

# BUILDING SOCIETIES AMENDMENT BILL

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## EXPLANATORY NOTE

THIS Bill makes miscellaneous amendments to the Building Societies Act 1908.

*Clause 2:* The purpose of this clause is to provide that short term shares issued by a society are to be regarded as deposits with the society for the purposes of the limitations imposed by section 10 of the principal Act on the amount the society may borrow, and are not to be regarded as part of the paid-up capital of the society in determining the aggregate amount which may be held on deposit by a society which operates a savings bank branch. The clause defines the term "short term share" as being one issued for a fixed term not exceeding fifteen years and having a fixed rate of interest or dividend, or a rate of interest or dividend that varies in accordance with the rate of interest for the time being payable on deposits with the society or on any other specified investments or securities. Any question arising as to whether or not any share is a short term share is to be settled by the Minister of Finance.

*Clause 3* repeals section 3 of the principal Act, which provides for the appointment of districts, and makes consequential amendments. No districts have ever been appointed.

*Clauses 4 and 5* provide for the appointment of a Registrar and a Deputy Registrar of Building Societies and of District Registrars and Assistant Registrars, and prescribe the matters to be recorded in each register. The present legislation provides that the Assistant Registrar of Companies in the district is to be the Registrar of Building Societies for the district, but there is no provision for any central registry, and the several Registrars in the districts are independent of any central control. The clauses generally follow the provisions of the Companies Bill relating to the appointment of the Registrar and District Registrars of Companies.

*Clause 6* provides for additional copies of the rules and annual accounts of societies to be sent to the District Registrars, the purpose being to enable one copy to be sent to the central registry.

*Clause 7* increases the deposit limits of building societies with savings bank branches to a maximum of £400,000 or the amount of the paid-up capital of the society, whichever is the less. The present maximum is £200,000 or the amount of the paid-up capital of the society, whichever is the less. Under *clause 2 (4)* of the Bill the paid-up capital for the purposes of this provision will not include any capital paid up on short term shares.

*Hon. Mr Marshall*

## BUILDING SOCIETIES AMENDMENT

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### ANALYSIS

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| Title.<br>1. Short Title.<br>2. Short term shares of societies.<br>3. Districts abolished.<br>4. Registrar of Building Societies. | 5. New sections inserted.<br>4A. Deputy Registrar of Building Societies.<br>4B. District and Assistant Registrars of Building Societies.<br>4c. Official seals.<br>4D. Registers to be kept for purposes of this Act.<br>6. Additional copy of rules and annual accounts to be sent to Registrar.<br>7. Maximum total deposits with societies. |
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### A BILL INTITULED

AN ACT to amend the Building Societies Act 1908.

Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as the Building Societies Amendment Act 1955, and shall be read together with and deemed part of the Building Societies Act 1908 (hereinafter referred to as the principal Act).
- 10 2. (1) Section two of the principal Act is hereby amended by inserting in subsection one, after the definition of the term "Registrar", the following definition:
- Short Title.  
See Reprint of Statutes, Vol. I, p. 708  
Short term shares of societies.

“‘Short term share’ means any share issued by a society for a specified term not exceeding fifteen years, and having a fixed rate of interest or dividend or a rate of interest or dividend that varies in accordance with the rate of interest for the time being payable on deposits with the society or on any other specified investments or securities of any kind whatsoever:” 5

(2) Section two of the principal Act is hereby further amended by adding the following subsection: 10

“(3) If any question arises whether or not any share is a short term share within the meaning of that term as defined in subsection one of this section, that question shall be decided by the Minister of Finance, whose decision shall be final.” 15

(3) Section ten of the principal Act is hereby amended by adding the following subsection as subsection two thereof:

“(2) The amounts for the time being paid up in respect of short term shares issued by the society shall be deemed for the purposes of this section to be deposits with the society.” 20

1932, No. 30

(4) Section thirty-two of the Finance Act 1932 (No. 2) is hereby amended by adding the following subsection:

“(5) For the purposes of paragraph (b) of subsection four of this section, the amounts for the time being paid up in respect of short term shares issued by the society shall be deemed not to form part of the paid-up capital of the society.” 25

Districts  
abolished.

3. (1) Section three of the principal Act is hereby repealed. 30

(2) The principal Act is hereby amended by repealing section five, and substituting the following section:

“5. The Governor-General may appoint fit persons, being barristers or solicitors of the Supreme Court, to be Revising Barristers for the purposes of this Act.” 35

(3) The principal Act is hereby further amended by omitting from section fourteen and also from section nineteen the words “the Revising Barrister”, and substituting in each case the words “a Revising Barrister”. 40

Registrar of  
Building  
Societies.

4. (1) The principal Act is hereby amended by repealing section four, and substituting the following section:

See Reprint  
of Statutes,  
Vol. VII,  
p. 522

“4. For the purposes of this Act there shall from time to time be appointed under the Public Service Act 1912 a Registrar of Building Societies.” 45

(2) Section two of the principal Act is hereby amended by repealing the definition of the term "Registrar", and substituting the following definition:

5 "Registrar" means the Registrar of Building Societies appointed under this Act; and 'District Registrar', in relation to any society, means the District Registrar of Building Societies in whose office the records relating to the society are kept:"

10 5. The principal Act is hereby amended by inserting, after section four, as substituted by section *four* of this Act, the following sections: New sections inserted.

15 "4A. (1) There may also from time to time be appointed under the Public Service Act 1912 a Deputy Registrar of Building Societies, who shall, under the control of the Registrar, perform such general official duties as he is called upon to perform by the Registrar. Deputy Registrar of Building Societies.

20 "(2) On the occurrence from any cause of a vacancy in the office of Registrar (whether by reason of death, resignation, or otherwise), and in case of the absence from duty of the Registrar (from whatever cause arising), and so long as any such vacancy or absence continues, the Deputy Registrar shall have and may exercise all the powers, duties, and functions of the Registrar.

25 "(3) The fact that the Deputy Registrar exercises any power, duty, or function as aforesaid shall be conclusive evidence of his authority to do so, and no person shall be concerned to inquire whether the occasion has arisen requiring or authorizing him to do so.

30 "4B. (1) There shall from time to time be appointed under the Public Service Act 1912 as many District Registrars of Building Societies and Assistant Registrars of Building Societies as may be found necessary for the purposes of this Act. District and Assistant Registrars of Building Societies.

35 "(2) Subject to the control of the Registrar, every District Registrar shall have and may exercise all the duties and powers of the Registrar. Subject to the control of the Registrar and of the District Registrar, every Assistant Registrar shall have and may exercise all the  
40 duties and powers of the Registrar. The fact that a District Registrar or an Assistant Registrar exercises any powers or functions conferred by this Act on the Registrar shall be conclusive evidence of his authority to do so.

Official seals.

“4c. There shall be an official seal in the custody of the Registrar, and there shall also be an official seal in the custody of each District Registrar.

Registers to be kept for purposes of this Act.

“4d. (1) The Registrar shall cause to be kept in the office of each District Registrar such registers as he considers necessary, in which shall be recorded all matters required by this Act or by regulations made under this Act to be recorded by the Registrar.

“(2) Whenever any act is by this Act or by any regulations under this Act directed to be done to or by the Registrar in respect of any society, it shall, unless the context otherwise requires, be done to or by the District Registrar in whose office the records relating to the society are kept, or to or by an Assistant Registrar in that office.”

Additional copy of rules and annual accounts to be sent to Registrar.

6. The principal Act is hereby amended as follows:

(a) By omitting from section thirteen the words “two printed copies”, and substituting the words “three printed copies”:

(b) By omitting from section fourteen the words “other copy”, and substituting the words “other copies”:

(c) By omitting from section nineteen the words “two copies” and substituting the words “three copies”:

(d) By omitting from section twenty the words “other copy”, and substituting the words “other copies”:

(e) By omitting from subsection two of section forty-five the words “A like copy”, and substituting the words “Two like copies”.

Maximum total deposits with societies.  
1932, No. 30

7. Section thirty-two of the Finance Act 1932 (No. 2) is hereby amended by omitting from paragraph (b) of subsection four the words “two hundred thousand pounds”, and substituting the words “four hundred thousand pounds”.