

STATE ADVANCES CORPORATION BILL

EXPLANATORY NOTE

This Bill consolidates and amends the State Advances Corporation Act 1934-35 and its amendments.

The main changes made by this Bill are set out below:

- (a) The legal position of the Corporation as a body corporate has been rectified by abolishing the Board of Management and making the directors of the Corporation (who comprised the Board) the members of the body corporate:
- (b) The salaries and the fees and allowances payable to the directors of the Corporation, and also the salary of the General Manager of the Corporation, are to be paid from the Consolidated Revenue Account out of money appropriated by Parliament for the purpose. This procedure will provide Parliament with an opportunity for a debate on the activities of the Corporation. The money paid out of the Consolidated Revenue Account will be refunded to it by the Corporation:
- (c) The Corporation's lending powers have been extended. The present general rule is that the Corporation can lend only on the security of a mortgage of land. This general rule is however subject to various exceptions and this Bill gives the Corporation a general discretion to decide on the type of security which it will accept:
- (d) The Corporation is empowered to deal in and manage property in its own right as part of its business. It at present deals in and manages property as the agent of the Crown.
- (e) The present Act provides that the capital of the Corporation shall be one million pounds. This provision has had no significance since the Corporation's shareholding was abolished and the present Bill contains no reference to the Corporation's capital:
- (f) The new Act will not apply to the Cook Islands.
- (g) Many provisions of the existing Acts are spent and have been omitted from this Bill.

Full notes of the changes made by each clause are set out below. References to the corresponding sections of the existing legislation are given under the clauses of the Bill.

Clause 1 relates to the Short Title of the Bill.

Clause 2 is the interpretation clause.

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PART I

ESTABLISHMENT OF THE STATE ADVANCES CORPORATION OF NEW ZEALAND

Clause 3 continues the existence of the State Advances Corporation as a body corporate.

Clause 4: At present the Corporation, though a body corporate by statute, has in fact no members. This was the result of the cancellation of its shares in 1936. The State Advances Corporation Act 1936 expressly declared the Corporation to continue to be a body corporate notwithstanding the cancellation of its shares.

This clause reconstitutes the Corporation so that the body corporate consists of the directors; and the expression "the Corporation" is accordingly substituted for the expression "the Board of Management" throughout the Bill. There will be the same number of directors as before and the present directors will continue in office.

Clause 5: Subclause (1) re-enacts the present disqualifications applying to directors.

Subclause (2) allows any appointed director to be removed from office by the Governor-General in Council for disability, neglect of duty, or misconduct.

Clause 6 deals with meetings and proceedings of the Corporation.

Clause 7 re-enacts, with modifications, the existing provisions relating to the appointment by the Corporation of associate directors of the Corporation. It is no longer necessary for associate directors to be appointed in respect of defined districts.

Clause 8 relates to the Managing Director and the Deputy Managing Director of the Corporation. The main change in this provision is that subclauses (3) and (4) limit the right of these officers to engage in private employment. The limitation is in almost the same terms as the limitation imposed on persons employed in the Public Service by section 53 of the State Services Act 1962.

Under the present Act the Managing Director and the Deputy Managing Director of the Corporation are to "devote the whole of their time to the duties of their offices" and, in particular, are not to engage in any business on their own account.

Clause 9 provides for the remuneration of the directors and associate directors of the Corporation out of money appropriated by Parliament for the purpose. This procedure will provide Parliament with an opportunity for a debate on the activities of the Corporation. The money paid is to be refunded to the Consolidated Revenue Account by the Corporation. A similar provision is s. 51 (3) of the Broadcasting Act 1961.

Clause 10 provides for the appointment under the State Services Act 1962 of a General Manager of the Corporation. He will be deemed to be the permanent head of the Corporation for the purposes of the State Services Act 1962 and he will be responsible to the Corporation for the efficient and economical administration of the Corporation's business, functions, and powers. His salary will be paid out of money appropriated by Parliament. The money paid is to be refunded to the Consolidated Revenue Account by the Corporation.

Clause 11 provides for the appointment of officers and employees of the Corporation under the State Services Act 1962. Except as provided in *clause 10*, their salaries and wages will be paid by the Corporation.

Clause 12 re-enacts, with some minor alterations, the provision which sets out the manner in which the Corporation may make contracts.

Clause 13 re-enacts section 9 of the Finance Act 1948 which allows officers of the Corporation to be authorised to execute deeds, instruments, and other documents on behalf of the Corporation. The only change is that the Corporation will no longer require the consent of the Minister of Finance to the giving of such authority to any officer.

Clause 14 is new. It provides for the delegation and sub-delegation of the Corporation's powers to committees and to officers or employees of the Corporation. It is in the same terms as section 27 of the Tourist Hotel Corporation Act 1955.

PART II

BUSINESS AND FUNCTIONS OF THE CORPORATION

Clause 15: Subclause (1) sets out the principal business of the Corporation which is the making of loans for any purpose approved for the time being in writing by the Minister of Finance for the purposes of this subclause.

Subclause (2) refers generally to the other functions of the Corporation.

Clause 16 is new. It empowers the Corporation to deal in and manage property in its own right as part of its business. The Corporation at present deals in and manages property as the agent of the Crown.

Clause 17 requires the Corporation, in the carrying on of its business and in the exercise of its functions and powers, to give effect to the policy of the Government in relation to that business and to those functions and powers as communicated to it from time to time in writing by the Minister of Finance.

Clause 18 re-enacts, with minor modifications, the provisions which authorise the Corporation to make loans to local authorities for housing purposes.

Clause 19 is an enlargement of section 29 of the State Advances Corporation Act 1936. It authorises the Corporation, with the approval of the Minister of Finance, to make loans for the development of any industry for the time being carried on in New Zealand or elsewhere or for the establishment in New Zealand or elsewhere of any new industry. It also authorises the Corporation to make loans for any other purpose approved by the Minister of Finance for the purposes of this section. The Minister of Finance, as before, guarantees the Corporation against any loss incurred in respect of any loan made by the Corporation pursuant to this section.

Clause 20 re-enacts with one modification the provision which authorises the Corporation to guarantee the repayment of any portion of a loan made for the development or establishment of accommodation for tourists or travellers in New Zealand. The modification is that instead of the borrower being required to contribute an amount equal to two per cent of the portion of the loan guaranteed by the Corporation to the General Reserve Fund, the Corporation is given a discretion to require an amount not exceeding that two per cent to be so contributed.

Clause 21 re-enacts with minor modifications the provision which authorises the Corporation to guarantee the repayment of portion of a loan made by a financial institution to a borrower who wishes to erect or purchase a house.

Clause 22 authorises the Corporation to act as agent for any Department of State or any person or organisation. At present the Corporation has a limited power to act as agent for any Department of State.

PART III

SECURITIES FOR LOANS

Clause 23: Subclause (1) provides that money lent by the Corporation shall be secured in such manner and upon such terms as the Corporation thinks fit. This provision gives the Corporation a wider discretion as to the type of security which it may accept than it enjoys under the present Act.

Subclause (2) deals with the power of the Corporation to fix the rates of interest upon money lent by it. It is largely a re-enactment of an existing provision.

Subclause (3) provides that the Corporation shall determine the value of the security for lending purposes.

Subclause (4) provides that where the Corporation determines the value of land used exclusively or principally for agricultural, horticultural, or pastoral purposes it must have regard to the earning capacity of the land. Under the present Act the value of such land is determined by reference primarily to its earning capacity.

Clause 24 provides that where a leasehold interest in land is subject to a mortgage in favour of the Corporation the mortgage is deemed to include the mortgagor's interest in any lease granted in renewal of the mortgaged lease or otherwise in lieu thereof. This is a modification of an existing provision. The present provision only applies where the loan was granted in the first instance by the Corporation and does not cover the case where the Corporation takes over a mortgage which secures a loan granted by another person.

Clause 25 re-enacts special provisions as to mortgages of leasehold interests in Crown land or certain classes of Maori land. This provision now applies where the Corporation is the mortgagee for the time being under a mortgage of such an interest in Crown land or such a class of Maori land and not only where the Corporation granted the loan in the first instance.

Clause 26 re-enacts an existing provision which authorises the Corporation to accept repayment in advance of the whole or part of the money owing under any mortgage or other security held by it.

Clause 27 re-enacts the existing provision which requires mortgagors to contribute to the Corporation's General Reserve Fund. It is however made clear that no contribution to that Fund is payable in respect of loans made pursuant to section 19 of the proposed Act.

PART IV

FINANCIAL PROVISIONS

Clause 28 re-enacts the provision which enables the Corporation to issue bonds and stock for the purpose of providing funds to carry on its business. The provision has been modified so that the Corporation may also issue bonds or stock as consideration for mortgages of land or other securities transferred to it.

Clause 29 provides that securities issued by the Corporation are to be State guaranteed. It re-enacts an existing provision.

Clause 30 authorises investments in securities issued by the Corporation. It re-enacts an existing provision.

Clause 31 re-enacts the existing provision which authorises the Corporation to borrow money on hypothecation of its own securities.

Clause 32 re-enacts the existing provision which enables stock issued by the Corporation to be registered in the books of the Reserve Bank of New Zealand.

Clause 33 re-enacts the existing provision which authorises the Minister of Finance, on behalf of Her Majesty the Queen, to advance money to the Corporation from the National Development Loans Account.

Clause 34 re-enacts, with minor modifications, the provision which requires the Corporation to maintain a General Reserve Fund.

Clause 35 re-enacts the provision which requires the Corporation to maintain approved securities on account of the General Reserve Fund.

Clause 36 provides that the financial year of the Corporation shall end on the thirty-first day of March as at present.

Clause 37 re-enacts the provision which deals with the distribution of the profits of the Corporation. The surplus for each financial year is paid into the Public Account unless the Minister of Finance authorises the Corporation to credit it, in whole or in part, to the General Reserve Fund.

Clause 38 deals with the Corporation's annual report and annual accounts. The only change is that the accounts of the Corporation are no longer required to be published in the *Gazette*. They have not in fact been published in the *Gazette* for many years. Both the report and the accounts must be furnished to the Minister of Finance and laid before Parliament.

Clause 39 re-enacts the provisions dealing with the audit of the Corporation's accounts.

PART V

MISCELLANEOUS PROVISIONS

Clause 40 re-enacts the provision which prevents any other corporation being formed with a name similar to that of the Corporation.

Clause 41 provides that procuration fees are not chargeable in respect of loans from the Corporation. This clause is a re-enactment of an existing provision.

Clause 42 provides for the composition of stamp duty in respect of cheques issued by the Corporation. This clause is a re-enactment of an existing provision.

Clause 43 re-enacts an existing provision. It deals with the Corporation's liability for taxes and rates.

Clause 44 authorises the making of regulations.

Clause 45: Subclause (1) repeals the enactments set out in the First Schedule.

Subclause (2) makes the consequential amendments shown in the Second Schedule.

Subclause (3) substitutes references to the Corporation for references to the Board of Management in enactments and documents.

Subclause (4) revokes the regulations made under the State Advances Corporation Act 1936.

Subclause (5) revokes the State Advances Corporation of New Zealand Account Order 1964. This order was made under the Public Revenues Act 1953.

Clause 46 is a saving provision. *Subclause (1)* preserves the effect of certain provisions of the Finance Act 1937 which were consequential on and incidental to the abolition of the office of the State Advances Superintendent and to the abolition of the State Advances Account on 31 March 1938.

Subclause (2) preserves the existing position with regard to the securities transferred to the Corporation under Part V of the State Advances Corporation Act 1934-35 and with regard to the stock issued by the Corporation under section 38 of that Act.

Hon. Mr Rae

STATE ADVANCES CORPORATION

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A BILL INTITULED

An Act to consolidate and amend the State Advances Corporation Act 1934-35 and its amendments

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, 5
as follows:

1. Short Title—This Act may be cited as the State Advances Corporation Act 1965.

2. Interpretation—In this Act, unless the context otherwise requires,— 10

“Approved securities” means—

(a) The debentures, stock, funds, or other securities of the Government of New Zealand, or the Commonwealth of Australia or any State thereof, or the United Kingdom: 15

(b) The debentures, stock, or other securities of any local authority within the meaning for the time being of Part I of the Local Authorities Loans Act 1956:

“Corporation” means the State Advances Corporation of 20
New Zealand established under this Act:

“Land” includes any interest in land:

“Property” includes real and personal property, and any estate or interest in any real or personal property, and any debt, and any thing in action, and any licence or 25
authority, and any other right or interest.

Cf. 1934-35, No. 42, s. 2; 1936, No. 12, s. 45

PART I

ESTABLISHMENT OF THE STATE ADVANCES CORPORATION OF
NEW ZEALAND

5 **3. State Advances Corporation of New Zealand**—(1) There shall be a corporation to be called the State Advances Corporation of New Zealand.

(2) The Corporation shall be a body corporate with perpetual succession and a common seal, and may acquire, hold, and dispose of property, and sue and be sued, and do and
10 suffer all that bodies corporate may do and suffer.

(3) The Corporation is hereby declared to be the same body corporate as the body corporate of the same name existing immediately before the commencement of this Act under the State Advances Corporation Act 1934–35, which body
15 corporate was originally established under the name of the Mortgage Corporation of New Zealand.

(4) The Corporation shall have a Head Office, and may establish such branches and agencies and appoint such agents in New Zealand as in its discretion it thinks fit.

20 Cf. 1934–35, No. 42, s. 3; 1936, No. 12, ss. 3, 8, 45

4. Constitution of Corporation—(1) The Corporation shall consist of—

(a) A Managing Director, to be from time to time appointed by the Governor-General in Council for
25 a term not exceeding seven years:

(b) A Deputy Managing Director, to be from time to time appointed by the Governor-General in Council for
a term not exceeding seven years:

(c) Such number of directors (not exceeding four) as may
30 from time to time be appointed by the Governor-General in Council:

(d) One other director, being such officer of the Treasury as the Minister of Finance may from time to time approve for the purpose.

35 (2) The persons holding office at the commencement of this Act as Managing Director, Deputy Managing Director, and directors of the Board of Management of the State Advances Corporation of New Zealand under the State Advances Corporation Act 1934–35 (as amended by section 45 of the State

Advances Corporation Act 1936, section 2 of the State Advances Corporation Amendment Act 1951, and section 2 of the State Advances Corporation Amendment Act 1961), other than the person holding office under paragraph (d) of subsection (1) of section 2 of the State Advances Corporation Amendment Act 1951, shall, without further appointment than this section, be deemed to have been appointed as Managing Director, Deputy Managing Director, and directors of the Corporation under paragraphs (a), (b), and (c) respectively of subsection (1) of this section; and each such person shall, unless he dies or resigns his office or becomes disqualified or is removed from office under this Act, continue to hold office, in the case of the Managing Director and the Deputy Managing Director, until the expiry of the term of office for which he was appointed before the commencement of this Act and, in the case of the directors deemed to have been appointed under paragraph (c) of subsection (1) of this section, until he retires from office in accordance with subsection (4) of this section.

(3) The person holding office at the commencement of this Act as a director of the Board of Management of the Corporation under paragraph (d) of subsection (1) of section 2 of the State Advances Corporation Amendment Act 1951 shall become a director of the Corporation and shall hold office as if he had become such a director under paragraph (d) of subsection (1) of this section.

(4) On the first day of February in every year one of the directors appointed under paragraph (c) of subsection (1) of this section shall retire from office. The director to retire in any year shall be the one who has longest held office since his appointment or last appointment. Where two or more of those directors have longest held office the director to retire shall be determined by lot in such manner as the Corporation shall determine.

(5) Any appointed director of the Corporation may from time to time be reappointed.

(6) Any appointed director of the Corporation may at any time resign his office by writing under his hand addressed to the Minister for the time being charged with the administration of this Act.

(7) The powers of the Corporation shall not be affected by any vacancy in the membership thereof.

Cf. 1951, No. 46, s. 2; 1961, No. 16, s. 2

5. Disqualification of directors and removal from office—

(1) No person shall be capable of being appointed or of continuing to hold office as a director of the Corporation who—

- 5 (a) Is or becomes a member of Parliament; or
(b) Being a bankrupt within the meaning of the Bankruptcy Act 1908, has not obtained an order of discharge under that Act.

10 (2) Any appointed director of the Corporation may at any time be removed from office by the Governor-General in Council for disability, neglect of duty, or misconduct proved to the satisfaction of the Governor-General in Council.

Cf. 1934–35, No. 42, s. 15; 1936, No. 12, s. 45; 1950, No. 3, s. 2 (4)

15 **6. Meetings of Corporation—**(1) Meetings of the Corporation shall be held at such times and places as the Corporation from time to time appoints.

20 (2) The Managing Director of the Corporation, or any two directors of the Corporation, may at any time call a special meeting of the Corporation.

(3) At all meetings of the Corporation the Managing Director, or in his absence the Deputy Managing Director, shall be the Chairman; but in the absence of both of them from any meeting the directors present shall appoint one of
25 their number to be the Chairman for that meeting.

(4) At any meeting of the Corporation the Chairman of that meeting shall have a deliberative vote and, in the case of an equality of votes, shall also have a casting vote.

30 (5) Every question arising at any meeting of the Corporation shall be decided by a majority of the votes of the directors present and voting thereon.

(6) Notice in writing of every meeting of the Corporation and of the business proposed to be transacted thereat shall be given to the Minister of Finance who shall have the right to
35 attend any such meeting.

(7) At all meetings of the Corporation three members shall form a quorum.

(8) Subject to the provisions of this Act, the Corporation may regulate its own procedure.

40 Cf. 1936, No. 12, ss. 11–12; 1951, No. 46, s. 4

7. Associate directors—(1) The Corporation may from time to time as it thinks proper appoint one or more suitable persons to be associate directors of the Corporation.

(2) Every associate director shall be appointed for a term not exceeding five years, but may from time to time be reappointed.

(3) No person shall be capable of being appointed or of continuing to hold office as an associate director who, by virtue of section 5 (1) of this Act would be incapable of being appointed or of continuing to hold office as a director of the Corporation, and any associate director may be removed from office under section 5 (2) of this Act.

(4) The function of an associate director shall be to advise the Corporation on any matters submitted to him by the Corporation.

Cf. 1934-35, No. 42, s. 19

8. Managing Director and Deputy Managing Director—

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

(2) The fact that the Deputy Managing Director exercises or performs any power, duty, or function of the Managing Director shall be conclusive evidence of his authority to do so.

(3) Except with the express permission of the Minister (which may at any time be withdrawn), no person holding office as Managing Director or Deputy Managing Director shall—

(a) Accept or continue to hold or discharge the duties of any other paid office unless that office is conferred on him in his capacity as Managing Director or Deputy Managing Director by any enactment:

(b) Accept any money, fee, gratuity, or reward of any kind for services rendered outside the duties of his office or of any other office so conferred on him.

(4) Except as provided in subsection (5) of this section, nothing in this section shall be construed to prevent a person holding office as Managing Director or Deputy Managing Director from becoming a member or shareholder only of any incorporated company, or of any company or society of persons registered under any Act.

(5) If the Minister has reason to believe that any person holding office as Managing Director or Deputy Managing Director has any financial interest (including any equitable interest) in any undertaking, being an interest which is in the opinion of the Minister incompatible with the due and proper discharge of his duties as Managing Director or Deputy Managing Director, the person may be required to notify the Minister whether such an interest exists, and the Minister (whether or not any such notification has been received) may require that all interests of a specified nature shall be disposed of.

(6) In this section the term "Minister" means the Minister for the time being charged with the administration of this Act.

Cf. 1951, No. 46, s. 5

15 **9. Remuneration of directors**—(1) The Managing Director and the Deputy Managing Director shall each be entitled to receive such salary and allowances as may from time to time be fixed in that behalf by the Minister of Finance.

20 (2) The appointed directors (other than the Managing Director and the Deputy Managing Director) and the associate directors shall be entitled to receive such fees and such allowances in respect of their expenses as may from time to time be fixed in that behalf by the Minister of Finance.

25 (3) The salaries, fees, and allowances payable under subsection (1) and subsection (2) of this section shall be paid from the Consolidated Revenue Account out of money appropriated by Parliament for the purpose.

30 (4) An amount equal to the amount paid in any year under subsection (3) of this section shall in that year be repaid to the Consolidated Revenue Account by the Corporation.

Cf. 1951, No. 46, s. 6

10. General Manager—(1) There shall from time to time be appointed under the State Services Act 1962 a General Manager of the Corporation.

35 (2) The General Manager shall, subject to subsection (3) of this section, be deemed to be the permanent head of the Corporation for the purposes of the State Services Act 1962.

40 (3) He shall be responsible to the Corporation for the efficient and economical administration of the Corporation's business, functions, and powers and section 25 of the State Services Act 1962 shall be subject to this subsection.

(4) The General Manager shall be paid out of the Consolidated Revenue Account such salary as may from time to time be appropriated by Parliament.

(5) An amount equal to the amount paid in any year under subsection (4) of this section shall in that year be repaid to the Consolidated Revenue Account by the Corporation. 5

11. Appointment of officers and employees—(1) There shall from time to time be appointed under the State Services Act 1962 such other officers and employees of the Corporation as may be necessary. 10

(2) All persons (including the person holding office as General Manager of the Corporation) who immediately before the commencement of this Act are officers or employees of the Corporation and are or are deemed to be officers or employees of the Public Service within the meaning of the State Services Act 1962 shall be deemed to have been appointed to their positions under the State Services Act 1962. 15

(3) The salaries, wages, grants, and allowances payable to the officers and employees of the Corporation in accordance with the State Services Act 1962 shall, subject to subsection (4) of section 10 of this Act, be paid by the Corporation. 20

(4) Nothing in this section shall apply with respect to any director or associate director of the Corporation.

Cf. 1936, No. 12, s. 13; 1946, No. 42, s. 25

12. Contracts of Corporation—(1) Subject to section 13 of this Act, any contract which, if made by private persons, must be by deed shall, if made by the Corporation, be in writing under the common seal of the Corporation. 25

(2) Any contract which, if made by private persons, must be in writing signed by the persons to be charged therewith, may, if made by the Corporation, be either in writing under the common seal of the Corporation or in writing signed by any person acting on behalf of and under the express or implied authority of the Corporation. 30

(3) Any contract which, if made by private persons, may be made orally without writing, may, if made by the Corporation, be made in any such manner as aforesaid or orally by any person acting on behalf of and under the express or implied authority of the Corporation. 35

Cf. 1934–35, No. 42, s. 4

13. Execution of documents on behalf of Corporation—

(1) The Corporation may from time to time, by writing under the common seal of the Corporation, authorise any officer or officers of the Corporation to execute any deeds, instruments, or other documents on behalf of the Corporation, and may in like manner revoke any such authority.

(2) Any authority under this section to any officer or officers of the Corporation may be given to a specified officer or officers or to officers of a specified class or to the holder or holders for the time being of a specified office or class of offices.

(3) Every person purporting to execute any document on behalf of the Corporation pursuant to this section shall be presumed to be acting in accordance with a valid authority under this section in the absence of proof to the contrary.

Cf. 1948, No. 35, s. 9

14. Delegation of powers of Corporation—(1) The Corporation may from time to time appoint a committee or committees consisting of two or more persons being directors or officers of the Corporation, and may from time to time delegate to any such committee any of the powers or functions of the Corporation, including the power of delegation conferred by this subsection.

(2) The Corporation may from time to time delegate to any director or officer or employee of the Corporation any of its powers, including the power of delegation conferred by this subsection.

(3) Subject to any general or special directions given or conditions imposed by the Corporation or committee or person by whom any powers are delegated as aforesaid, the committee or person to whom any powers are so delegated may exercise those powers in the same manner and with the same effect as if they had been conferred directly by this Act and not by delegation.

(4) Every committee or person purporting to act pursuant to any delegation under this section shall be presumed to be acting in accordance with the terms of the delegation, in the absence of proof to the contrary.

(5) Any delegation under this section may be made to a specified person or to persons of a specified class, or may be made to the holder for the time being of a specified office or appointment or to the holders of offices or appointments of a specified class.

(6) Any delegation under this section may be revoked at any time.

(7) The delegation of any power by the Corporation or by any committee or person shall not prevent the exercise of that power by the Corporation, or, as the case may require, by that committee or person. 5

PART II

BUSINESS AND FUNCTIONS OF THE CORPORATION

15. Business and functions—(1) The principal business of the Corporation shall be the making of loans for any purpose approved for the time being in writing by the Minister of Finance for the purposes of this subsection. 10

(2) The Corporation may also make loans for any purpose authorised by any other provision of this Act or of any other enactment and shall carry out such other functions as are conferred on it by any other provision of this Act or of any other enactment. 15

Cf. 1936, No. 12, s. 23 (1)

16. Power to deal in and manage property—It shall be part of the business of the Corporation— 20

- (a) To purchase, take on lease, be granted, accept, or acquire in any way any property:
- (b) To hold, improve, manage, develop, alter, extend, equip, furnish, repair, and maintain any property vested in the Corporation: 25
- (c) To enter into any covenants or agreements in respect of any property vested or to be vested in the Corporation:
- (d) To sell, exchange, convey, transfer, assign, lease, dispose of, turn to account, or otherwise deal with any property vested in the Corporation: 30
- (e) Generally to exercise any functions or rights and undertake and perform any liabilities in respect of or in connection with any property vested or to be vested in the Corporation which could be exercised, undertaken, or performed by a person owning the property and not being a body corporate. 35

17. Corporation to implement policy of the Government—

In the carrying on of its business and in the exercise of its functions and powers under this Act or any other enactment the Corporation shall give effect to the policy of the Government in relation to that business and to those functions and powers as communicated to it from time to time in writing by the Minister of Finance.

Cf. 1936, No. 12, ss. 23 (1), 24 (2)

18. Loans to local authorities for housing purposes—

(1) The Corporation may make loans to local authorities for housing purposes.

(2) Any loan made to a local authority by the Corporation under this section may be made either out of money received by the Corporation under subsection (1) of section 32 of the Housing Act 1955, or out of the other funds of the Corporation, as the Corporation may in any case determine.

(3) In this section the term "local authority" means any public body that is for the time being a local authority within the meaning of Part I of the Local Authorities Loans Act 1956.

Cf. 1936, No. 12, s. 28 (2)–(3); 1936, No. 16, s. 35; 1937, No. 20, s. 2 (1)

19. Loans for industry and other purposes—

(1) The Corporation may, in accordance with the provisions of this section, make loans for the development of any industry for the time being carried on in New Zealand or elsewhere, or for the establishment in New Zealand or elsewhere of any new industry, or for any other purpose approved by the Minister of Finance for the purposes of this section.

(2) No loan shall be made under the authority of this section except with the approval of the Minister of Finance and on such terms and conditions as he thinks fit.

(3) Where a loan is made under this section to any company the Corporation, for the purpose of safeguarding its interests, may acquire and hold shares in the company, whether such shares are fully paid up or not. In respect of such shares the Corporation shall have the same rights and be subject to the same obligations as other shareholders of the same class.

(4) All loans granted by the Corporation under this section shall be secured in such manner as the Corporation, with the approval of the Minister, thinks fit.

(5) The Minister of Finance shall guarantee the Corporation against any loss that may be incurred by it in respect of any loan made by the Corporation pursuant to this section. Any money payable to the Corporation by the Minister pursuant to any guarantee given by him for the purposes of this section may be paid by him out of the Consolidated Revenue Account without further appropriation than this section. 5

Cf. 1936, No. 12, s. 29

20. Guarantees by Corporation of portions of loans for development or establishment of tourist hotels—(1) Where any person (in this section referred to as the borrower) approved by the Corporation is desirous of providing accommodation for tourists or travellers in New Zealand of a standard and in a locality approved by the Minister in Charge of Tourism and applies to any person (in this section referred to as the lender) for a loan to enable or assist him to do so, the Corporation may by deed or other instrument, and upon such terms as may be agreed upon between the Corporation and the lender, guarantee to the lender repayment of any portion of the money which the lender may lend to the borrower for that purpose. 10 15 20

(2) Where any guarantee is given by the Corporation under the provisions of this section, the borrower may be required by the Corporation to pay to the credit of the General Reserve Fund established pursuant to section 34 of this Act an amount not exceeding two per cent of the portion of the loan guaranteed by the Corporation. 25

(3) Any amount payable to the General Reserve Fund pursuant to subsection (2) of this section may be paid in cash at the time of the giving of the guarantee or it may be added to the amount of the loan and included in the guarantee, and in such case shall be paid by the lender to the Corporation. 30

(4) The provisions of section 19 of this Act shall apply with all necessary modifications to guarantees given under this section as if they were loans made under that section: 35

Provided that the losses incurred by the Corporation in respect of such guarantees, and against which it is guaranteed under subsection (5) of that section, shall be the losses incurred after any amounts paid to the General Reserve Fund in respect of such guarantees have been taken into account. 40

Cf. 1936, No. 12, s. 29A; 1961, No. 16, s. 4

21. Guarantees by Corporation of portions of mortgages granted for housing purposes—(1) For the purposes of this section “financial institution” means the Public Trustee, the Government Insurance Commissioner, and the National
5 Provident Fund Board, and any Government Department, building society, savings bank, company, or body corporate (whether incorporated in New Zealand or elsewhere) empowered to lend money on mortgage of land.

(2) Where any person is desirous of purchasing or erecting
10 a house and applies to a financial institution for an advance by way of first mortgage upon the security of the land and the house erected or to be erected thereon, the Corporation may by deed or other instrument, and upon such terms as may be agreed upon between the Corporation and the financial
15 institution, guarantee to that financial institution repayment of any portion of the money which the financial institution may so advance to that person.

(3) Notwithstanding any rule of law or any statutory or other provision to the contrary, but subject to the provisions of subsection (5) of this section, any financial institution may advance money (including trust funds) by way of mortgage—

(a) On the security of an estate in fee simple in any
25 land and a house erected or to be erected thereon to an amount which does not exceed the percentage fixed by subsection (4) of this section of the total estimated value of the land and of the house erected or to be erected thereon:

(b) On the security of any lease and a house erected or
30 to be erected on the land comprised in the lease to an amount which does not exceed the percentage fixed by subsection (4) of this section of the estimated value of the house or proposed house alone.

(4) The percentage fixed for the purposes of subsection (3)
35 of this section shall be eighty-five per cent where the house is already erected and ninety per cent where the house is to be erected.

(5) No such advance of money by way of mortgage shall be authorised by subsection (3) of this section unless the Corporation has entered into a guarantee in a form agreed upon between the Corporation and the financial institution whereby the Corporation guarantees to the financial institution repayment of the difference between the maximum loan that the financial institution would be authorised to advance without the guarantee and the amount (not exceeding the limit specified in subsection (3) of this section) which the financial institution advances. 5
10

(6) Where a financial institution advances money to any person at any time after the commencement of this subsection and the repayment of portion of that money is guaranteed by the Corporation under the provisions of this section, then that person shall be required to pay to the credit of the General Reserve Fund established pursuant to section 34 of this Act an amount equal to two per cent of the portion of the advance guaranteed by the Corporation. 15

(7) The amount payable to the General Reserve Fund pursuant to subsection (6) of this section may be paid in cash at the time of the giving of the guarantee or it may be added to the amount of the advance (notwithstanding the limit specified in subsection (3) of this section) and included in the guarantee, and in such case shall be secured by the mortgage to the financial institution and paid by that institution to the Corporation. 20
25

Cf. 1934-35, No. 42, s. 32A; 1961, No. 16, s. 3

22. Corporation may act as agent—(1) The Corporation may act as agent for any Department of State or any person or organisation. 30

(2) Any investment made by the Corporation on behalf of a principal under this section may be taken in the name of the Corporation or of the principal, as may be agreed.

(3) In return for its services as an agent the Corporation shall be entitled to charge such fees or to receive such other remuneration as may be fixed by arrangement made between the Corporation and the principal. 35

Cf. 1936, No. 12, s. 40

PART III

SECURITIES FOR LOANS

23. **Security for money lent by Corporation**—(1) Money lent by the Corporation shall be secured in such manner and upon such terms as the Corporation thinks fit.

(2) The Corporation shall from time to time fix the rates of interest to be paid upon money lent by the Corporation so as to make adequate provision to cover the costs of administration and for all other matters incidental to the proper functioning of the Corporation.

(3) Different rates of interest may be fixed under subsection (2) of this section in respect of different securities or different classes of security or in respect of different portions of the same loan.

(4) The Corporation shall determine the value of the security for lending purposes.

(5) Where the security consists of or includes a mortgage of land used exclusively or principally for agricultural, horticultural, or pastoral purposes, the Corporation shall, in determining the value thereof for the purposes of this section, have regard to the earning capacity of the land.

Cf. 1934–35, No. 42, s. 24 (1)–(2); 1936, No. 12, s. 35 (1)–(2)

24. **Mortgages of leasehold interests**—Where a leasehold interest in land is subject to a mortgage under which the Corporation is the mortgagee for the time being, whether that mortgage was given before or after the commencement of this Act, the mortgage shall be deemed to extend to and include the mortgagor's interest in any lease that may be granted to him in renewal of the mortgaged lease, or otherwise in lieu thereof.

Cf. 1936, No. 12, s. 36

25. **Special provisions as to mortgages of leasehold interests in Crown land or certain classes of Maori land**—(1) This section applies to any mortgage under which the Corporation is the mortgagee for the time being and which is a mortgage of the mortgagor's interest in:

(a) Any lease of any Crown land or of any other land vested in Her Majesty:

- (b) Any lease of land that is subject to the Maori Vested Lands Administration Act 1954 or to the Maori Reserved Land Act 1955:
- (c) Any lease to which section 57 of the Maori Vested Lands Administration Act 1954 applies. 5

(2) In this section—

“Lease” includes an agreement to lease and a licence to occupy:

“Leasing authority”, in relation to any lease referred to in paragraph (a) of subsection (1) of this section, means the Land Settlement Board; and, in relation to any lease referred to in paragraph (b) or paragraph (c) of that subsection, means the Maori Trustee. 10

(3) Except with the consent of the Corporation, and on such terms as it thinks fit, it shall not be lawful for any leasing authority to forfeit or cancel the mortgagor’s interest in any lease for breach of the conditions, or to accept any surrender thereof, or to cancel the mortgagor’s right to compensation for or valuation of improvements, without giving to the Corporation at least three months’ previous notice in writing of its intention so to do. 20

(4) Notwithstanding such forfeiture, cancellation, or surrender, the mortgage to the Corporation shall, by virtue of this section, be deemed to be a first charge on the improvements then existing on the land for all money payable in respect thereof by any incoming tenant or occupier of the land (to the extent to which the mortgagor would have had interest therein if his title to the land had been lawfully determined otherwise than by forfeiture, cancellation, or surrender), and such money shall be paid to the Corporation accordingly: 25 30

Provided that the Corporation may accept from such incoming tenant or occupier a mortgage of his estate and interest in the land in lieu of cash, and any restrictions imposed by any Act on the right of the tenant to mortgage or assign his interest shall not apply in the case of a mortgage granted under this subsection. 35

(5) If, in the event of such forfeiture, cancellation, or surrender, the Corporation and the leasing authority are unable to agree as to the value of the mortgagor’s interest in the improvements, such value shall be determined by arbitration. 40

(6) In the event of the Corporation, as mortgagee in possession, granting a lease or other tenancy of the land, or of any part thereof (which it is hereby empowered to do without the consent of the leasing authority), then, for the purpose of preventing forfeiture or cancellation of the mortgagor's title for breach of conditions, but for no other purpose, fulfilment of conditions by the person in actual possession under such lease or other tenancy shall be considered as fulfilment by the mortgagor:

10 Provided that, in the case of any land administered by the Land Settlement Board, the grant of a lease by the Corporation shall be subject to the approval of the Minister of Lands and in the case of any land administered by the Maori Trustee the grant of a lease by the Corporation shall be
15 subject to the approval of the Minister of Maori Affairs.

(7) Where the Corporation as mortgagee in possession of any land grants a lease or other tenancy thereof in accordance with subsection (6) of this section, the rent received by the Corporation shall be apportioned between the Corporation
20 and the leasing authority in proportion to the values of the capital interests in the land of the Corporation and the leasing authority (as representing the Crown or other owner of the land), or in such other proportions as may be mutually agreed to between the Corporation and the leasing authority.

25 Any rent or other revenue that may be received by the leasing authority in respect of a temporary lease or licence granted after the cancellation, forfeiture, or surrender of the mortgagor's title shall be similarly apportioned between the leasing authority and the Corporation.

30 (8) If the Corporation sells the security in exercise of its powers of sale, any restrictions imposed by any Act on the right of lessee or licensee to mortgage or assign his interest in the land shall not apply with respect to the sale to the purchaser, nor shall any such restrictions apply with respect to
35 the mortgage by the purchaser of his estate or interest in the land to the Corporation to secure the whole or any part of the purchase money.

(9) Any sale by the Corporation in exercise of its powers of sale may be by public auction or private contract, as the
40 Corporation in its discretion thinks fit, and in the case of sale by private contract advertising shall not be necessary:

Provided that in the case of any land administered by the Land Settlement Board the sale shall be subject to the approval of the Minister of Lands.

(10) Notwithstanding anything to the contrary in any other Act, the power of sale shall be deemed to arise and accrue and may, without the consent of the leasing authority, be exercised by the Corporation at any time after the expiration of the period limited in that behalf by the mortgage. 5

Cf. 1935, No. 24, ss. 2, 6

26. **Repayment of loans**—The Corporation may in its discretion and on such terms as it thinks fit accept cash in repayment in advance of the whole or part of the money owing under any mortgage or other security held by it. 10

Cf. 1934–35, No. 42, s. 26 (4)

27. **Mortgagors required to contribute to General Reserve Fund**—(1) Every person who receives from the Corporation a loan secured by a mortgage of land (other than a loan made pursuant to section 19 of this Act) shall be required to pay 15 to the credit of the General Reserve Fund established pursuant to section 34 of this Act an amount equal to two per cent of the amount of the loan.

(2) Notwithstanding the provisions of subsection (1) of this section, where any person who has repaid (whether 20 before or after the commencement of this Act) a loan made to him by the Corporation makes application to it after that date for a further loan and, when the application is received by the Corporation, less than five years have elapsed since the completion of the repayment of the previous loan, 25 whether the further loan is to be secured by a mortgage of the same land or other land, the Corporation may, if it thinks fit, decide—

(a) That the person shall not be required to contribute 30 to the General Reserve Fund in respect of the further loan if the amount of that loan does not exceed the sum owing under the previous loan at the time when the repayment of that loan was completed; or

(b) That the person shall be required to pay to the credit 35 of the General Reserve Fund in respect of the further loan an amount equal to two per cent of the amount by which the further loan exceeds the sum owing under the previous loan at the time when the repayment of that loan was completed, instead 40 of an amount calculated in accordance with the provisions of subsection (1) of this section.

(3) The amount payable to the General Reserve Fund pursuant to this section may be paid in cash at the time of the making of the loan, or, at the option of the borrower, the total amount so payable may be added to the amount
5 of the loan and in such case shall be secured by the mortgage as if it formed part of the loan.

(4) For the purposes of this section the renewal of a mortgage or the execution of a new mortgage in substitution for a former mortgage securing the whole or part of a loan
10 in respect of which payments to the General Reserve Fund have been made or waived in accordance with this section shall not be deemed to be the granting of a loan by the Corporation.

Cf. 1934-35, No. 42, s. 32; 1961, No. 16, s. 5

15

PART IV

FINANCIAL PROVISIONS

28. Corporation may issue bonds or stock—(1) Subject to the provisions of this section, the Corporation may from time to time issue bonds, stock, or other securities at such rate of
20 interest and on such other terms and conditions as it thinks fit, for the purpose of providing funds for carrying on its business under this Act or as consideration for mortgages of land or other securities transferred to it.

(2) All securities issued by the Corporation shall constitute
25 a floating charge on all the assets of the Corporation, and the security created by such charge shall be available *pari passu* for all holders of such securities without priority or preference among themselves, and without regard to the respective dates on which such securities were issued.

30 (3) Securities issued by the Corporation shall be for such term not exceeding fifty years as the Corporation may in any case determine.

(4) The Corporation may at any time purchase any securities issued by it and shall forthwith cancel the same.

35 Cf. 1934-35, No. 42, s. 21; 1935, No. 24, s. 10; 1936, No. 12, s. 26 (1)

29. Securities issued by Corporation to be State guaranteed—(1) All bonds, stock, and other securities issued by the Corporation (whether before or after the commencement of
40 this Act) are hereby declared to be guaranteed in accordance with the following provisions of this section.

(2) If any default is made by the Corporation in the payment of any principal or interest payable by it in respect of any bonds, stock, or other securities issued by it as aforesaid, such principal or interest, as the case may be, shall forthwith be paid by the Minister of Finance out of the Consolidated Revenue Account without further appropriation than this section. 5

(3) All money paid by the Minister of Finance under the authority of this section on account of any bonds, stock, or other securities shall constitute a debt due by the Corporation to the Crown, and shall be recoverable accordingly. 10

Cf. 1936, No. 12, s. 25

30. Authorising investments in securities issued by Corporation—Any money which by virtue of any Act or other authority may lawfully be invested in New Zealand Government securities may be lawfully invested in any bonds, stock, or other securities issued by the Corporation and guaranteed in terms of section 29 of this Act. 15

Cf. 1937, No. 20, s. 3

31. Corporation may borrow money on hypothecation of its own securities—(1) In anticipation of the issue by it at any time of any bonds, stock, or other securities the Corporation may, by the hypothecation or mortgage of any such bonds, stock, or other securities, borrow such sum or sums as the Corporation thinks fit. All money borrowed under the authority of this section shall be a first charge on and shall be repaid out of the first money thereafter to be borrowed by the Corporation under the authority of section 28 of this Act for the purpose of providing funds for carrying on the Corporation's business under this Act. 20 25 30

(2) Where the Corporation exercises the power of hypothecation or mortgage of its securities conferred on it by this section, the following provisions shall apply:

(a) Any person lending money on the security of such hypothecation or mortgage shall be entitled to possession of the bonds, stock, or other securities hypothecated or mortgaged until the loan and all interest and other charges payable in respect thereof have been paid: 35

(b) The bonds, stock, or other securities hypothecated or mortgaged as aforesaid may exceed in face value by any amount the sums borrowed by the Corporation: 40

(c) The Corporation may by the deed or other instrument of hypothecation or mortgage confer on the lender a power of sale of all or any of the bonds, stock, or other securities hypothecated or mortgaged, and such power may be exercised by the lender in such circumstances, in such manner, and to such extent as may be provided in such deed or instrument. On the sale of any securities pursuant to this paragraph such securities shall for all the purposes of this Act be deemed to be securities issued by the Corporation.

Cf. 1935, No. 24, s. 7

32. Corporation stock may be inscribed by Reserve Bank—

(1) Where pursuant to the authority conferred on it by section 28 of this Act the Corporation issues any stock such stock may be inscribed or registered in the books of the Reserve Bank of New Zealand on terms to be approved by the Minister of Finance. For the purposes of this section the Corporation shall be deemed to be a public body within the meaning of paragraph (k) of subsection (1) of section 9 of the Reserve Bank of New Zealand Act 1964.

(2) No duty under the Stamp Duties Act 1954 shall be payable in respect of an instrument of transfer of any stock issued by the Corporation.

Cf. 1934–35, No. 42, s. 22; 1936, No. 12, s. 27

33. Advances from the National Development Loans Account—(1) The Minister of Finance may from time to time, on behalf of Her Majesty the Queen, advance money to the Corporation on or subject to such terms and conditions as he thinks fit.

(2) All money required to be paid by the Minister under this section shall, without further appropriation than this section, be paid out of the National Development Loans Account.

(3) Where any money is required to be paid under this section, the authority of the Minister of Finance to borrow money under section 11 of the New Zealand Loans Act 1953 shall be deemed to be extended as if the money so paid had been duly transferred from the National Development Loans Account to another fund or account as mentioned in that section.

Cf. 1934–35, No. 42, s. 23A; 1959, No. 81, s. 2

34. General Reserve Fund—(1) The Corporation shall establish and shall at all times maintain a General Reserve Fund.

(2) There shall be credited to the General Reserve Fund—

(a) All money required to be contributed on account of the General Reserve Fund by any person under or pursuant to the provisions of this Act: 5

(b) Interest on money for the time being credited to the General Reserve Fund, to be computed for any period at the average rate of interest received for that period on all the approved securities held by the Corporation: 10

(c) Any surplus profits of the Corporation that are credited to the General Reserve Fund in accordance with the provisions of section 37 of this Act. 15

Cf. 1934–35, No. 42, s. 33; 1961, No. 16, s. 6 (2)

35. Corporation to maintain approved securities on account of General Reserve Fund—The Corporation shall at all times keep invested in approved securities such amounts as it thinks fit, being not less in the aggregate than the amount for the time being credited to the General Reserve Fund. 20

Cf. 1934–35, No. 42, s. 34

36. Financial year—The financial year of the Corporation shall end on the thirty-first day of March.

Cf. 1934–35, No. 45, s. 41 25

37. Distribution of profits of Corporation—After such provision as the Minister of Finance thinks proper has been made for the depreciation of securities or other assets and for such other matters as in his opinion are necessary for the efficient conduct of the business of the Corporation, the surplus for each financial year shall be paid into the Public Account unless the Minister, in his discretion, authorises the Corporation to credit it, in whole or in part, to the General Reserve Fund of the Corporation. 30

Cf. 1936, No. 12, s. 41 (1) 35

38. Corporation to furnish report and copy of annual accounts—(1) Within four months after the close of the financial year the Corporation shall send to the Minister of Finance a copy of its accounts for the year, certified by the auditors, together with a general report on the operations of the Corporation during the year. 40

(2) A copy of the accounts and report shall be laid before Parliament within fourteen days after their receipt by the Minister if Parliament is then in session, and, if not, then within fourteen days after the commencement of the next
5 ensuing session thereof.

Cf. 1934–35, No. 42, s. 43; 1936, No. 12, s. 42

39. Audit of accounts—(1) Except as otherwise provided in this section, the Audit Office shall be the auditor for the Corporation, and as such auditor shall have the same duties
10 and powers in respect of the money and accounts of the Corporation and of every person dealing therewith, as it has in respect of public money and accounts and of all persons dealing therewith.

(2) The Governor-General in Council may from time to time appoint any qualified person to act jointly with the Audit Office in the audit of the accounts of the Corporation or may, if he thinks fit, appoint two qualified persons to act,
15 in lieu of the Audit Office, as auditors for the Corporation.

(3) No person appointed under subsection (2) of this
20 section shall be so appointed for a term exceeding two years, but any such person may from time to time be reappointed.

(4) The auditor or auditors for the Corporation shall be paid out of the funds of the Corporation such remuneration and allowances as the Minister of Finance may from time to
25 time determine or approve.

(5) No director or officer of the Corporation shall during his tenure of office as such be qualified for appointment or to hold office as an auditor of the Corporation, and no other person shall be qualified for such appointment who
30 would not be qualified for appointment as auditor of a company under the Companies Act 1955.

Cf. 1936, No. 12, s. 43 (1)

PART V

MISCELLANEOUS PROVISIONS

40. No other corporation to be formed with similar name—
35 No company or other corporation shall be formed in New Zealand or registered under any Act with a name identical with the name of the Corporation established under this Act or with a name that so resembles that name as to be calcu-
40 lated to deceive.

Cf. 1934–35, No. 42, s. 10; 1936, No. 12, s. 3 (3)

41. Procuration fees not chargeable in respect of loans from Corporation—It shall not be lawful for any person to demand or charge or to receive a procuration fee in respect of any loan from the Corporation.

Cf. 1934–35, No. 42, s. 31

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42. Composition of stamp duty in respect of cheques by Corporation—(1) The Minister of Finance may from time to time agree with the Corporation to exempt from stamp duty all cheques issued on account of the Corporation in consideration of the payment by the Corporation of such sums as may be agreed upon by way of composition for such stamp duty.

(2) Every sum so payable by way of composition shall constitute a debt payable by the Corporation to Her Majesty and due on such dates as may be so agreed upon.

(3) Every such agreement shall be terminable by not less than one month's notice in writing given by the Corporation to the Minister of Finance or by that Minister to the Corporation and expiring on the due date of the next succeeding payment by way of composition; and all such cheques issued after that date shall be charged with stamp duty in the ordinary course.

Cf. 1935, No. 24, s. 9

43. Corporation's liability for taxes and rates—(1) Save as provided in subsection (2) of this section the Corporation shall be liable for taxes and rates to the same extent as if it were a company incorporated under the Companies Act 1955.

(2) In its capacity as mortgagee under any mortgage transferred to it pursuant to Part V of the State Advances Corporation Act 1934–35, the Corporation shall enjoy the same exemptions and protection in respect of rates as the original mortgagee, and the powers of the local authority in respect of the land liable to any such rates shall be subject to the same limitation (if any) as if the mortgage had not been transferred to the Corporation.

Cf. 1934–35, No. 42, s. 47

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44. Regulations—The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes:

(a) Prescribing forms of mortgage or other securities given in favour of the Corporation:

40

- (b) Providing for such matters as are contemplated by or are necessary for giving full effect to the provisions of this Act and for the due administration thereof.

Cf. 1936, No. 12, s. 44 (1)

- 5 **45. Repeals, amendments, and revocations**—(1) The enactments specified in the First Schedule to this Act are hereby repealed.
- (2) The enactments specified in the Second Schedule to this Act are hereby amended in the manner indicated in that
- 10 Schedule.
- (3) Every reference in any enactment or document to the Board of Management of the State Advances Corporation shall, unless the context otherwise requires, be read as references to the Corporation.
- 15 (4) The regulations made under the State Advances Corporation Act 1936 on the first day of July, nineteen hundred and thirty-six, and published in the *Gazette* of the ninth day of that month at page 1300, are hereby revoked.
- 20 (5) The State Advances Corporation of New Zealand Account Order 1964 is hereby revoked.

- 46. Savings**—(1) Notwithstanding the provisions of subsection (1) of section 45 of this Act the provisions of subsections (2) to (4) of section 3, subsection (3) of section 4, subsection (2) of section 5, and section 9 of the Finance
- 25 Act 1937 which were consequential on and incidental to the abolition of the office of the State Advances Superintendent and to the abolition of the State Advances Account on the thirty-first day of March, nineteen hundred and thirty-eight, shall continue to have effect as if they were still in force.
- 30 (2) Notwithstanding the provisions of subsection (1) of section 45 of this Act, the securities transferred to the Corporation under Part V of the State Advances Corporation Act 1934–35 and all stock issued by the Corporation under section 38 of that Act and in force immediately before the
- 35 passing of this Act shall continue in force and all persons who have rights under or in respect of those securities or that stock shall, subject to subsection (3) of section 45 of this Act, have the same rights as they would have had if this Act had not been passed.

Section 45 (1)**SCHEDULES****FIRST SCHEDULE****ENACTMENTS REPEALED**

- 1934-35, No. 42—The State Advances Corporation Act 1934-35.
(1957 Reprint, Vol. 15, p. 1.)
- 1935, No. 24—The State Advances Corporation Amendment Act 1935.
(1957 Reprint, Vol. 15, p. 46.)
- 1936, No. 12—The State Advances Corporation Act 1936. (1957
Reprint, Vol. 15, p. 47.)
- 1936, No. 16—The Finance Act 1936: Section 35. (1957 Reprint, Vol.
15, p. 51.)
- 1937, No. 17—The Finance Act 1937: Part I and the First and Second
Schedules. (1957 Reprint, Vol. 15, p. 51.)
- 1937, No. 20—The State Advances Corporation Amendment Act 1937.
(1957 Reprint, Vol. 15, p. 54.)
- 1941, No. 27—The Finance Act (No. 2) 1941: Section 2. (1957
Reprint, Vol. 15, p. 55.)
- 1946, No. 5—The Rural Intermediate Credit Amendment Act 1946:
Subsections (2) to (4) of section 7. (1957 Reprint,
Vol. 13, p. 602.)
- 1948, No. 35—The Finance Act 1948: Section 9 (1957 Reprint, Vol.
15, p. 55.)
- 1948, No. 78—The Finance Act (No. 2) 1948: Section 57 (1). (1957
Reprint, Vol. 15, p. 55.)
- 1951, No. 46—The State Advances Corporation Amendment Act 1951.
(1957 Reprint, Vol. 15, p. 56.)
- 1959, No. 81—The State Advances Corporation Amendment Act 1959.
- 1961, No. 16—The State Advances Corporation Amendment Act 1961.
- 1964, No. 111—The State Advances Corporation Amendment Act 1964.
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SECOND SCHEDULE

Section 45 (2)

ENACTMENTS AMENDED

Title of Act	Amendment
1908, No. 105—The Life Insurance Act 1908. (1957 Reprint, Vol. 8, p. 336)	<p>By omitting from subsection (2) of section 3 (as amended by section 2 of the Life Insurance Amendment Act 1958) the words "and subsection three of section twenty-three of the State Advances Corporation Act 1934-35".</p> <p>By inserting in subsection (2A) of section 3 (as so amended), after paragraph (a), the following paragraph: "(aa) Securities issued by the State Advances Corporation of New Zealand:".</p>
1931, No. 24—The Rural Intermediate Credit Amendment Act 1931. (1957 Reprint, Vol. 13, pp. 603, 612)	<p>By omitting from subsection (1) of section 3 (as amended by section 11 of the Rural Intermediate Credit Amendment Act 1946) the words "the Corporation or" where they first occur.</p> <p>By omitting from subsection (1) of section 3 (as so amended) the words "Corporation or association, as the case may be," and substituting the word "association".</p>
1941, No. 25—The Rehabilitation Act 1941. (1957 Reprint, Vol. 13, p. 233)	<p>By repealing paragraph (d) of subsection (2) of section 4, and substituting the following paragraph: "(d) The Managing Director of the State Advances Corporation:".</p> <p>By inserting in section 6, after subsection (5), the following subsection: "(5A) In the absence from any meeting of the Council or of the Board of the Managing Director of the State Advances Corporation, the Deputy Managing Director of that Corporation may attend the meeting in his stead, and if neither the Managing Director nor the Deputy Managing Director is present at any such meeting an officer of the State Advances Corporation authorised by either the Managing Director or the Deputy Managing Director may attend the meeting. While any person is attending a meeting pursuant to this subsection he shall be deemed for all purposes to be a member of the Council or of the Board, as the case may be."</p>

SECOND SCHEDULE—*continued*

Title of Act	Amendment
1944, No. 24—The Rehabilitation Amendment Act 1944. (1957 Reprint, Vol. 13, p. 263)	By repealing subsection (2) of section 6.
1946, No. 5—The Rural Intermediate Credit Amendment Act 1946. (1957 Reprint, Vol. 13, p. 613)	By repealing so much of the Schedule as relates to the Rural Intermediate Credit Amendment Act 1931.
1948, No. 64—The Land Act 1948. (1957 Reprint, Vol. 7, p. 1)	By omitting from paragraph (f) of subsection (1) of section 12 the words "the Board of Management of".
1955, No. 51—Housing Act 1955 (1957 Reprint, Vol. 6, p. 222)	By omitting from section 2 (1) the words "Board" means the Board of Management of the Corporation."
	By omitting from section 6 (2) the word "Board", and substituting the word "Corporation".
	By omitting from section 9 (2) the word "Board", and substituting the word "Corporation".
	By omitting from subsections (1) to (3) of section 12 the word "Board" wherever it occurs, and substituting in each case the word "Corporation".
	By omitting from sections 14 to 24 the word "Board" wherever it occurs, and substituting in each case the word "Corporation".
	By omitting from sections 26 and 27 (1) (a) the word "Board" wherever it occurs, and substituting in each case the word "Corporation".
	By omitting from sections 32 and 33 the word "Board" wherever it occurs, and substituting in each case the word "Corporation".
1956, No. 40—The Housing Amendment Act 1956. (1957 Reprint, Vol. 6, p. 254)	By omitting from section 3 the word "Board" wherever it occurs, and substituting in each case the word "Corporation".
1962, No. 10—The Parliamentary Commissioner (Ombudsman) Act 1962	By omitting from Part II of the Schedule the words "The Board of Management of the State Advances Corporation of New Zealand".
1962, No. 20—The Farm Forestry Act 1962	By repealing section 8.