

1956/137



**THE FINANCE EMERGENCY REGULATIONS 1940,
AMENDMENT NO. 10**

C. W. M. NORRIE, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 29th day of August 1956

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Emergency Regulations Continuance Act 1947, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. These regulations may be cited as the Finance Emergency Regulations 1940, Amendment No. 10, and shall be read together with and deemed part of the Finance Emergency Regulations 1940 (No. 2)* (hereinafter referred to as the principal regulations).

2. Regulation 12 of the principal regulations is hereby amended by adding to clause (3) the following paragraphs:

“or

“(c) Being a person carrying on any business, sells any land or interest in land on terms providing a right for that person or any nominee of that person to continue in possession or to resume or take possession of the land or any part thereof (whether under a lease or otherwise) and also providing a right for that person or any nominee of that person to repurchase the land or any part thereof; or

“(d) Issues any note or other document under or by virtue of which any person is, or will or may be at any future time, entitled to the issue of any securities or to the transfer of any securities issued after the issuing of the note or other document.”

3. (1) Regulation 12 of the principal regulations is hereby amended by inserting, after clause (6), the following clause:

“(6A) For the purposes of clause (5) of this regulation a document shall be deemed to be a deposit receipt for money lent if it is an acknowledgment of liability to repay money lent or is a promise to repay money lent, whether or not the document refers to the lending of money and whether it is in the form of a promissory note or in any other form.”

*S.R. 1940/118

Reprinted with Amendments Nos. 1 to 8: S.R. 1953/113
Amendment No. 9: S.R. 1954/189

(2) Regulation 2 of the principal regulations is hereby amended by adding to the definition of the term "security" in clause (1) the words "except as provided in clause (6A) of regulation 12 hereof".

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 amend the Finance Emergency Regulations 1940 (No. 2) for the purpose of bringing within the scope of the regulations two classes of transactions by which the intention of the regulations may be frustrated.

Regulation 2 provides in effect that where a person carrying on business sells any land on terms reserving to the vendor a right of possession and a right of re-purchase, the transaction is deemed to be an issue of capital by the vendor, and to require the consent of the Minister of Finance accordingly.

Regulation 2 also declares it to be an issue of capital when a note is issued which entitles any person to claim an issue of securities or a transfer of securities to be issued after the issue of the note.

Regulation 3 provides that a document is to be deemed to be a deposit receipt for money lent if it is an acknowledgment of or promise to pay money lent, even if it does not refer to the lending of the money and even if it is merely a promissory note. The effect of the amendment is that such a promissory note or other document will be a security for the issue of which the consent of the Minister will be required.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 30 August 1956.

These regulations are administered in the Treasury.