

1976/121



THE LIMITATION OF DIRECTORS' FEES REGULATIONS 1976

DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 14th day of May 1976

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Economic Stabilisation Act 1948, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

ANALYSIS

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| 1. Title | | 6. Overseas companies |
| 2. Commencement and expiry | | 7. Granting or refusal of consent |
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REGULATIONS

1. Title—These regulations may be cited as the Limitation of Directors' Fees Regulations 1976.

2. Commencement and expiry—(1) These regulations shall come into force on the 15th day of May 1976.

(2) These regulations shall continue in force until the close of the 14th day of May 1977, and shall then expire.

3. Interpretation—In these regulations, unless the context otherwise requires,—

“Company” means a company formed and registered under the Companies Act 1955, or an existing company as defined in that Act:

"Director"—

(a) Means any person, by whatever name called, who occupies the position of director of a company or who is a member of the governing body of any body of persons, whether corporate or unincorporate; and

(b) Includes—

(i) Any director of a building society incorporated under the Building Societies Act 1965 or under the Building Societies Act 1908; and

(ii) Any member of the committee of management, by whatever name called, of a society registered or deemed to be registered under the Industrial and Provident Societies Act 1908; and

(iii) Any trustee or member of the committee of management, by whatever name called, of a society registered under the Friendly Societies Act 1908 or of any branch of any such society; but

(c) Does not include—

(i) Any member of the Board of Trustees of any trustee savings bank established under the Trustee Savings Banks Act 1951; or

(ii) Any member of a local authority or statutory Board within the meaning of the Fees and Travelling Allowances Act 1951; or

(iii) Any officer of a society incorporated under the Incorporated Societies Act 1908; or

(iv) Any other person who occupies a position of the kind described in paragraph (a) of this definition but whose remuneration for his services in that position is determined by any Act, regulation, or Order in Council or is fixed or approved by any Minister of the Crown pursuant to a power conferred by any Act, regulation or Order in Council:

"Directors' fees" means remuneration, in money or otherwise, paid to or at the direction of any director for his services as a director:

"Fees year" means the period of 12 months ending with the 14th day of May:

"Overseas company" means any body corporate incorporated outside New Zealand.

4. Administration of regulations—The powers and functions of the Minister under these regulations and any powers and functions which the Minister may exercise under the Act for the purposes of these regulations shall be exercised by the Minister of Finance.

5. Limitation on directors' fees—(1) No company and no body of persons (whether corporate or unincorporate) shall, without the consent of the Minister, pay by way of directors' fees in any fees year to any one director, any remuneration that exceeds in value the greater of \$100 or the amount paid in the immediately preceding fees year by that company, body, or association to or by the direction of that director, or to or by the direction of his immediate predecessor in office, by way of directors' fees.

(2) No director shall in any fees year accept from any company or body of persons (whether corporate or unincorporate), whether directly or by the payment or application of any money or property at his direction, remuneration by way of directors' fees which exceeds that permitted to be paid to him under subclause (1) of this regulation by that company or body of persons.

6. Overseas companies—Every overseas company which has an established place of business in New Zealand shall, in relation to every director appointed for the purposes of the management in New Zealand of the business of that company, be bound by regulation 5 (1) of these regulations, and regulation 5 (2) of these regulations shall apply to every director so appointed.

7. Granting or refusal of consent—(1) Any consent for the purposes of regulation 5 of these regulations may—

(a) Be granted wholly or partly and either conditionally or unconditionally or subject to such conditions as the Minister thinks fit:

(b) Be refused.

(2) Any condition subject to which any such consent is granted may from time to time, at any time before any payment is made pursuant to the consent, be revoked, varied, or added to by the Minister.

8. Evasion of regulations—No person shall enter into any transaction or make any contract or arrangement, whether orally or in writing, for the purpose of or having the effect of, in any way, directly or indirectly, defeating, evading, or circumventing the operation of these regulations in any respect.

9. Wage Adjustment Regulations 1974 excluded—Nothing in the Wage Adjustment Regulations 1974* shall apply in respect of directors' fees.

P. G. MILLEN,
Clerk of the Executive Council.

*S.R. 1974/143

- Amendment No. 1: S.R. 1974/252
- Amendment No. 2: (*Revoked by S.R. 1976/124*)
- Amendment No. 3: (*Revoked by S.R. 1976/124*)
- Amendment No. 4: S.R. 1975/126
- Amendment No. 5: (*Revoked by S.R. 1976/3*)
- Amendment No. 6: S.R. 1976/5
- Amendment No. 7: (*Revoked by S.R. 1976/124*)
- Amendment No. 8: S.R. 1976/96
- Amendment No. 9: S.R. 1976/124

EXPLANATORY NOTE

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

These regulations limit until the close of the 14th day of May 1977 the amounts that may be paid by way of directors' fees. It is an offence against section 18 of the Economic Stabilisation Act 1948 to act in contravention of these regulations.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 14 May 1976.

These regulations are administered by the Reserve Bank.