

## TRUSTEE COMPANIES MANAGEMENT BILL

### EXPLANATORY NOTE

THIS Bill makes special provision for the protection of persons who have beneficial interests, or interests as depositors or creditors, in property or funds administered by trustee companies and their associated companies to which the Bill is applied. It is expressed to apply to the Perpetual Trustees, Estate, and Agency Company of New Zealand (Limited), but may be applied by Order in Council to other trustee companies and associated companies.

*Clause 1* relates to the Short Title and commencement of the Bill. It is to be deemed to have come into force at 7.30 p.m. on 14 August 1975.

*Clause 2* defines terms used in the Bill.

*Clause 3* provides that the Bill shall apply to the Perpetual Trustees, Estate, and Agency Company of New Zealand (Limited) as from the commencement of the Bill, and makes provision for the provisions of the Bill to be applied by Order in Council to any other trustee company or any company that is associated with a trustee company to which the Bill is applied.

*Clause 4* makes provision for a moratorium for enforcing claims against any trustee company or associated company to which the Bill is applied. The Bill provides for the moratorium to continue for 12 months after the commencement of the application of the Bill to the company, but the period may be shortened or extended by the Minister by notice in the *Gazette*.

*Clause 5* provides that upon the commencement of the application of the Bill to any trustee company or associated company, the directors thereof holding office immediately prior thereto shall go out of office. While the Bill applies to the trustee company or associated company, the directors thereof are to be a specially constituted Board of Directors having the membership specified in *subclause (3)*.

*Clause 6* makes normal provision in relation to meetings of any such Board of Directors.

*Clause 7* provides that while the Bill applies to any trustee company or associated company it shall not be lawful or competent for any manager or other person to be engaged in the management or conduct of that trustee company or associated company or its property, or to act as its agent or servant, save with permission of the Board and so far as that permission extends.

*Clause 8* empowers the Board of any trustee company or associated company to which the Bill applies to terminate any contract of service or agency between the trustee company or associated company and any person who is a servant or agent thereof.

*Clause 9* declares that it shall be the duty of the Board of any trustee company or associated company to which the Bill applies to take possession of and protect the property of that trustee company or associated company, and to manage and carry on its business, having regards to the rights and interests of all beneficiaries, depositors, creditors, and shareholders.

*Clause 10* defines the powers of the Board, and makes provision for any additional necessary powers to be given by regulations.

*Clause 11* makes provision for the continuation of local Boards of Directors in respect of trustee companies to which the Bill applies and for the imposition of restrictions on their activities.

*Clause 12* authorises the Board of Directors appointed under *clause 5* in respect of any trustee company to which the Bill applies to cancel existing delegations made under section 21 of the Trustee Companies Act 1967, and make fresh delegations under that section.

*Clause 13* imposes a duty to deliver books and property to the Board of any trustee company or associated company to which the Bill applies.

*Clause 14* makes special provision for the protection of the Board of any trustee company or associated company to which the Bill applies.

*Clause 15* provides for the payment of expenses of administration in priority to all other claims.

*Clause 16* declares that every trustee company and associated company to which the Bill applies shall remain subject to the Bill from the time when the Bill first applies thereto until the Governor-General, by Order in Council, declares that the Bill shall cease to apply thereto, whether or not there is for the time being a Board in office in respect thereof.

*Clause 17* requires specified reports and financial statements to be made and supplied to the Minister, and copies thereof to be lodged with the Registrar of Companies.

*Clause 18* is designed to prevent individual actions for breach of trust against any trustee company or associated company to which the Bill applies, and to provide machinery to do justice to the persons concerned.

*Clause 19* provides for a moratorium of 4 months in respect of certain payments by other trustee companies on each occasion when this Bill is applied to a trustee company.

*Clause 20* makes it an offence to destroy or alter records in relation to any trustee company or associated company to which the Bill applies.

*Clause 21* provides that if it appears to the Board of any trustee company or associated company to which the Bill applies that any person has been guilty of any offence against the Bill or of a breach of trust or any other offence in relation to that trustee company or associated company, it shall report this matter to the Solicitor-General.

*Clause 22* makes provision for advances out of money in the Consolidated Revenue Account appropriated by Parliament for the purpose in respect of remuneration or allowances or expenses of a member of the Board of a trustee company or associated company to which the Bill applies, and for the refund by the Board of money so advanced. It also authorises the Minister of Finance to give certain guarantees.

*Clause 23* makes provision for certain advances to trustee companies and associated companies to which the Bill applies, and for the repayment by the Minister of Finance of money borrowed by way of overdraft from the National Bank of New Zealand Limited by the Perpetual Trustees, Estate, and Agency Company of New Zealand (Limited).

*Clause 24* defines the application of the Companies Act 1955 to any trustee company or associated company to which the Bill applies.

*Clause 25* makes provision for the making of regulations.

*Hon. Dr Finlay*

## TRUSTEE COMPANIES MANAGEMENT

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### A BILL INTITULED

**An Act to make special provision for the protection of persons who have beneficial interests, or interests as depositors or contributors, in property or funds administered by trustee companies and their associated companies to which this Act is applied, and for matters incidental thereto**

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

No. 88—1

**1. Short Title and commencement**—(1) This Act may be cited as the Trustee Companies Management Act 1975.

(2) This Act shall be deemed to have come into force at 7.30 p.m. on the 14th day of August 1975.

**2. Interpretation**—(1) In this Act, unless the context otherwise requires,— 5

“Associated company”, in relation to any trustee company, means a company which under subsection (2) of this section is deemed to be associated with that trustee company: 10

“Board of Directors” or “Board”, in relation to any trustee company or other company to which this Act applies, means the Board of Directors thereof appointed under section 5 of this Act:

“Depositor” includes a person who invests in any Group Investment Fund of a trustee company or an associated company or in any other scheme or arrangement for investment by a trustee company or an associated company on behalf of others, whether on a contributory or agency basis or otherwise: 15 20

“Estate” means any property administered or held, managed, or controlled in a fiduciary capacity by a trustee company or associated company, whether as administrator or other trustee or as guardian, committee, manager, liquidator, receiver, agent, or attorney, or in any other capacity; and includes a Group Investment Fund and any other scheme or arrangement for investment by a trustee company or associated company on behalf of others, whether on a contributory or agency basis or otherwise: 25 30

“Minister” means the Minister of Justice:

“Supreme Court” or “Court” means the Supreme Court of New Zealand:

“Trustee” means a trustee within the meaning of section 2 (1) of the Trustee Act 1956: 35

“Trustee company” means a trustee company within the meaning of section 2 of the Trustee Companies Act 1967.

(2) For the purposes of section 3 of this Act a company shall be deemed to be associated with another company if, under section 3 of the Land and Income Tax Act 1954, the 40

2 companies are deemed to be under the control of substantially the same persons or to consist of substantially the same shareholders.

Cf. 1958, No. 23, s. 2 (2)

- 5 **3. Application of Act—**(1) This Act shall apply to—
- (a) The Perpetual Trustees, Estate, and Agency Company of New Zealand (Limited) as from the commencement of this Act:
  - 10 (b) Any other trustee company to which this Act is applied by Order in Council made under subsection (3) of this section from the date specified in that Order in Council:
  - 15 (c) Any other company (being a company that is associated with a trustee company to which this Act applies or is being applied) to which this Act is applied by Order in Council made under subsection (3) of this section from the date specified in that Order in Council.
- 20 (2) This Act may be applied to any trustee company or company that is associated with a trustee company notwithstanding that it has been dissolved or struck off the register; and no trustee company to which this Act applies shall be struck off the register after the commencement of this Act unless the prior consent in writing of the directors or Board
- 25 of Directors for the time being of the trustee company is given to the Registrar of Companies.
- 30 (3) Where it is desirable for the protection of any beneficiary under any trust administered by any trustee company or by any company that is associated with a trustee company to which this Act applies or is being applied, or for the protection of any depositors, or creditors (whether secured or unsecured) of any such trustee company or associated company, or it is otherwise in the public interest, that
- 35 the provisions of this Act should apply to the trustee company or associated company and the said beneficiaries, depositors, or creditors, or the public interest cannot be adequately protected under the Companies Act 1955 or under any other enactment or law, the Governor-General, on the advice of the Minister, may by Order in Council
- 40 declare that from the date specified therein the provisions of this Act shall apply to that trustee company or associated company, whether it is incorporated in New Zealand or elsewhere; and in this subsection the terms “trustee company”

and “company” include, as the case requires, any trustee company or company that has been dissolved or struck off the register.

**4. Moratorium—**(1) The provisions of this section shall apply in relation to any trustee company or associated company during the period of 12 months after the commencement of the application of this Act to that trustee company or associated company or until such date (whether before or after expiry of that period) as the Minister may specify by notice in the *Gazette*.

(2) No person who has deposited or entrusted any money with any trustee company or associated company to which this Act applies for investment, whether in a group investment fund, or on a separate account, or in separate securities, or on a contributory or agency basis, or otherwise, shall, while this section applies to that trustee company or associated company,—

- (a) Bring or continue any action or proceeding, or exercise any other power, right, or remedy against that trustee company or associated company for recovery or repayment thereof notwithstanding that he may have made or be entitled to make demand therefor, or that the time for repayment (whether fixed by contract or otherwise) may have arrived; or
- (b) Issue any execution, attach any debt, or otherwise enforce or seek to enforce any security or any judgment or order obtained against that trustee company or associated company; or
- (c) Petition for the winding up of that trustee company or associated company; or
- (d) Foreclose, enter into possession, distrain for rent, sell, appoint a receiver, or exercise or continue the exercise of any power or right under or in pursuance of any mortgage, charge, debenture, instrument, or other security relating to his investment:

Provided that, with the consent of the Board, an action or proceeding may be brought against the trustee company or associated company for the purpose of determining whether any right or liability exists.

(3) No person having power to appoint a new trustee in place of that trustee company or associated company shall while this section applies to that trustee company or associated company exercise that power without the consent of the Court or the Board of Directors of that trustee company or associated company.

(4) While this section applies to any trustee company or associated company to which this Act applies, the Court shall not give that consent, or make an order appointing a new trustee (whether under any Act or otherwise) in place of that trustee company or associated company, or removing that trustee company or associated company as trustee of any estate, unless either—

(a) The Board of Directors consents; or

10 (b) The Court is satisfied that there are extraordinary reasons which justify the making of that appointment or order and that the need to account to the new trustee for the assets of the estate will not strain unduly the liquidity of the trustee company or associated company.

15 **5. Directors of company to which Act applies—**(1) Upon the commencement of the application of this Act to any trustee company or associated company, the directors thereof holding office immediately prior thereto, including the directors of any local Board, shall go out of office.

20 (2) During the period while this Act continues to apply to any trustee company or associated company no directors thereof may be appointed to act during that period otherwise than in accordance with this section or section 11 of this Act.

25 (3) Notwithstanding anything to the contrary in any other Act or instrument, while this Act applies to any trustee company the directors thereof shall be a Board of Directors comprising—

(a) In the case of the Perpetual Trustees, Estate, and Agency Company of New Zealand (Limited)—

30 (i) Two persons appointed by the Minister, of whom one shall be a chartered accountant and the other shall be a barrister or solicitor;

(ii) The Secretary to the Treasury;

(iii) The Public Trustee;

35 (iv) Two or more other persons appointed by the Minister:

(b) In any other case not fewer than 5 persons appointed by the Minister.

(4) The Minister shall appoint one of the appointed 40 members to be Chairman of the Board of Directors.

(5) Every appointed member shall hold office at the pleasure of the Minister.



(6) The powers of the Board shall not be affected by any vacancy in its membership.

(7) An appointed member may at any time resign his office by notice in writing to the Minister.

(8) Any vacancy in the Board may be filled in the same manner as the appointment of the member vacating office. 5

**6. Meetings of Board**—(1) Meetings of the Board shall be held at such times and places as the Chairman or the Board appoints.

(2) At every meeting of the Board 3 members shall be a quorum. 10

(3) The Chairman shall preside at every meeting at which he is present, and in his absence the members present shall elect one of their number to preside at that meeting.

(4) On every question before a meeting of the Board the Chairman or other person presiding shall have a deliberative vote, and in the case of an equality of votes he shall also have a casting vote. 15

**7. Conduct of business while Act applies to company**—

(1) While this Act applies to any trustee company or associated company it shall not be lawful or competent for any manager or other person to be engaged in the management or conduct of that trustee company or associated company or its property, or to act as its agent or servant, save with the permission of the Board and so far as that permission extends. 20 25

(2) In the case of any company not incorporated in New Zealand, being a company to which this Act applies, the provisions of this section shall not apply to its property outside New Zealand. 30

**8. Termination of contract of agency or service**—The Board of any trustee company or associated company to which this Act applies may at any time terminate any contract of service or agency between the trustee company or associated company and any person who is a servant or agent thereof, notwithstanding that by law apart from this Act the trustee company or associated company could not have so terminated the contract until some future date; and where a contract is so terminated under this section the trustee company or associated company shall thereupon be discharged from the further performance of the contract, and from all liability for subsequent non-performance of the contract. 35 40

Provided that after the termination of his contract the person may, within 6 months of receiving notice of the termination, apply to the Supreme Court for compensation in respect of the contract; and that Court may award such  
5 compensation in respect of the contract as it considers just and reasonable having regard to the value of the consideration provided by the person, and to all amounts and benefits which the person has received under the contract, and to the conduct of the parties.

10 **9. Duties and functions of Board**—(1) In the exercise in relation to any trustee company or associated company to which this Act applies of the powers and functions conferred upon the Board of that trustee company or associated company by this Act, it shall be the duty of the Board to take  
15 possession of and protect the property of that trustee company or associated company, and to manage and carry on its business, having due regard to the rights and interests of all beneficiaries, depositors, creditors, and shareholders.

(2) Nothing in this section shall limit the powers expressly  
20 conferred upon the Board by section 10 of this Act.

**10. Powers of Board**—Notwithstanding anything to the contrary in any Act or instrument, the Board of any trustee company or associated company to which this Act applies shall have—

25 (a) All such powers, authorities, rights, privileges, and immunities as the directors of that trustee company or associated company would have if this Act did not apply thereto:

30 (b) Power to sell the business of that trustee company or associated company as a going concern, or to sell all or any part of the property of that trustee company or associated company that is used for the purposes of its business:

35 (c) All such powers as are conferred upon it by regulations made under section 25 of this Act.

**11. Local Boards of Directors**—The Board of Directors appointed under section 5 of this Act in respect of any trustee company to which this Act applies may appoint local Boards of Directors of that trustee company in accordance with the  
40 provisions of section 20 of the Trustee Companies Act 1967:

Provided that any such appointment may make provision for withholding a seal from the local Board to which the appointment relates, or may specify the circumstances in which the seal of the local Board may be used, or may impose conditions or restrictions on its use including a requirement that prior confirmation or supervision be obtained. 5

**12. Delegations**—Without restricting the generality of the powers, whether derived under this Act or any other enactment or instrument or in any other way, of the Board appointed under section 5 of this Act of any trustee company to which this Act applies, any such Board may revoke any delegation previously made under section 21 of the Trustee Companies Act 1967, and make such delegation as it thinks fit under that section. 10

**13. Duty to deliver books and property to Board**—(1) It shall be the duty of all persons having possession and control of,— 15

(a) Any books or records or documents or other property, whatsoever and wheresoever situated, of any trustee company or associated company incorporated in New Zealand to which this Act applies; or 20

(b) Any books or records or documents, whatsoever and wheresoever situated, relating to the property in New Zealand of any trustee company or associated company not incorporated in New Zealand to which this Act applies; or 25

(c) Any property in New Zealand of any trustee company or associated company not incorporated in New Zealand to which this Act applies,—

forthwith after the passing of this Act in the case of the trustee company specified in section 3 (1) (a) of this Act, or forthwith after the first Board of Directors is appointed under section 5 of this Act in respect of any other trustee company or associated company to which this Act applies, to deliver or yield up possession of all such books, records, documents, or other property as aforesaid to the Board or its authorised agent. 30 35

(2) If any person fails for 14 days to comply with the requirements of subsection (1) of this section, he commits an offence, and is liable on summary conviction to a fine not 40

exceeding \$500 and to a further fine not exceeding \$10 for every day after the expiration of those 14 days during which the offence has continued.

5 (3) If any person fails to comply with the requirements of subsection (1) of this section, the Board concerned may at any time certify the failure to the Court (whether or not an offence has been committed under subsection (2) of this section), and the Court may thereupon inquire into the matter of the failure and, after hearing any witnesses who  
10 may be produced against or by or on behalf of the alleged offender, and after hearing any statement which may be offered in defence, may punish the offender in like manner as if he had been guilty of contempt of Court.

15 (4) It shall be no defence to any proceedings under this section that the person in possession or control of any property as aforesaid is or was a trustee of the property for any trustee company or associated company incorporated in New Zealand to which this Act applies or entitled to a lien or other charge over the property, or was a receiver or manager  
20 of the property appointed under Part VII of the Companies Act 1955.

25 (5) The rights of any person who, in accordance with this section, delivers any property to the Board in respect of any trustee company or associated company incorporated in New Zealand to which this Act applies or its authorised agent shall continue while this Act continues to apply to the trustee company or associated company as if the person had not so delivered the property; and when this Act ceases to  
30 apply to the trustee company or associated company, subject to the provisions of this Act and unless the Court otherwise orders, the property shall be returned to the person who delivered it or to someone who derives a right to possession of the property from that person. The provisions of this subsection shall apply whether the person who delivers the  
35 property is a receiver or manager appointed under Part VII of the Companies Act 1955, or a person entitled to a lien or charge in respect of the property, or any other person having any rights whatsoever in respect thereof.

40 **14. Protection of Board, etc.**—(1) For the purposes of this Act the Board in respect of any trustee company or associated company to which this Act applies, in the exercise of its powers and functions under this Act, shall have all the

privileges and be entitled to the same protection as a director has under any rule of law or under any Act or pursuant to the articles of the trustee company or associated company.

(2) No such Board nor any member thereof shall be liable for any acts done by it when in good faith in the exercise of its or his powers and functions as the Board or a member thereof, and every such Board and member shall be indemnified out of the property of the trustee company or associated company in respect of all liabilities properly incurred. 5

(3) No action or proceeding shall be brought or commenced against any such Board or member except by leave of the Court and subject to such terms as the Court may impose. 10

**15. Expenses of administration**—All costs, charges, and expenses properly incurred by a Board appointed under section 5 of this Act or any local Board appointed under section 11 of this Act in the exercise, in relation to any trustee company or associated company to which this Act applies, of its powers and functions (including such fees, commission, or other remuneration as may be approved by the Minister in respect of the services of the Board) shall be payable out of the assets of that trustee company or associated company in priority to all other claims. 15 20

**16. Determination of management**—Every trustee company and associated company to which this Act applies shall remain subject to this Act from the time when this Act first applies thereto until the Governor-General, by Order in Council, declares that this Act shall cease to apply thereto, whether or not there is for the time being a Board in office in respect thereof. 25 30

**17. Report to Minister**—(1) As soon as practicable after its establishment, the first Board of Directors appointed under section 5 of this Act in respect of any trustee company or associated company to which this Act applies shall report to the Minister on the affairs of that trustee company or associated company showing as at the date of its appointment, the particulars of the assets, debts, and liabilities of the trustee company or associated company, and such further or other information as the Board thinks fit or the Minister requires. 35

(2) The statement of affairs shall be accompanied by any comments that the Board sees fit to make thereon.

5 (3) At the end of each six-monthly period after its appointment the Board shall report to the Minister on the financial affairs of the trustee company or associated company and its management thereof.

10 (4) In each period of 12 months and within one month after the determination of its appointment, the Board shall submit a statement of accounts, duly audited, showing in detail its receipts and payments in respect of that company.

(5) A copy of every report and financial statement presented to the Minister pursuant to this section shall be lodged by the Board with the Registrar of Companies.

15 **18. Claims by beneficiaries against company—**(1) Except with the consent of the Supreme Court, no person who has or had a beneficial interest in property or funds at any time administered by any trustee company or associated company to which this Act applies (any such person being hereafter  
20 in this section referred to as a beneficiary) shall bring or maintain any action or other legal proceedings against the trustee company or associated company in respect of any breach or alleged breach of trust arising before the commencement of the application of this Act to that trustee company or associated company.

25 (2) Subject to any directions that may be given by the Supreme Court, it shall be the duty of the Board to investigate the affairs of any trustee company or associated company to which this Act applies to ensure that its business has been conducted in a lawful manner.

30 (3) If the Board is satisfied that any such trustee company or associated company has been in breach of its fiduciary duties and it is satisfied that there is a common question of law or of fact affecting the several rights of all or any of the beneficiaries and a common relief is sought, it may bring an  
35 action or other legal proceedings in the name of the company against the company on behalf of all such beneficiaries and it shall not be necessary to make those beneficiaries parties to or join them in the action.

40 (4) Any proceedings brought under this section may claim relief in respect of one or more causes of action.

(5) In the conduct of proceedings to which this section applies, the Supreme Court may make such orders as are appropriate for all or any of the following purposes:

- (a) The separate representation of any class or classes of beneficiaries:
  - (b) Determining the course of proceedings:
  - (c) Prescribing measures to prevent undue repetition or complication in the presentation of evidence or argument: 5
  - (d) Requiring, for the protection of the beneficiaries or otherwise for the fair conduct of the action, that notice be given to any person of the action, and the proposed extent or effect of the judgment: 10
  - (e) Consenting to other persons intervening and presenting claims or defences or otherwise coming into the action on such condition as the Court thinks just:
  - (f) Dealing with other procedural matters.
- (6) Every judgment given in an action brought under this section shall be final and binding on every beneficiary as if he had brought the action in his own name. 15
- (7) When any judgment has been given under this section, the Board shall as far as practicable settle a list of all beneficiaries entitled to participate to the extent of one dollar or more in the amount recovered under this judgment and their respective amounts, and if those amounts exceed the amount recovered under the judgment those amounts shall reduce rateably. 20
- (8) If any balance of the amount payable under the judgment remains undistributed after all reasonable steps have been taken to trace all beneficiaries entitled to participate therein, that balance shall be paid or applied for charitable purposes in accordance with a scheme prepared by the Board and approved by the Court. 30
- (9) Any such scheme prepared by the Board shall be submitted to the Supreme Court for approval with notice to such persons as that Court directs.
- (10) The Supreme Court may, after hearing the Board and such other persons to whom notice has been given, approve such scheme as in its opinion is fair and just having regard to all the circumstances. 35

**19. Prohibition on certain claims against other trustee companies—**(1) This section shall apply to any money deposited with or entrusted to a trustee company (not being a trustee company to which this Act applies) for investment in a Group Investment Fund, or on separate account, or in separate securities, or on a contributory or agency basis. 40

(2) No money to which this section applies shall be demanded by any person, and no action shall be commenced or continued to enforce the payment of any such money, while this section is operative.

5 (3) This section shall be operative—

(a) During 4 months from the commencement of this Act; and

10 (b) During 4 months from the commencement of the application of this Act to any trustee company by any Order in Council made under section 3 (3) of this Act.

**20. Offence to destroy or alter records—**(1) If any former director, or any director, or any officer, servant, or agent of any trustee company or associated company to which this Act  
15 applies or any other person,—

(a) With intent to defeat the purposes of this Act, destroys or alters any book, document, or record of or relating to the trustee company or associated company, or sends or attempts to send or conspires with  
20 any other person to send out of New Zealand any such book, document, or record, or any property of any description belonging to or in the disposition or under the control of the said trustee company or associated company; or

25 (b) Fails or refuses to answer to the best of his knowledge and ability any question which he may be asked by the Board in relation to any such book or document or record or property, or wilfully gives a false answer to any such question,—

30 he commits an offence and is liable on conviction on indictment to imprisonment for a term not exceeding 2 years or to a fine not exceeding \$5,000 or both.

(2) If in any prosecution for an offence alleged to have been committed against this section it is proved that the  
35 person charged with the offence has destroyed or altered any book, document, or record as aforesaid, or has sent or attempted to send or conspired to send out of New Zealand any such book, document, or record, or any other thing, the onus of proving that in so doing he had not acted in contra-  
40 vention of this section shall lie on him.



(3) The First Schedule to the Summary Proceedings Act 1957 is hereby amended by inserting, in its appropriate alphabetical order in Part II, the following item:

"The Trustee Companies Management Act 1975	20	Destroying or altering records."
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**21. Duty to report offences, etc.**—If it appears to the Board of any trustee company or associated company to which this Act applies that any person has been guilty of any offence against this Act, or of a breach of trust or any other offence in relation to that trustee company or associated company, it shall report the matter to the Solicitor-General. 5

**22. Advances of fees of Board, etc.**—(1) With the consent of the Minister of Finance, there may be advanced, out of money in the Consolidated Revenue Account appropriated by Parliament for the purpose, to any members of a Board appointed under section 5 or section 11 of this Act in respect of any trustee company or associated company to which this Act applies, such amounts as the Minister may approve in respect of remuneration or allowances due to that member or expenses incurred by that member as such. 10 15

(2) All money so advanced to any such person shall be refunded to the Crown out of money payable to that Board in respect of the trustee company or associated company, and the Crown shall have all the rights of the Board to which the advance was made to receive and recover such money. All money so refunded to the Crown shall be credited upon receipt to the Consolidated Revenue Account. 20 25

(3) The Minister of Finance may, on behalf of the Crown, guarantee the repayment of any money borrowed by the Board for the payment of any general expenses (including salaries) payable in the exercise of its functions by the Board while it has insufficient revenue for the payment thereof and the payment of interest on any money so borrowed. 30

**23. Special advances to companies**—(1) The Minister of Finance may advance money, or guarantee the advance of money with or without securities, to the Board of any trustee company or associated company to which this Act applies. 35

(2) The Minister of Finance may advance money, or guarantee the advance of money with or without securities, to the Board for the repayment of the money borrowed by way of overdraft from the National Bank of New Zealand Limited

by the Perpetual Trustees, Estate, and Agency Company of New Zealand (Limited) in respect of its Group Investment Funds.

5 (3) On the repayment of the last mentioned money the National Bank of New Zealand Limited shall surrender to the Board the securities deposited with the Bank by the company as part of the transaction between them.

(4) The National Bank of New Zealand Limited shall be indemnified by the Crown for any loss suffered or occasioned  
10 by the said bank by reason of the repayment of money under subsection(1) of this section.

**24. Application of Companies Act 1955—**(1) The Board in respect of any trustee company or associated company to which this Act applies shall notify the Registrar of Companies  
15 of the commencement and termination of the application of this Act to the trustee company or associated company.

(2) Notwithstanding anything to the contrary in the Companies Act 1955, it shall not be obligatory on the Board of any trustee company or associated company to which this Act  
20 applies to furnish in respect of that trustee company or associated company any annual or other return required by that Act.

(3) Subject to the provisions of this Act, all the provisions of the Companies Act 1955 and all rules and regulations  
25 under that Act, shall, so far as they are applicable, and with the necessary modifications, apply to any trustee company or associated company to which this Act applies:

Provided that, except as otherwise provided in this Act, the provisions of the Companies Act 1955 specified in the  
30 Schedule to this Act shall not apply.

**25. Regulations—**(1) The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes:

35 (a) Conferring on the Board of Directors of any trustee company or associated company to which this Act applies such powers as are necessary for the due administration of any property belonging to or administered by that trustee company or associated company:

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

(2) Regulations made under paragraph (a) of subsection (1) of this section may be so made as to apply generally to the Boards of all trustee companies and associated companies to which this Act applies or to one or more of them.

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## SCHEDULE

### PROVISIONS OF COMPANIES ACT 1955 WHICH DO NOT APPLY TO COMPANIES TO WHICH THIS ACT APPLIES

Sections 130 to 135 (both inclusive) and 152 to 162 (both inclusive),  
and Part VII.