

1967/70



THE BUILDING SOCIETIES REGULATIONS 1967

BERNARD FERGUSSON, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 10th day of April 1967

Present:

THE RIGHT HON. KEITH HOLYOAKE, C.H., PRESIDING IN COUNCIL

PURSUANT to the Building Societies Act 1965, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Building Societies Regulations 1967.

(2) Subject to regulation 14 hereof, these regulations shall come into force on the 1st day of July 1967.

2. Interpretation—(1) In these regulations, unless the context otherwise requires,—

“The Act” means the Building Societies Act 1965:

“Advances authorised” means the amounts of the principal sums, excluding any premiums, that have been taken into the books of account of a society in respect of advances by the society on the security of mortgages of land and in respect of advances on the security of members’ shares, whether secured or paid over or not:

“Advances made” means the amounts actually paid out by a society in respect of advances made by it on the security of mortgages of land, and on the security of members’ shares:

“Borrowing shares”, in relation to a society, means shares issued to any member in respect of any mortgage of land from him to the society, the subscriptions to which shares constitute the fund for the repayment of the mortgage:

“Capital shares”, in relation to a society, means shares on which a dividend is declared and payable or on which interest is payable from the annual surplus revenue of the society, and which are irredeemable or redeemable only at the society’s option:

“Deposit” has the same meaning as in section 58 (1) of the Act:

“Investing shares”, in relation to a society, means shares that are issued on conditions requiring payment of subscriptions or contributions, whether wholly or partly in advance or not, and are redeemable at the end of a term or at the option of the shareholder:

“Investments” means the amounts of the surplus funds of a society invested in terms of section 55 of the Act:

“Paid up capital”, in relation to a society, means the total of the amounts actually paid to the society in respect of issued shares:

“Premium” means any amount of capitalised interest not due or similar charge in lieu of interest:

Expressions defined in the Act have the meanings so defined.

(2) In these regulations, unless the context otherwise requires,—

- (a) The expression “provision” shall, subject to subclause (3) of this regulation, mean any amount written off or retained by way of providing for depreciation, renewals, or diminution in value of assets or retained by way of providing for any known liability of which the amount cannot be determined with substantial accuracy:
- (b) The expression “reserve” shall not, subject as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals, or diminution in value of assets or retained by way of providing for any known liability:
- (c) The expression “capital reserve” shall not include any amount regarded as free for distribution through the revenue and appropriation account:
- (d) The expression “revenue reserve” shall mean any reserve other than a capital reserve—

and in this subclause the expression “liability” shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.

(3) Where any amount written off or retained by way of providing for depreciation, renewals, or diminution in value of assets or retained by way of providing for any known liability is in excess of that which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of these regulations as a reserve and not as a provision.

PART I—GENERAL PROVISIONS

Incorporation of Society

3. Application for certificate of incorporation—On the establishment of a building society the intended secretary or other officer of the society shall complete and send to the Registrar an application in form 1 in the First Schedule hereto, together with—

- (a) The four printed and signed copies of the rules required by section 13 of the Act; and
- (b) A completed rules check sheet, in form 3 in the First Schedule hereto, in which there shall be specified in the third column, opposite each matter referred to in the second column, the number of the rule providing for that matter.

Alteration of Rules

4. Registration of alteration of rules—(1) When a society alters its rules by special resolution it shall cause to be completed and sent to the Registrar an application for registration, and statutory declaration, in form 2 in the First Schedule hereto, together with the four printed and signed copies of the alteration, or, in the case of the rescission of a rule, the four signed copies of the special resolution, required by section 19 of the Act.

(2) The application and statutory declaration shall be signed and made by the secretary or some other officer of the society.

(3) Where the alteration of rules is a substitution of an entire set of rules for the existing set of rules the society shall also cause to be sent to the Registrar, with the application, a completed rules check sheet, in form 3 in the First Schedule hereto, in which there shall be specified in the third column, opposite each matter referred to in the second column, the number of the rule providing for that matter.

Advances on Mortgage

5. "Approved company" defined—(1) For the purposes of this Part of these regulations, the expression "approved company", in relation to a guarantee or other security, means a company that is incorporated in New Zealand and—

- (a) Has its shares or stock quoted on the official list of a stock exchange registered under the Sharebrokers Act 1908 and affiliated to the Stock Exchange Association of New Zealand; and
- (b) Has a total paid up capital of £200,000 or more; and
- (c) Has, in each of the five years preceding the year in which the guarantee or other security is given, paid a dividend of not less than five percent on its ordinary shares.

(2) For the purposes of paragraph (c) of subclause (1) of this regulation, a company formed to take over other companies, or to acquire the securities of, or control of, another company or other companies, or for either of those purposes and also for other purposes, shall be deemed to have paid a dividend as mentioned in that paragraph in any year in which such a dividend has been paid by the other company (if there is only one), or all the other companies, whose business has been so taken over, or whose securities have been so acquired, or the control of which has been so acquired, as the case may be.

6. Requirements as to guarantee taken as additional security—

(1) For the purposes of section 41 (1) (b) of the Act, a society shall not take into account by way of additional security for an advance by way of mortgage of any land the value of any guarantee unless it—

- (a) Is given by a bank within the meaning of the Banking Act 1908; or
- (b) Is given by the State Advances Corporation of New Zealand on the terms and conditions prescribed in or under section 21 of the State Advances Corporation Act 1965; or
- (c) Is given by the Council of any city, borough, or town district, or by a Road Board, on the terms and conditions prescribed in or under Part XXIV of the Municipal Corporations Act 1954 or Part XXV of the Counties Act 1956, as the case may require; or
- (d) Is given by an approved company; or

- (e) Is supported by a first charge on—
- (i) The amount actually paid on shares, or money deposited with the society, by the guarantor; or
 - (ii) Fully paid up shares, debentures, or stock of an approved company; or
 - (iii) Any security of a kind authorised for the investment of trust funds under section 4 of the Trustee Act 1956; or
 - (iv) Chattels within the meaning of the Chattels Transfer Act 1924, secured by an instrument by way of security registered under that Act; or
- (f) Is supported by an agreement to mortgage land to the society, and the society's interest under the agreement is protected by the lodgment of a caveat under the Land Transfer Act 1952.

(2) For the purposes of section 41 (1) (b) of the Act, a society shall not take any guarantee into account by way of additional security as aforesaid if the terms on which the guarantee is taken are such that the guarantor may be discharged from his obligations under it at any time before the principal sum secured by the mortgage has been reduced to the maximum amount that the society would, at the time of such discharge, consider proper to advance on the security of the mortgaged land if no other security were taken by the society.

(3) Nothing in subclause (2) of this regulation shall make it unlawful for a society to discharge any guarantor from his obligations, before the principal sum is so reduced, if the society takes in substitution for the guarantee some other guarantee conforming to the requirements of this regulation, or some other additional security conforming to the requirements of the Act and these regulations.

7. Other kinds of additional security—For the purposes of section 41 (1) (c) of the Act, a society shall not take into account the value of any additional security for an advance by way of mortgage of land except—

- (a) A first charge on—
- (i) The amount actually paid on shares in the society, or money deposited with the society; or
 - (ii) Fully paid up shares, debentures, or stock of an approved company; or
 - (iii) Any security of a kind authorised for the investment of trust funds under section 4 of the Trustee Act 1956; or
 - (iv) Chattels within the meaning of the Chattels Transfer Act 1924, secured by an instrument by way of security registered under that Act; or
- (b) An agreement to mortgage land to the society, supported by the lodgment under the Land Transfer Act 1952 of a caveat protecting the society's interest under the agreement; or
- (c) An assignment of an indefeasibly vested interest in the estate of a deceased person.

8. Notices to prospective borrowers and purchasers—(1) The notice to be given by a society under section 43 of the Act shall be in form 4 in the First Schedule hereto.

(2) The notice to be given under section 44 of the Act shall be in form 5 in the First Schedule hereto.

(3) The notice to be given by a society under section 45 of the Act shall be in form 6 in the First Schedule hereto.

9. Notice of sale of mortgaged property—The notice required to be sent by a society to a mortgagor under section 50 (1) (b) of the Act shall set out the following particulars:

- (a) The date and registered number of the mortgage;
- (b) The address or description of the property sold;
- (c) The name and address of the purchaser;
- (d) The sum for which the property was sold;
- (e) Whether the sale was by public auction or by private contract;
- (f) The date of the completion of the sale.

Designation of Society for Trustee Investment Status

10. Designation of societies for investments by trustees—

(1) In this regulation, in relation to any society,—

“Assets” means the net total of the society’s assets, as ascertained in accordance with section 2 (3) of the Act, after deducting—

- (a) The total amount of any advances authorised but not yet paid over; and
- (b) The total amount of any unearned premiums on advances made by way of mortgage; and
- (c) The total of all amounts paid on borrowing shares, in any case where the society’s accounts show as assets the full amounts secured to the society by mortgages; and
- (d) The amount of any fictitious assets; and
- (e) The amount of any excess of the total book value of the society’s investments over their total market value:

“Average overdraft” means the average liability in respect of bank overdrafts calculated on a daily basis for the financial year:

“Free reserves” means the net total of the society’s capital and revenue reserves, including unappropriated earned surpluses not recommended for distribution, together with any provision for depreciation of or loss on investments, after deducting—

- (a) Reserves and funds set aside for any specific purpose not connected with shareholders; and
- (b) The amount of any excess of the total book value of investments over their total market value; and
- (c) Any adverse balance in the revenue and appropriation account:

“Liquid funds” means the net total of the society’s surplus funds (as defined in section 54 of the Act) invested under any of the provisions of paragraphs (a) to (d) of section 55 (1) of the Act or kept in cash or at a bank under section 55 (2) of the Act, together with accrued interest thereon, after deducting—

- (a) The average overdraft; and
- (b) The amount of any excess of the total book value of such investments over their total market value; and
- (c) The amount (if any) of New Zealand Government securities required to be held, under section 57 (7) of the Act, in respect of savings bank deposits:

“Shareholders’ funds” means the aggregate of the amount of the society’s paid up capital and the amount of its free reserves.

(2) The requirements to be fulfilled by a society seeking to be designated under section 63 of the Act as one with which trustees may invest trust funds are that—

- (a) The society's assets shall amount to not less than £100,000:
- (b) Its total liabilities (including shareholders' funds) shall not exceed three times the amount of shareholders' funds:
- (c) Its liquid funds shall be not less than seven and a half percent of its assets, and not less than 20 percent of the total amount of its liabilities in respect of deposits, loans, and other borrowings at interest (excluding savings bank deposits and average overdraft):
- (d) Its liabilities in respect of deposits, loans, and other borrowings at interest shall be wholly unsecured:
- (e) Its free reserves shall be not less than two and a half percent of its assets:
- (f) Its liabilities in respect of deposits (other than savings banks deposits) repayable as to the whole or part thereof at not more than 28 days' notice shall not exceed whichever is the greater of the following amounts, namely:
 - (i) Twenty-five percent of the total amount of its liabilities in respect of deposits, loans, and other borrowings at interest (excluding savings bank deposits and the average overdraft); or
 - (ii) Its liquid funds:
- (g) Its record of operations shall indicate that the society is likely to continue to fulfil all the other requirements.

(3) No application for designation as aforesaid shall be made by any society until after the expiry of a period of three years from the date on which the society commenced business:

Provided that this subclause shall not apply where the society is a new society resulting from the union of two or more societies in accordance with sections 32 and 34 of the Act, and—

- (a) All the societies that have so united have commenced business three years or more before the application is made; and
- (b) At least half of those societies would, but for the union, have qualified for designation under section 63 of the Act and this regulation.

(4) A society seeking to be designated as aforesaid shall apply in writing to the Registrar.

(5) The application shall be accompanied by a statement of accounts, certified by the society's auditors to be correct, showing that the society fulfils the requirements specified in subclause (2) of this regulation.

(6) The society shall supply such further information and particulars as the Registrar may reasonably require for the purpose of ensuring that such requirements as aforesaid are fulfilled.

(7) Where the Registrar is of opinion that the society fulfils such requirements as aforesaid he shall notify the Minister of his opinion and recommend that the Governor-General be advised to make an Order in Council designating the society accordingly.

(8) When a society has been so designated, and until such designation has been revoked, it may use the phrase "Authorised to receive deposits from trustees".

(9) If at any time the Registrar considers that the designation of a society under section 63 of the Act should be revoked by reason of the fact that the society no longer fulfils such requirements as aforesaid, he may, subject to subclause (10) of this regulation, recommend to the Minister that the Governor-General in Council be advised to revoke the designation.

(10) Before making any recommendation under subclause (9) of this regulation the Registrar shall—

- (a) Give to the society a notice in writing stating that he proposes to do so and specifying a period (not being less than two months) within which the society may make representations to him; and
- (b) Consider any representations made by the society within the period so specified or within such further period as he may allow, and, if the society so requests, afford it an opportunity of being heard by him within the period so specified or allowed.

Miscellaneous Provisions

11. Value of land owned by society—For the purpose of ascertaining the value of any land owned by a society, the amount to be deducted, in respect of depreciation of improvements, under paragraph (c) of the proviso to section 2 (3) of the Act shall be calculated at the appropriate rate specified in the Second Schedule hereto.

12. Service of notices and documents—(1) Except as otherwise provided in the Act or (in respect of members of a society) in the society's rules, any notice or other document required by the Act or these regulations to be given to or served on any person may be served on that person by delivering it to him personally, or by sending it by post addressed to him at his last known address within New Zealand.

(2) Any notice or document so sent by post shall be deemed to have been served at the time when it would be delivered in the ordinary course of post.

13. Fees—(1) The fees specified in the Third Schedule hereto are hereby prescribed as fees to be paid to the Registrar in respect of the matters specified in that Schedule.

(2) Where the Registrar is empowered by the Act to do any act for which a fee is payable, he may refuse to do that act until the fee is paid.

(3) The Building Societies Fees Regulations 1939* are hereby revoked.

PART II—ACCOUNTS AND ANNUAL RETURNS

General Provisions

14. Registrar may extend time for compliance—The Registrar may from time to time, on the application of any society, grant to the society an extension of time, for any specified period or periods ending not later than the 31st day of December 1968, for compliance by it with this Part of these regulations, or with any specified provisions of this Part, if he is satisfied that it would be a hardship to the society to comply therewith.

15. Particulars to be shown in accounts—(1) The revenue and appropriation account of every society shall contain the particulars prescribed in this regulation and in regulations 16 to 20 hereof, except that any heading may be omitted if the entry in respect of it would be “Nil”.

(2) The balance sheet of every society shall contain the particulars prescribed in this regulation and in regulations 21 to 31 hereof, except that any heading may be omitted if the entry for it would be “Nil”.

(3) Where unearned interest has been credited to the revenue and appropriation account before the commencement of these regulations, the amount of such interest remaining unearned shall be identified as such.

(4) Any figures relating to borrowing shares shall be shown separately.

(5) There shall be included against every heading—

(a) In the revenue and appropriation account, the corresponding amounts for the immediately preceding financial year; and

(b) In the balance sheet, the corresponding amounts at the end of the said year.

(6) The said account and balance sheet may contain such other particulars as the society thinks fit.

Revenue and Appropriation Account

16. Income—There shall be shown separately the income received for the financial year from—

(a) Interest earned (including that portion of any premium that may properly be allocated to that year), showing separately the interest on—

(i) Advances on mortgage and on members' shares:

(ii) Investments in New Zealand Government securities and in local authority or public body securities:

(iii) Deposits:

(b) Valuation fees and expenses:

(c) Other fees, commissions, and fines:

(d) Rents and other income from properties owned by the society:

(e) Other income, showing separately any material amount.

17. Expenditure—There shall be shown separately the expenditure for the financial year in respect of—

(a) Interest incurred, showing separately the interest on—

(i) Savings bank deposits:

(ii) Other borrowings:

(b) Directors' emoluments (excluding sums paid, otherwise than by way of directors' fees, to a director who is a full-time salaried employee), showing separately—

(i) Fees, allowances, and benefits:

(ii) Valuation fees and expenses:

(iii) Other payments:

(c) Other valuation fees and expenses:

(d) Salaries, wages, and superannuation:

(e) Other administrative expenses:

(f) Selling and establishment expenses, written off:

(g) Payments for ballot loan rights, written off:

(h) Expenses on properties owned by the society:

- (i) Depreciation, showing separately—
 - (i) Depreciation on buildings owned by the society:
 - (ii) Other depreciation:
- (j) Other expenditure, showing separately any material amount.

18. Reserves and distributions—There shall be shown separately—

- (a) The details of additions to or withdrawals from reserves—
 - (i) Made during the year:
 - (ii) Recommended:
- (b) The details of distributions to shareholders and members—
 - (i) Made during the year:
 - (ii) Recommended.

19. Auditors' fees—If the fees and expenses of the auditors are not fixed by the society in general meeting, the amount of them shall be shown under a separate heading.

20. Notes—(1) There shall, if it is not otherwise shown, be stated by way of note to the account every material respect in which any items shown in the account are affected—

- (a) By transactions of a kind not usually undertaken by the society; or
 - (b) Otherwise by circumstances of an exceptional or non-recurrent nature; or
 - (c) By any change in the basis of accounting; or
 - (d) By transactions or circumstances that arise after balance date and may materially affect the society's financial affairs.
- (2) There shall, so far as applicable and if not otherwise shown, be stated by way of note to the account—
- (a) The net credit from subscriptions or amounts paid on shares lapsed or forfeited during the year, reduced by the amount of subscriptions or payments reinstated:
 - (b) The net credit from shares surrendered prematurely during the year:
 - (c) The total selling and establishment expenses paid during the year:
 - (d) The total payments during the year for the purchase of ballot loan rights.

Balance Sheet

21. Liabilities, reserves, and assets—The society's liabilities, reserves, fixed assets, and current assets shall be shown under separate headings appropriate to the society's business.

22. Advances—(1) Under a heading for advances to members there shall be shown separate totals for advances on the security of mortgage and advances on the security of members' shares.

(2) The following shall be shown as deductions from the total of advances on mortgage:

- (a) The total of the advances authorised on the security of mortgage but not paid over:
- (b) The amount of unearned premiums:
- (c) The total sum standing to the credit of borrowing shares.

23. Land and buildings—The total value of land and buildings, calculated in accordance with section 2 (3) of the Act, shall be shown separately from other assets in the aggregate amount of fixed assets.

24. Fixed assets—The method of arriving at the amount of any fixed assets shall be stated.

25. Investments—The investments shall be shown at cost, with separate totals for—

- (a) New Zealand Government securities:
- (b) Local authority and public body securities:
- (c) Deposits with short-term money market dealers:
- (d) Deposits with other societies, showing the names of the societies, the amounts, and the interest rates:
- (e) Other investments.

26. Current assets—Current assets shall be shown, with separate totals for—

- (a) Cash at bank or in hand:
- (b) Sundry debtors:
- (c) Other current assets, showing separately any material amount.

27. Fictitious assets—Fictitious assets shall be shown separately, and shall include as a separate item any balance of selling and establishment expenses of the society and, in the case of a terminating society, of its groups, and any balance of payments for the purchase of ballot loan rights.

28. Shareholders' funds—(1) The total amount of shareholders' and members' funds shall be shown separately from other liabilities, and shall include under separate headings the paid up capital, capital reserves, and revenue reserves, and any unappropriated earned profits not recommended for distribution.

(2) Where the rules provide for different kinds of shares, the balance sheet shall indicate the number and denomination of each kind.

29. Borrowings at interest—(1) The total amount of the society's borrowings at interest shall be shown separately.

(2) Where applicable, there shall be shown under a separate sub-heading amounts owing to depositors in respect of savings bank deposits.

30. Current liabilities—Current liabilities shall be shown, with separate totals for—

- (a) Accrued interest:
- (b) Bank overdraft:
- (c) Sundry creditors:
- (d) Other current liabilities, showing separately any material amount.

31. Notes—Such of the following matters as are not otherwise shown in the balance sheet shall be stated by way of note thereto or in a statement or report annexed thereto:

- (a) The market value of each class of investments at balance date:
- (b) Particulars of any money owing by the society in respect of deposits, loans, overdrafts, and other borrowings at interest that are wholly or partially secured:
- (c) The amount of the society's borrowings at interest, other than any bank overdraft, that will fall due for repayment or renewal during the financial year following balance date:
- (d) Where during the year there have been material increases or decreases in reserves, the sources from which the increases have been derived and how the amounts of any decreases have been applied:
- (e) The general nature of any contingent liabilities not provided for, and the estimated amount of those liabilities:
- (f) The total estimated amount, if it is material, of contracts for capital expenditure, so far as not provided for:
- (g) If in the opinion of the directors the realisable value of any of the current assets is less than its book value, the fact that the directors are of that opinion:
- (h) Any transactions or circumstances that arise after balance date and may materially affect the society's financial affairs.

Annual Return and Additional Annual Return

32. Form of annual return and additional annual return—

(1) The annual return of every society shall be in the form in the Fourth Schedule hereto.

(2) The additional annual return of every society shall be in the form in the Fifth Schedule hereto.

(3) The said returns shall be typewritten or printed on sheets of paper of foolscap size (approximately 13 in. by 8 in.).

(4) Where appropriate, the word "Nil" shall be inserted against any heading or against the whole of any section of either of the said returns.

33. Auditors' report—In reporting on the annual return the auditors—

- (a) Shall not be required to deal with the matters contained in the sections numbered 1, 10 (3), and 11 to 15 thereof, as set out in the Fourth Schedule hereto:
- (b) Shall state, in addition to the matters required by section 106 (3) of the Act, whether in their opinion the society has kept proper books of account and has, in terms of section 42 of the Act, kept proper records.

SCHEDULES

FIRST SCHEDULE

Form 1

Reg. 3

APPLICATION FOR CERTIFICATE OF INCORPORATION

The Building Societies Act 1965 (s. 14)

To the Registrar of Building Societies.

1. I [Full name and address], the intended secretary [or other officer] of the [Proposed name of society], on behalf of the 20 (or more) persons whose names and addresses are set out below, hereby apply for a certificate of incorporation of the society.

2. I enclose—

(a) Four printed copies of the rules agreed upon by those persons for the government of the society, each copy being signed by those persons and by me:

(b) The completed rules check sheet required by the Building Societies Regulations 1967.

3. The matters required to be set out in the rules by section 17 of the Building Societies Act 1965 are set out in the enclosed rules, as shown in the rules check sheet.

4. The fee for the first registration of rules of a society, as prescribed in the Third Schedule to the Building Societies Regulations 1967 (or a Public Account bank receipt therefor), was sent to you on [Date].

5. The names and addresses of the persons whose signatures appear on the enclosed copies of the rules, and on whose behalf this application is made, are as follows:

Names

Addresses

.....
.....

.....
.....

.....
Signature and designation
of intended secretary or
other officer.

Date:.....

Address for reply:.....

FIRST SCHEDULE—continued

Reg. 4

Form 2

APPLICATION FOR REGISTRATION OF ALTERATION OF RULES

The Building Societies Act 1965 (s. 19)

To the Registrar of Building Societies.

1. The [Name of society] hereby applies to register an alteration of its rules.

2. The alteration is—

*(a) A substitution of an entire set of rules for the existing set of rules:

*(b) An alteration of some only of the existing rules:

*(c) A rescission of a rule or rules, without further alteration of the existing rules.

3. Enclosed are four printed copies (each signed by three members of the society and the secretary) of—

*(a) The substituted set of rules referred to in paragraph 2 (a) above:

*(b) The alteration referred to in paragraph 2 (b) above:

*(c) The special resolution effecting the rescission referred to in paragraph 2 (c) above.

†4. Also enclosed is the completed rules check sheet required by the Building Societies Regulations 1967.

5. The matters covered by the alteration conform to the requirements of the Building Societies Act 1965.

6. The appropriate fee for registration of an alteration or rescission of rules, as prescribed in the Third Schedule to the Building Societies Regulations 1967 (or a Public Account bank receipt therefor), was sent to you on [Date].

.....
Signature and designation
of secretary or other
officer signing on behalf
of society.

Date:.....

STATUTORY DECLARATION

I [Full name], of [Place of abode and occupation], being an officer of the above-named society, solemnly and sincerely declare that the alteration of rules referred to in this application was made by special resolution (as defined in section 81 of the Building Societies Act 1965) passed on the..... day of.....19...

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at.....this.....day of.....19...

Signature:.....

.....
Justice of the Peace
[Or other person authorised to take a
statutory declaration.]

*Delete the paragraphs that do not apply.

†Delete if alteration is not a substitution of an entire set of rules for the existing rules.

FIRST SCHEDULE—*continued*

Form 3

Regs. 3 (b), 4 (3)

RULES CHECK SHEET

The Building Societies Act 1965 (ss. 14, 19)

(To accompany any application for a certificate of incorporation or for registration of a complete set of rules)

Name of Society:

Section of Act	A. Matters Required to be Provided for	No. of Rule
17 (1) (a)	Name of the society	
	Address of registered office	
(b)	Manner in which the funds of the society are to be raised	
(c)	Classes of shares to be issued	
	Terms on which shares are to be issued	
	Terms (if any) on which shares may be withdrawn or surrendered	
	Manner in which payments for shares are to be made and contributions are to be paid by the members	
(d)*	Date on which, or the result on the attainment of which, the society is to terminate or any group is to terminate	
	Manner in which, on the termination of any group, the residual assets or liabilities are to be dealt with	
(e)	Whether preferential shares are to be issued	
	Limits within which preferential shares are to be issued	
(f)	Purposes to which funds of society are to be applied	
(g)	Manner in which advances are to be made and repaid	
	Terms and conditions on which a borrower can redeem the amount due from him before the end of the period for which the advance was made	
(h) †	Manner in which any ballots, tenders, or auctions for advances are to be conducted	
	Terms and conditions upon and subject to which rights to take up such advances may be exercised or surrendered	

*Terminating society only.

†Terminating society; or permanent society to which the proviso to section 17 (5) of Act applies.

FIRST SCHEDULE—*continued*

Section of Act	A. Matters Required to be Provided for— <i>continued</i>	No. of Rule
(i)	Manner in which losses are to be ascertained and provided for .. .. .	.. .. .
(j)	Whether the society intends to borrow .. .. .	.. .. .
(k)	Limits of borrowing .. .. .	.. .. .
(l)	Terms and conditions on which savings bank deposits are to be received and withdrawn (authorised societies only) .. .. .	.. .. .
(m)	Manner in which membership is to cease .. .. .	.. .. .
(n)	Manner of remunerating auditors .. .. .	.. .. .
(o)	Manner of appointing, remunerating, and removing directors .. .. .	.. .. .
(p)	Manner of appointing, remunerating, and removing other officers .. .. .	.. .. .
(q)	Powers and duties of directors .. .. .	.. .. .
(r)	Powers and duties of other officers .. .. .	.. .. .
(s)	Provision for the custody of the mortgage instruments and other securities belonging to the society .. .. .	.. .. .
(t)	Whether disputes between the society and any of its members, or any person claiming by or through a member, or under the rules, are to be settled by reference to the Court, or to the Registrar, or to arbitration .. .. .	.. .. .
(u)	Fines to be imposed on members .. .. .	.. .. .
(v)	Forfeitures to be imposed on members .. .. .	.. .. .
(w)	Manner of disposal of fines and forfeitures in the accounts .. .. .	.. .. .
(x)	Provision for the device, custody, and use of the common seal .. .. .	.. .. .
(y)	Manner in which the society may be terminated or dissolved .. .. .	.. .. .
17 (2)	Calling and holding of meetings .. .. .	.. .. .
17 (2) (a)	Right of members to requisition meetings .. .. .	.. .. .
(b)	Manner in which notice of any resolutions to be moved at meetings is to be given to members .. .. .	.. .. .
(c)	Procedure to be observed at meetings .. .. .	.. .. .
(d)	Form of notice for the convening of a meeting .. .. .	.. .. .
(e)	Manner of service of notice convening a meeting .. .. .	.. .. .
(f)	Voting rights of members .. .. .	.. .. .
(g)	Right to demand a poll .. .. .	.. .. .
(h)	Manner in which a poll is to be taken .. .. .	.. .. .
17 (3)	Where the society is incorporated after 1 January 1966, provision authorising the issue of paid up shares to founding members, in accordance with s. 29 (1) .. .. .	.. .. .

FIRST SCHEDULE—*continued*

Section of Act	B. Other Matters	No. of Rule
17 (4)	If any, the rules scheduling the forms of mortgage or other instruments	
17 (5)*	Provision (if any) for the issue of shares in terminating groups or for the issue of shares giving the right to appropriation by way of ballot, tender, or auction	
Section of Act	C. Matters Subject to Voiding Provisions in the Act	No. of Rule
19 (7)	Method of alteration of rules (void if no requirement for a special resolution)	
77 (1)	Notice of meeting of society (void if provision for shorter notice than 14 clear days, except for an adjourned meeting)	
79 (5)	Time for receipt of proxy (void if proxy required to be received more than 72 hours before meeting or adjourned meeting)	
80 (1)	Right to demand a poll (void if right excluded or if demand by not less than 10 members made ineffective)	
107 (2)	Exemption of officers from liability (void if exemptions other than provided in the Act)	

*Permanent society only.

Date:..... Signature:.....
 Designation:.....

Form 4

Reg. 8 (1)

NOTICE TO PROSPECTIVE BORROWER WHERE SECURITY IS TO BE TAKEN FROM THIRD PARTY

The Building Societies Act 1965 (s. 43)

To [*Name and address of prospective borrower*].

Whereas [*Name of Building Society*] is prepared to consider making an advance to you of [*Amount*] to assist you in defraying the purchase price of [*Description and address of land*]:

And whereas the Society proposes to take a mortgage of the said land as security for the advance:

Notice is hereby given that—

- (1) The maximum amount that the Society would consider proper to advance on the security of the land if no other security were taken by the Society is.....

FIRST SCHEDULE—continued

- (2) The amount by which the advance exceeds the said amount is
- (3) The Society proposes to take security for the advance from a third party, particulars of which are—
 - (a) [*Description of the security*]:
 - (b) [*Name and postal address of the party giving the security*].

.....
 [Signature and designation of
 officer signing on behalf of
 the society.]

Date:.....

Reg. 8 (2)

Form 5

NOTICE TO PROSPECTIVE PURCHASER BEFORE CONTRACT

The Building Societies Act 1965 (s. 44)

To [*Name and address of prospective purchaser*].

Whereas you are proposing to enter into a contract for the purchase of [*Description and address of land*]:

Notice is hereby given that there is an arrangement in force with [*Name of Building Society*] under which additional security may be provided by the vendor [*or as the case may require*] in respect of an advance made by the Society for the purchase of the said land if the Society advances an amount in excess of that which it would consider proper to advance on the security of the land alone.

Signature:.....
 Description [*Vendor, agent for
 vendor, or as the case may be*].

Date:.....

Address:.....

Reg. 8 (3)

Form 6

NOTICE TO PROSPECTIVE BORROWER

The Building Societies Act 1965 (s. 45)

To [*Name and address of prospective borrower*].

Notice is hereby given that the making of an advance by [*Name of Building Society*] to assist you in the purchase of [*Description and address of land*] will not imply any warranty by the Society that the purchase price of the land is reasonable.

.....
 [Signature and designation of
 officer signing on behalf of
 the society.]

Date:.....

SECOND SCHEDULE

Reg. 11

RATES OF DEPRECIATION ON IMPROVEMENTS

Structure of Buildings	Rate of Depreciation
1. Reinforced concrete throughout; steel framed and concrete; steel or reinforced concrete framed with walls of brick or other permanent material (including iron or asbestos sheets); and steel truss or steel portal buildings	1 percent of cost price.
2. Brick, stone, or concrete walled buildings without steel or reinforced concrete frame; stucco, steeltex, or other similar construction with wooden frame	2 percent of cost price.
3. Other wooden framed buildings, except those with exterior walls of brick, concrete, or similar permanent material	2½ percent of cost price.

THIRD SCHEDULE

Reg. 13 (1)

FEES PAYABLE TO THE REGISTRAR

	£	s.	d.
For the first registration of the rules of a society under section 14 of the Act (including the certificate of incorporation)	15	0	0
For registration under section 19 of the Act of an alteration of rules, being a substitution of an entire set of rules for the existing set of rules (including the certificate of registration)	7	0	0
For registration under section 19 of the Act of an alteration or rescission of rules, not being a substitution of an entire set of rules for the existing set of rules (including the certificate of registration)	5	0	0
For registration of a change of name under section 23 of the Act (including the certificate of registration)	1	0	0

THIRD SCHEDULE—*continued*FEES PAYABLE TO THE REGISTRAR—*continued*

	£	s.	d.
For a certificate under section 29 of the Act that evidence has been produced of the payment of the requisite minimum subscription by the founding members	2	10	0
For permission to commence advertising, under section 30 of the Act	5	0	0
For receiving notice of a union, under section 32 of the Act (including registration), to be paid by each uniting society	2	10	0
For receiving a notice of transfer of engagements, under section 33 of the Act (including registration), to be paid by each society concerned	2	10	0
For receiving an application for confirmation of a union or transfer of engagements, under section 34 (3) of the Act (including confirmation)	5	0	0
For every case for which permission is sought to exceed the limits of special advances, under section 37 or section 38 of the Act	2	0	0
For receiving any application for designation as a society with which trustees may invest trust funds, under section 63 of the Act	5	0	0
For registration of a change of registered office under section 73 of the Act (including the certificate of registration) ..	1	0	0
For every direction by the Registrar, under section 75 (2) of the Act, that a member shall have the right to obtain names and addresses from the register of members ..	1	0	0
For every award by the Registrar on a dispute, under section 110 of the Act	5	0	0
And, if more than one hearing, or an adjournment, becomes necessary, then £3 more for every hearing after the first, and for every adjournment.			
For registration of an instrument of dissolution, or of any alteration therein, under section 115 of the Act (including the certificate of registration)	5	0	0
For receiving an application for investigation, under section 117 of the Act	5	0	0
For receiving an application for an inspection or a special meeting, under section 123 of the Act	5	0	0

FOURTH SCHEDULE

Reg. 32 (1)

ANNUAL RETURN FOR YEAR ENDED:

Building Societies Act 1965 (ss. 103, 104)

(To be sent to the Registrar in duplicate within three months after the end of the financial year)

1. NAMES AND ADDRESSES

- 1. Name of Society:
- 2. Registered office:
- 3. Names and addresses of chief officers:

Directors

Full Name	Residential Address
Manager	Secretary
Full name:..... Address:.....	Full name:..... Address:.....

4. Directors who are on boards of other building societies:

Name of Director	Name of Society

FOURTH SCHEDULE—*continued*

ANNUAL RETURN—*continued*

2. ADVANCES ACCOUNT (*to be audited*)

Advances made during year on:		Interest and principal repaid:	
Mortgages (sec 11)		Mortgages—	
Shares		By cash	
Premiums		By borrowing shares	
Interest charged		Shares	
		Premiums repaid	
Other debits		Other credits:	
Debits for year		Credits for year	
Due at beginning of year on:		Due at end of year on:	
Mortgages		Mortgages	
Shares		Shares	
Premiums		Premiums	

NOTE—"Mortgages" (1) includes advances for single premiums for mortgage repayment insurance policies (s. 48); (2) excludes advances to employees under s. 55; (3) excludes "premiums" (as defined in regulation 2 (1)), which are to be shown as a separate item.

3. INVESTMENTS ACCOUNT (*to be audited*)

Cost of investments made:		Proceeds from investments realised:	
Government securities		Government securities	
Local authority securities		Local authority securities	
Short-term money market		Short-term money market	
Advances to employees (s. 55)		Advances to employees (s.55)	
Other societies*		Other societies*	
Bank deposit or loan		Bank deposit or loan	
Capital profits on realisation of investments		Capital losses on realisation of investments	
Interest accrued at end		Interest accrued at beginning	
Other debits:		Other credits:	
Debits for year		Credits for year	
Book value and accrued interest at beginning of year		Book value and accrued interest at end of year (see 8)	

*Terminating society's deposits in a permanent society (s. 55) [*Specify below*]

Name of Permanent Society	Balance at Beginning of Year	Investments Made		Investments Realised		Balance at end of Year
		Amount	Rate %	Amount	Rate %	

FOURTH SCHEDULE—*continued*ANNUAL RETURN—*continued*4. SHARES ACCOUNT (*to be audited*)

Withdrawals paid out on:		Subscriptions received	
Capital shares ..		for:	
Borrowing shares ..		Capital shares ..	
Investing shares ..		Borrowing shares ..	
Terminating group		Investing shares ..	
shares ..		Terminating group	
Other shares ..		shares ..	
		Other shares ..	
Shares forfeited – paid up value ..		Shares reissued – paid	
Discounts on shares surrendered ..		up value	
Interest, dividends, etc., paid ..		Interest, dividends,	
Other debits:		etc., declared on:	
		Capital shares ..	
		Borrowing shares ..	
		Investing shares ..	
		Terminating group	
		shares ..	
		Other shares ..	
Debits for year ..		Other credits:	
Paid up at end of year on:		Credits for year ..	
Capital shares ..		Paid up at beginning of year on	
Borrowing shares ..		shares	
Investing shares ..			
Terminating group			
shares ..			
Other shares ..			

5. BORROWINGS ACCOUNT (*to be audited*)

(excluding bank overdraft)

(1) Other than savings bank

Withdrawals of deposits, etc., and		Deposits, etc., received ..	
interest		Interest credited	
Interest accrued at beginning ..		Interest accrued at end ..	
Other debits:		Other credits:	
Debits for year ..		Credits for year ..	
Owing to depositors* and lenders		Owing to depositors and lenders	
at end of year (see 14) ..		at beginning of year ..	

(2) Savings bank

Withdrawals of deposits and		Deposits received	
interest		Interest credited	
Interest accrued at beginning ..		Interest accrued at end ..	
Other debits:		Other credits:	
Debits for year ..		Credits for year ..	
Owing to depositors at end of year		Owing to depositors at begin-	
		ning of year	

*Including deposits held from a terminating society at end of year as follows:

FOURTH SCHEDULE—*continued*ANNUAL RETURN—*continued*

Name of Terminating Society	Amount	Interest Rate

6. REVENUE AND APPROPRIATION ACCOUNT (*to be audited*)

Income	This Year	Last Year
Interest earned—		
On advances on mortgage		
On advances on members' shares		
On New Zealand Government securities		
On local authority and public body securities		
On deposits on short-term money market		
On advances to employees (s. 55)		
On deposits with other societies		
On bank deposit or loan		
Other		
Fees and other amounts received for valuations		
Other fees, commissions, and fines		
Rents and other income from properties owned by the society		
Credits from forfeiture of shares		
Credits from reissue of shares		
Other income:		
Total income ..		
Expenditure		
Interest incurred—		
On savings bank deposits		
On other deposits		
On debentures and other loans		
On bank overdraft		
Directors' emoluments:		
Fees as directors		
Fees and expenses as valuers		
Allowances and benefits		
Other		
Valuation fees and expenses – other than to directors		
Salaries, wages, and superannuation		
Auditors' fees and expenses		
Other administrative expenses		
Selling and establishment expenses, written off		
Payments for ballot loan rights, written off		
Expenses on properties owned by the society		
(sub-total carried forward)		

FOURTH SCHEDULE—*continued*

ANNUAL RETURN—*continued*

(Expenditure— <i>continued</i>)		This Year	Last Year
(sub-total brought forward)			
Depreciation on properties owned by the society		
Depreciation on other fixed assets		
Discounts allowed on the issue of shares		
Debits from forfeiture of shares		
Debits from reissue of shares		
Other expenditure:			
Total expenditure ..			
Surplus – excess of income over expenditure	}		
Deficit – excess of expenditure over income			
Unappropriated revenue brought forward from last year (includes unearned interest of		
Reserves			
Withdrawals from reserves (specify):			
During year from:			
Recommended from:			
Total credits ..			
Additions to reserves (specify):			
During year to:			
Recommended to:			
Total debits ..			
Distribution of net revenue (specify):			
During year to:			
Recommended to:			
Unappropriated revenue carried forward to next year (includes unearned interest of		

*(Method of calculating unearned interest:

FOURTH SCHEDULE—*continued*ANNUAL RETURN—*continued*7. BALANCE SHEET—(*to be audited*)

Assets	This Year	Last Year
Advances Account (see 2 and 11)		
Less unearned premiums		
Land and buildings		
Other fixed assets		
Investments Account (see 3 and 8)		
Selling and establishment expenses, not yet written off		
Payments for ballot loan rights, not yet written off		
Other fictitious assets		
Sundry debtors		
Cash in hand and at bank		
Other		
Total assets		
Shareholders' Funds		
Shares Account (see 4)		
Capital reserves (specify):		
Revenue reserves (specify):		
Recommended transfers to capital and revenue reserves		
Revenue and Appropriation Account – less unearned interest		
Shareholders' funds		
Other Liabilities		
Unearned interest in Revenue and Appropriation Account		
Recommended distribution of net revenue		
Recommended transfers to specific reserves		
Specific reserves and provisions (specify):		
Appropriation loans not taken up or in trust		
Borrowings Account (see 5 and 14) – other than savings bank		
– savings bank		
Sundry creditors		
Bank overdraft		
Other		
Total liabilities		

FOURTH SCHEDULE—*continued*

ANNUAL RETURN—*continued*

8. INVESTMENTS HELD AT END OF YEAR (*to be audited*)

(1) Government Securities (s. 55 (1) (a), (b))			Book Value (as in balance sheet)	
Period from end of Year to Final Redemption Date	Nominal Value	Market Value	This Year	Last Year
Up to 5 years ..				
Over 5 to 15 years ..				
Over 15 years ..				
(2) Local Authority Securities (s. 55 (1) (c))				
Period From End of Year to Final Redemption Date	Nominal Value	Market Value		
Up to 5 years ..				
Over 5 to 15 years ..				
Over 15 years ..				
(3) Deposits on Short-term Money Market (s. 55 (1) (d))				
(4) Advances to Employees (s. 55 (1) (e), (f))				
(5) Deposits with Building Societies (s. 55 (1) (g))				
Period from end of Year to Final Redemption Date				
Up to 5 years
Over 5 to 15 years
Over 15 years
(6) Other investments (show details below)				
Total accrued interest
Grand Total as in Investments Account ..				

FOURTH SCHEDULE—*continued*

ANNUAL RETURN—*continued*

Details of Other Investments (including nominal value and market value, where applicable)	Amounts	
	This Year	Last Year

9. SPECIAL ADVANCES MADE (*to be audited*)

—	This Year		Last Year	
	No.	Amount	No.	Amount
To persons - where advance exceeded the prescribed limit—				
Urban land				
Rural land				
- who became indebted beyond the prescribed limit—				
Urban land				
Rural land				
To bodies corporate (advances of any amount) ..				
Totals				

Total amount of special advances made during year as a percentage of total advances on mortgage (excluding premiums) made during year (Advances Account)

—————%

Percentage of special advances made during past two years to total advances made on mortgage (excluding premiums) during past two years ..

—————%

10. ADVANCES MADE DURING YEAR AND CONCERNING EMPLOYEES AND OFFICERS (*to be audited - except (3)*)

(1) Total s. 55 advances to employees for their own residences and for motor vehicles for their own use in the society's business:

Advances for:	Total of Advances	Remarks
Residences		
Motor vehicles		

FOURTH SCHEDULE—*continued*ANNUAL RETURN—*continued*

(2) Advances to any person who was or became a director or manager or secretary of the society:

Valuation Roll No.	Type of Property	Valuation of Property	Amount of Advance	Total Advances to Officer to Date	Remarks
Totals ..					

(3) Advances to any body corporate in which a director or manager or secretary of the society controlled then or later more than 2½ percent of the nominal paid up share capital of that body corporate, or who was or became a director or general manager or secretary or other similar officer in that body corporate:

Register No. of Company	Type of Property	Valuation of Property	Amount of Advance	Remarks

FOURTH SCHEDULE—continued

ANNUAL RETURN—continued

11. ADVANCES MADE DURING YEAR—continued

(1) Advances Made on Mortgage—continued

Advances won by tender or auction (included in above analysis):

No.:..... Amount:.....

Interest-free ballot loans taken up (included in above analysis):

No.:..... Amount:.....

(2) Advances made on Shares:

No.:..... Amount:.....

(3) Payments for Ballot Loan Rights:

No.:..... Amount:.....

12. SHARES HELD AT END OF YEAR

Classes of Shares	No. of Shares on Issue	No. of Members Holding Such Shares	Normal Interest Rate or Dividend	
			At End of Year	Changes During Year
Capital shares				
Borrowing shares				
Investing shares				
Terminating group shares..				
Other shares (specify) ..				

Total number of members:.....

Number of existing terminating groups:

Remarks:

13. PARTICULARS OF ADVANCES

Number of persons with advances on mortgage at end of year.....:

Number of bodies corporate with advances on mortgage at end of year.....:

Number of members with advances on shares at end of year.....:

Amount of Advances (Including Additional Advances but Excluding Premiums) Authorised on Security of Mortgage During Year	To Persons	To Bodies Corporate
With a term of— up to 5 years ..		
— over 5 and up to 15 years ..		
— over 15 years ..		
Total ..		

FOURTH SCHEDULE—continued

ANNUAL RETURN—continued

Type of Applicant	Interest Rates During Year	
	Highest	Lowest
A member (other than a body corporate) before applying for advance on mortgage		
A non-member (other than a body corporate) before applying for advance on mortgage		
Successful tenderer for loan*		
Body corporate		
Other		

*Loan (excluding premium) taken up by the successful tenderer who offered
 - the highest interest rate: Amount.....for.....years.
 - the lowest interest rate: Amount.....for.....years.

Remarks:

14. CLASSIFICATION OF BORROWINGS AT INTEREST HELD AT END OF YEAR (excluding bank overdraft and savings bank deposits)

Interest Rate	Initial Term of Deposits, Loans, etc.						Total Amount Owing		
	Up to 7 Days	Over 7 Days to 28 Days	Over 28 Days to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 12 Months	Over 1 Year to 2 Years	Over 2 Years	This Year	Last Year
Totals									
	Interest accrued at end of year								
	Balance at end of year (see Borrowings Account)								

Borrowings falling due within the coming financial year (amount):.....

Borrowings wholly or partially secured (specify, including amount secured):.....

Number of depositors:.....

Number of lenders (other than depositors):.....

Average bank overdraft calculated on a daily basis for the financial year:.....

(Acceptable formula—

$$\frac{\text{Interest incurred on overdrafts}}{\text{Average rate of interest percent per annum}} \times \frac{100}{1}$$

FOURTH SCHEDULE—*continued*ANNUAL RETURN—*continued*15. ADVANCES OVER ONE YEAR IN ARREAR, AND PROPERTIES IN POSSESSION
OVER ONE YEAR, AT END OF YEAR

Over one year's arrears of principal and
interest on advances on mortgage .. Number of cases:

Total of arrears:

Society in possession of property for over one year—

Number of properties:.. .. .

Total of balances due or outstanding:.....

Signatures

Date

..... Director	.....
..... Director	.....
..... Manager or Secretary	.....

FIFTH SCHEDULE—*continued*

REPOSSESSED PROPERTIES SOLD AND MORTGAGES TRANSFERRED BY SOCIETY DURING YEAR—*continued*

II. Mortgages Transferred

Valuation Roll No.	Details of Original Advance			Date of Transfer	Debt at Date of Transfer	Consideration for Transfer	Name and Address of Transferee
	Valuation of Property for Advance	Date of Advance	Amount of Advance				

Signatures	Date
..... Director	.....
..... Director	.....
..... Manager or Secretary	.....

T. J. SHERRARD,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations are made for the purposes of the Building Societies Act 1965.

Regulation 2 deals with the interpretation of the regulations.

Regulation 3 prescribes the forms for an application for incorporation.

Regulation 4 prescribes the forms for an application to register an alteration of rules.

Regulations 5 to 7 deal with the additional securities that may be taken by building societies for advances on mortgages. Regulation 6 prescribes the requirements that a guarantee must conform to; and regulation 7 prescribes the kinds of additional security that may be taken, in addition to those mentioned in s. 41 of the Act.

Regulation 8 prescribes the forms of notice to be given in connection with certain advances on mortgage.

Regulation 9 prescribes the particulars to be sent by a society to a mortgagor on the sale by the society of the mortgaged property.

Regulation 10 sets out the requirements to be fulfilled by a society for the purposes of trustee investment status, and prescribes the procedure to be followed.

Regulation 11 prescribes the rates of depreciation on improvements for the purpose of ascertaining the value of land owned by a society in calculating the value of its assets.

Regulation 12 deals with the service of notices and documents.

Regulation 13 prescribes fees payable to the Registrar.

Part II prescribes the particulars to be shown in a society's accounts, and also the form of annual return and additional annual return. Under regulation 14, the Registrar may allow any society, in special circumstances, extended time for compliance with any provision of this Part, but only up to a date not later than 31 December 1968.

Subject to regulation 14, the regulations come into force on 1 July 1967.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 13 April 1967.

These regulations are administered in the Treasury.