

1175

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,  
5th September, 1902.

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE COUNCIL.]

Hon. Sir J. G. Ward.

### SHAREBROKERS.

#### ANALYSIS.

<p>Title.</p> <p>1. Short Title.</p> <p>2. Interpretation.</p> <p style="text-align: center;">LICENSED SHAREBROKERS.</p> <p>3. Sharebrokers to be licensed.</p> <p>4. Commissioner to issue licenses.</p> <p>5. Commissioner may cancel license for misconduct.</p> <p>6. When person deemed unlicensed.</p>	<p>7. Register of licenses. Search fee.</p> <p style="text-align: center;">STOCK EXCHANGES.</p> <p>8. Stock Exchanges may be registered.</p> <p>9. Procedure when member of a Stock Exchange expelled.</p> <p>10. Use of words "Stock Exchange."</p> <p>11. Penalty.</p> <p>12. Stock Exchange rules to be approved.</p>
--	--

#### A BILL INTITULED

AN ACT to provide for the Licensing of Sharebrokers and the Registration of Stock Exchanges. Title.

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

1. The Short Title of this Act is "The Sharebrokers Act, 1902"; and it shall come into operation on the first day of January, one thousand nine hundred and three. Short Title.

2. In this Act, if not inconsistent with the context, "shares" includes shares and stock in any company. Interpretation.

#### *New paragraph.*

"Sharebroker" means any person who sells or purchases any shares for or on behalf of or as agent for any other person in consideration of remuneration for effecting such sale or purchase.

#### LICENSED SHAREBROKERS.

3. (1.) No person shall sell or purchase any shares, directly or indirectly, for or on behalf of or as agent for any other person act as a sharebroker unless he is the holder of a sharebroker's license as hereinafter provided. Sharebrokers to be licensed.

(2.) Every person who commits a breach of this section is liable for each offence to a penalty not exceeding *one hundred pounds* and ~~not less than fifty pounds.~~

Commissioner to  
issue licenses.

4. (1.) Any person who desires to obtain a sharebroker's license shall make application in writing to the Commissioner of Stamps, who shall, on payment of a fee of *two pounds*, issue a license to any person whose application for a license is approved of by a Stipendiary Magistrate of the district in which the applicant resides: Provided that before recording his approval it shall be the duty of the Stipendiary Magistrate to satisfy himself as to the fitness of the applicant. 5 10

(2.) Such license shall, unless sooner cancelled, continue in force until the thirty-first day of December then next, and may be renewed from year to year on payment of a fee of *two pounds*.

#### New Clause.

15

Appointment of a  
substitute.

4A. (1.) In case of the illness or absence from the colony of a licensed sharebroker whose license has not been cancelled, he may give notice in writing to the Commissioner that he intends to appoint some other specified person to act as his substitute for a period mentioned in the notice, not exceeding six months. 20

(2.) Such substitute shall, if approved by the Commissioner, and on payment of a fee of *ten shillings*, be registered, and shall thereupon begin to be a licensed sharebroker within the meaning of this Act for the period mentioned in the notice.

(3.) No sharebroker who has appointed a substitute under this section shall himself act as a sharebroker until ten days after he has given the Commissioner notice in writing that he intends to resume business personally as a sharebroker, and upon the expiration of such period of ten days his substitute shall cease to act as a sharebroker. 25

Commissioner may  
cancel license for  
misconduct.

5. Where it is proved to the satisfaction of the Commissioner of Stamps that any sharebroker has, within the preceding three years, been guilty of dishonest, dishonourable or improper practices, it shall be lawful for the Commissioner to *suspend or* cancel the license of that sharebroker, ~~and he shall not thereafter be entitled to a license unless the Commissioner of Stamps is satisfied that he is a fit person to hold the same.~~ 30 35

When person  
deemed unlicensed.

6. In all proceedings against a person for acting as a sharebroker without a license, such person shall be deemed to be unlicensed unless at the hearing of the case he produces his license, or otherwise proves to the satisfaction of the Court that he was duly licensed as a sharebroker under this Act. 40

Register of licenses.

7. (1.) The Commissioner of Stamps shall keep a register in his office containing a list of all licenses issued, and shall duly register in his office all cancellations of licenses under this Act, and shall cause a notice to be inserted in the *Gazette*, specifying in such notice the particulars of the license so cancelled. 45

Search fee.

(2.) Any person may search such register on payment of a fee of one shilling.

#### STOCK EXCHANGES.

Stock Exchanges  
may be registered.

8. (1.) Every Stock Exchange or association of sharebrokers shall, within one month after the commencement of this Act, or, 50

117  
5

in the case of a Stock Exchange or association formed after the commencement of this Act, then within one month after its formation, forward to the Commissioner of Stamps a list of its members and a duly certified copy of its rules.

5 (2.) The Commissioner shall, on payment of a fee of *one* pound, enter in a register the aforesaid particulars, and thereupon such Stock Exchange or association shall become a registered Stock Exchange under this Act:

10 Provided that an association of sharebrokers shall not be registered as a Stock Exchange unless there are at least seven members thereof.

*Struck out.*

15 9. In the event of a member of any registered Stock Exchange who is a sharebroker being expelled therefrom for any default or breach of the rules of such Exchange, the Chairman of the Exchange shall, within seven days from the date of such expulsion, report the same in writing to the Commissioner of Stamps, who shall forthwith inquire into the cause of such expulsion, and, if in his opinion, the same is justifiable, he shall forthwith cancel the license  
20 of such sharebroker, and refuse to renew such license except under the provisions of section *five* hereof.

Procedure when member of a Stock Exchange expelled.

10. It shall not be lawful for any association of sharebrokers or others to use a style or title into which there enter the words " Stock Exchange " unless the association is registered under this Act.

Use of words " Stock Exchange."

25 11. If default is made in the ~~faithful~~ *due* observance of the *last preceding* section hereof, every person who is directly or indirectly party to or concerned in such default shall be liable to a penalty not exceeding *five* pounds for every day on which the default occurs or is continued.

Penalty.

*New clauses.*

30 11A. Subject to the provisions of this Act, every registered Stock Exchange may make rules for the conduct of the business of such Exchange and the conduct of its members.

Rules may be made

35 11B. The rules of a Stock Exchange registered under this Act shall be such only as shall have been approved by the Governor in Council.

Rules to be approved.