

Mr. Mason.

INDUSTRIAL AND PROVIDENT SOCIETIES AMENDMENT.

ANALYSIS.

<p>Title. 1. Short Title.</p>	<p>2. Borrowing-power implied in societies. 3. Effect of rules. 4. Rule in winding-up.</p>
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A BILL INTITULED

AN ACT to amend the Industrial and Provident 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 Industrial and Provident Societies Amendment Act, 1930, and shall be read together with and deemed part of the Industrial and Provident Societies Act, 1908 (hereinafter referred to as the principal Act). Short Title.

2. Every industrial and provident society shall have and be deemed to have always had the same power to borrow and to mortgage, charge, and give security over all or any part of its property or assets (including goodwill and unpaid capital) to secure money borrowed, as if it were a company registered under the Companies Act, 1908, having the same objects as the society, irrespective of whether expressed power or sufficient express power is given in the society's rules. Borrowing-power implied in societies.

3. Nothing herein shall prevent a society by its rules authorizing, regulating, or limiting the borrowing of money or the mortgaging, charging, or giving of security, but no lender acting in good faith shall in the case of any society be concerned to inquire as to the power or authority for any borrowing, mortgage, charge, or security or as to whether any such power or authority may have been exhausted or exceeded, and so far as concerns such a lender, such borrowing, mortgage, charge, or security shall be valid and effectual. Effect of rules.

4. In the winding-up of any industrial and provident society, where any person in good faith claims any debt, mortgage, charge, or security in respect of money purported to be borrowed by the society and Rule in winding-up.

actually received by it, such indebtedness, mortgage, charge, or security shall be deemed to be valid and effectual and binding upon the society, notwithstanding that the contracting or giving of the same may have been *ultra vires* of the society, or contrary to the rules of the society, or without authority required by the rules of the society, or in excess of such authority. 5

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1930.