired by the GIO underwriter in connection with the underwriting of GIO’s shares;

“**GIO underwriter**” means a person who is a party to an agreement with GIO or the State of New South Wales, or both, (whether with or without other parties) that includes a provision obliging the person, in connection with the underwriting of GIO’s shares, to acquire all or any shares in GIO in the event of a shortfall in public subscriptions or acquisitions as specified in the agreement;

“**the Act**” means the Government Insurance Office (Privatisation) Act 1991;

“underwriting” of GIO’s shares means the underwriting of the issue of any such shares under GIO’s first registered prospectus or the underwriting of the sale of any such shares of the State of New South Wales.

Underwriters excluded from maximum shareholding in GIO float

3. (1) Section 31 of the Act does not apply to an application for the issue of shares in GIO, or to an offer or agreement to acquire shares in GIO, if

- (a) it is made in the course of, or arises out of, the underwriting of GIO’s shares; and
- (b) it is made by a GIO underwriter.

(2) Section 31 of the Act does not apply to an application for the issue of shares in GIO, or to an offer or agreement to acquire shares in GIO, if

- (a) the issue or acquisition would result in an affiliate of a GIO underwriter obtaining an interest in those shares; and
- (b) but for any shares in GIO acquired by that GIO underwriter in connection with the underwriting of GIO’s shares, section 31 of the Act would not have been contravened by the application or the offer or agreement.

(3) Section 31 of the Act does not apply to an offer or agreement to acquire shares in GIO if it is made by an offer to become a GIO underwriter or it is made by entering into an agreement to become a GIO underwriter.

(4) This clause ceases to apply on 30 June 1993.

Requirement for GIO to pay tax equivalent to State during period after conversion and before sale

4. (1) This clause applies during any period to which Part 7 of the Act applies when GIO is not liable to pay income tax.

(2) Section 10A of the Government Insurance Act 1927 (despite its repeal) continues to apply to GIO during the period to which this clause applies. Any liability under that section (as so continued) is not affected by that period, and the liability under that section, coming to an end.

(3) If the period to which this clause applies does not end at the end of a financial year, the amounts payable by GIO under this clause are to be determined as if the period were a full financial year.

(4) Amounts payable by GIO under this clause are payable at such times as the Treasurer directs.

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(5) The Treasurer may (but is not obliged to) abate the amounts payable by GIO under this clause:

- (a) by reference to any amount that (but for the transfer of any part of GIO's business undertaking to a GIO subsidiary under Part 4 of the Act) would not have been payable in accordance with section 10A of the Government Insurance Act 1927; or
 - (b) by reference to any payments under this clause being made earlier than otherwise required by section 10A.
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EXPLANATORY NOTE

The objects of this Regulation are:

- (a) to exclude the underwriters of GIO's public float from the maximum shareholding provisions under GIO's first prospectus (any affiliate of the underwriter is to be authorised to take up the permitted maximum 10% shareholding and will not be affected by any shares taken up by the underwriter); and
 - (b) to continue the liability of GIO, following its conversion into a public company on 1 January 1992 and until its sale, to pay the State an amount equivalent to the income tax payable if it were not owned by the State.
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