

**PERMANENT BUILDING SOCIETIES
(AMENDMENT) ACT.**

New South Wales



ANNO VICESIMO TERTIO

ELIZABETHÆ II REGINÆ

Act No. 5, 1974.

An Act to make further provisions with respect to the formation and administration of permanent building societies and the lending of money by them; to control excessive shareholdings in permanent building societies; to authorise, in certain circumstances, the appointment of an administrator to conduct the affairs of a permanent building society; for these and other purposes to amend the Permanent Building Societies Act, 1967; and for purposes connected therewith. [Assented to, 26th March, 1974.]

BE

Permanent Building Societies (Amendment).

BE it enacted by the Queen's Most Excellent Majesty, by No. 5, 1974 and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the "Permanent Building Societies (Amendment) Act, 1974". Short title.

2. (1) This section and sections 1 and 3 commence on the date of assent to this Act. Commencement.

(2) Subject to subsection (1), the several provisions of this Act shall commence upon such day or days as may be appointed by the Governor in respect thereof and as may be notified by proclamation published in the Gazette.

3. The Permanent Building Societies Act, 1967, is in this Act referred to as the Principal Act. Principal Act.

4. Part II of the Principal Act is amended—

Amendment of Part II of Act No. 18, 1967.

- (a) (i) by omitting from section 5 (1) the words "twenty thousand dollars" wherever occurring and by inserting instead the words "the prescribed amount"; Sec. 5. (Approval or additional security required in certain cases.)
- (ii) by omitting from section 5 (1) (b) the word "value" and by inserting instead the word "valuation";

(iii)

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(iii) by inserting at the end of section 5 (1) the following words :—

In this subsection “the prescribed amount” means \$25,000 or, where some other amount is prescribed by the regulations for the purposes of this subsection, the amount so prescribed.

Sec. 10.
(Ordinary
limitation
on special
loans.)

(b) by omitting from section 10 (7) the words “five hundred dollars” and by inserting instead the matter “\$1,000”;

Sec. 12.
(Assistance
by a society
to a
building
society.)

(c) (i) by omitting from section 12 the word “society” where firstly occurring and by inserting instead the words “building society, whether registered under this or any other Act or under a law of another State or of a Territory of the Commonwealth,”;

(ii) by omitting from section 12 the words “it may authorise any society to lend money to the firstmentioned society and the latter society shall have power to do so accordingly” and by inserting instead the words “, a society may, with the authority of the Advisory Committee, lend money to that building society”;

Sec. 20.
(Borrowing
powers.)

(d) by inserting after section 20 (5) the following subsection :—

(5A) Where the Minister so directs by order published in the Gazette on the recommendation of the Advisory Committee, a society shall not, except as provided by the order, receive money on deposit upon the terms that it is not repayable before the expiration of a specified period that exceeds one month.

(e)

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(e) by omitting section 20A (4) and by inserting No. 5, 1974 instead the following subsections :—

(4) In this section “maximum rate” in relation to money received by a society on deposit means the same rate as the rate of dividend that would be payable by the society in respect of the deposit if— Sec. 20A.
(Maximum interest payable in respect of money received on deposit.)

- (a) the making of the deposit were a subscription of the same amount of share capital; and
- (b) that share capital were withdrawable on the same terms and conditions as the deposit.

(5) This section does not apply to or in respect of deposits with a society that—

- (a) are held by the society by reason of a transfer of engagements from, or amalgamation with, a building society registered under, or specified in the Second Schedule to, the Co-operation Acts; and
- (b) were received by that building society before 1st July, 1972.

5. Part III of the Principal Act is amended—

Amendment of Part III of Act No. 18, 1967.

(a) (i) by omitting from section 27 (1) the words “any fifty or more” and by inserting instead the words “not less than the prescribed number of”; Sec. 27.
(Formation.)

(ii) by omitting from section 27 (2) the words “fifty or more such persons” and by inserting instead the words “not less than the prescribed number of persons of the age, and having the qualifications, required by subsection (1)”;

(iii)

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- (iii) by omitting from section 27 (4) the words "fifty or more such persons" and by inserting instead the words "not less than the prescribed number of persons of the age, and having the qualifications, required by subsection (1)";
- (iv) by inserting after section 27 (5) the following subsection :—

(6) In this section "the prescribed number" means one hundred or, where some other number is prescribed by the regulations for the purposes of this section, the number so prescribed.

Sec. 28.
(Registration.)

- (b) (i) by omitting section 28 (1) (c) and by inserting instead the following paragraph :—
 - (c) such evidence as the registrar may require that the society will, upon registration, have available to it not less than \$2,000,000 or such other amount as may be prescribed by the regulations, including—
 - (i) members' share capital of not less than \$1,000,000 or such other amount as may be prescribed by the regulations; and
 - (ii) other funds that amount to not less than \$500,000 or such other amount as may be prescribed by the regulations, being funds that are available on terms which would not require repayment thereof within a period of less than ten years after receipt by the society;

(ii)

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- (ii) by omitting from section 28 (1) (f) the words No. 5, 1974 "name and the occupation and address of fifty persons" and by inserting instead the words "names and the occupations and addresses of not less than the prescribed number of persons referred to in section 27";
- (c) by omitting from section 30 (4) (b) the words "six hundred thousand dollars, of which four hundred thousand dollars" and by inserting instead the words "\$2,000,000, or such other amount as may be prescribed by the regulations, of which not less than \$1,000,000, or such other amount as may be so prescribed,"; (Societies registered under Co-operation Acts, etc.)
- (d) (i) by inserting in section 34 (3) after the word "and" where secondly occurring the words ", subject to subsection (3A)."; Sec. 34. (Name.)
- (ii) by inserting in section 34 (3) after the word "Limited" where secondly occurring the words "or the word 'Limited' in lieu of the abbreviation 'Ltd.', or the use of the symbol '&' in lieu of the word 'and', or the use of the word 'and' in lieu of the symbol '&'";
- (iii) by inserting after section 34 (3) the following subsection :—
- (3A) Where, with the approval of the Minister, a society includes in its name the words "building society" (consecutively or otherwise) and does not include the word "permanent", the omission of the word "permanent" does not constitute a contravention of subsection (3).
- (e) by omitting from section 35 (1) (b) the word "other"; Sec. 35. (Use of words "permanent building society".)

(f)

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- No. 5, 1974
Sec. 37.
(Publica-
tion of
name.)
- (f) by inserting in section 37 (2) after the word
“abbreviation” the words “or elaboration”;
- Sec. 39.
(Amalga-
mation.)
- (g) (i) by inserting in section 39 (1) (a) after the
word “under” where thirdly occurring the
words “, or one or more societies specified in
the Second Schedule to,”;
- (ii) by inserting in section 39 (1) (a) after the
word “under” where fifthly occurring the words
“, or a society specified in the Second Schedule
to,”;
- Sec. 40A.
(Transfer of
engagements
of certain
building
societies.)
- (h) (i) by inserting in section 40A (1) after the word
“under” where firstly occurring the words “, or
a society specified in the Second Schedule to,”;
- (ii) by omitting from section 40A (1) the words
“such non-terminating building society” and
by inserting instead the words “the society
that resolved to transfer its engagements”;
- (iii) by inserting in section 40A (2) after the word
“under” where secondly occurring the words
“, or a society specified in the Second Schedule
to,”;
- Secs. 41A
and 41B.
- (i) by inserting after section 41 the following
sections :—
- Transfer of
engagements
by direction
of registrar.
- 41A. (1) Subject to this section, the registrar
may, with the approval of the Minister, direct a
society—
- (a) to transfer its engagements to another
society approved by the registrar; and
- (b) within a period specified by the registrar
when giving the direction, or within such
further period as the registrar may allow,
to enter into an agreement, approved by the
registrar, to give effect to the transfer of
engagements directed.

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(2) The registrar shall not give a direction **No. 5, 1974** under subsection (1) unless he gives such a certificate as would be provided for by sections 87 (3) and 87 (4) if section 87 were amended—

- (a) by omitting from subsection (3) the words “In the case of a winding up upon the certificate of the registrar, the society may be wound up if” and by inserting instead the words “The registrar may not direct a transfer of engagements under section 41A (1) unless”; and
- (b) by omitting from subsection (3) (g) the words “the society should be wound up” and by inserting instead the words “the society should transfer its engagements”.

(3) Where a society fails to comply with a direction given under subsection (1), the registrar may notify the society that he has elected to treat the certificate given under subsection (2) in relation to the society as—

- (a) a certificate given under section 86A (2);
or
- (b) a certificate given by him under section 87 (3).

(4) Where the registrar notifies a society as provided by subsection (3), this Act applies to and in respect of the society as if the certificate that, pursuant to subsection (3) (a) or (b), was specified in the notice had been given by the registrar.

(5) The registrar may, before a society has, pursuant to a direction under subsection (1), agreed pursuant to subsection (1) (b) to transfer its engagements, revoke the direction.

(6)

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(6) A society may, with the consent of the registrar and by resolution of the board, accept a transfer of engagements directed under a provision of the Co-operation Acts corresponding to this section.

(7) Section 40 (subsection (5) excepted) does not apply to a transfer of engagements under this section.

(8) A transfer of engagements under this section takes effect upon a day notified by the registrar in the Gazette.

(9) An officer of a society who—

- (a) fails to take all reasonable steps to secure compliance by the society with a direction given under subsection (1); or
- (b) by a wilful act or omission is the cause of a failure by the society to comply with such a direction,

is guilty of an offence.

Penalty : \$500.

Certain
representations
may be
made.

41B. (1) Where a direction is given to a society under section 41A (1), the society may, not later than fourteen days after the direction is given, make representations to the Advisory Committee with respect to the direction and, where any such representations are so made, the Advisory Committee shall report thereon to the Minister.

(2) The registrar shall exercise in relation to a society his powers under section 41A (5) if the Minister so directs after considering a report under subsection (1) with respect to the society.

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6. Part IV of the Principal Act is amended by inserting **No. 5, 1974** in section 47 (2) (d) after the word "ways" the words **Amendment of Part IV of Act No. 18, 1967.** "(including entering into arrangements under section 23)".

Sec. 47.
(Associations.)

7. Part V of the Principal Act is amended—

Amendment of Part V of Act No. 18, 1967.

(a) by omitting from section 51 (3) the word "three" **Sec. 51.** and by inserting instead the word "five";
(Corporate body as member.)

(b) (i) by omitting from section 52 (1) (b) (ii) the **Sec. 52.** words "its paid up share capital" and by **(Share capital.)** inserting instead the words "shares of that class";

(ii) by inserting after section 52 (1) the following subsections :—

(1A) This section does not operate to prevent a society from issuing a share subject to a condition that prevents withdrawal of the share capital before the expiration of a specified period of time.

(1B) Where the Minister so directs by order published in the Gazette on the recommendation of the Advisory Committee, a society shall not, except as provided by the order, issue a share referred to in subsection (1A).

(iii) by omitting from section 52 (3) (d) the words "six hundred thousand dollars of which four hundred thousand dollars" and by inserting instead the words "\$2,000,000 or such other

amount

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- No. 5, 1974 amount as may be prescribed, of which not less than \$1,000,000 or such other amount as may be prescribed”;
- (iv) by omitting section 52 (7);
- Sec. 52A. (c) by inserting after section 52 the following section :—
- Limitation of share-holding. 52A. (1) For the purposes of this section—
- (a) a person has a relevant interest in a share in a society if he has power to withdraw the share capital subscribed for that share or to exercise control over the withdrawal of that share capital;
- (b) the provisions of section 6A of the Companies Act, 1961, apply to and in respect of a relevant interest in a share in a society in the same way as they apply to and in respect of a relevant interest under that Act in a share in any other body corporate and they so apply as if—
- (i) subsections (1), (2) (a), (5) (a), (7) and (8) had been omitted therefrom; and
- (ii) references in that section to the disposal of a share were references to the withdrawal of the share capital subscribed for a share;
- (c) a relevant interest in a share in a society shall be disregarded if it is a relevant interest, or a relevant interest of a class, prescribed for the purposes of this paragraph; and
- (d) the prescribed proportion for a society is one-fifth or, where a lesser proportion is specified in the rules of the society, the proportion so specified.

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(2) Where a person has relevant interests Sec. 5, 1974 in shares in a society exceeding in nominal value the prescribed proportion of the nominal value of all shares issued by the society, the society shall exercise and perform in respect of the excess shares the powers and duties that, by section 52 (2) (a), are conferred upon it in respect of shares no longer required for the purposes of the society.

(d) by omitting from section 54 (1) (a) (i) the words Sec. 54. “one thousand dollars or” and by inserting instead (Minimum subscription by founding members of societies.) the words “\$1,000 in the case of a society registered before the commencement of section 7 (d) of the Permanent Building Societies (Amendment) Act, 1974, or \$5,000 in the case of a society registered after that commencement or, in either case,”;

(e) (i) by omitting section 62 (4) and by inserting Sec. 62. instead the following subsection :— (Surplus from operations.)

(4) The rate of dividend in respect of a share shall not exceed the rate fixed by the Minister in respect of the share by order published in the Gazette on the recommendation of the Advisory Committee.

(ii) by inserting after section 62 (4) the following subsections :—

(4A) An order under subsection (4) may fix rates of dividend differing according to specified circumstances.

(4B) Subsection (4) does not apply in respect of shares that—

(a) are held in the society by reason of a transfer of engagements from, or amalgamation with, a building society

registered

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registered under, or specified in the Second Schedule to, the Co-operation Acts;

(b) were issued before 1st July, 1972, by such a building society; and

(c) if they are withdrawable and have been the subject of a transfer, were last transferred before 1st July, 1972.

(iii) by omitting section 62 (6);

Sec. 63.
(Liquidity.)

(f) (i) by omitting from section 63 (2) (d) the word "and";

(ii) by omitting from section 63 (2) (e) the words "this paragraph." and by inserting instead the following words and paragraph :—

this paragraph; and

(f) as funds or investments referred to in paragraphs (a), (b), (c), (d) and (e) and deposited with an association pursuant to arrangements made under section 23,

except to the extent of the amount necessary to satisfy any lien or charge on the funds and investments specified in paragraphs (a), (b), (c), (d) and (e).

(iii) by inserting after section 63 (3) the following subsection :—

(4) Notwithstanding subsection (1), a society may approve the making of loans from a fund comprising specific moneys borrowed by it if—

(a) the moneys borrowed are not required to be repaid by the society before the expiration of ten years except to the

extent

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extent that the terms upon which the moneys are borrowed provide for the earlier payment to the lender by the society of amounts not exceeding the amounts from time to time payable or paid to the society by way of interest on, or in reduction or repayment of, loans so made; and

- (b) the proceeds of the due repayment of each loan so made would be sufficient to provide for the due repayment by the society of the moneys borrowed by it.

- (g) by inserting in section 64 (2) after the words “winding up” the words “or upon terms and conditions approved by the Advisory Committee”.

8. Part VI of the Principal Act is amended—

Amendment
of Part VI
of Act No.
18, 1967.

- (a) by omitting section 67 (5) and by inserting instead the following subsection :—

Sec. 67.
(Appoint-
ment of
directors.)

(5) Notwithstanding anything in this Act, the rules of a society may provide for the election by the members—

- (a) of not more than one employee of the society nominated by the directors; or
(b) where the directors number seven or more, of not more than two employees of the society so nominated,

as a director, or as directors, of the society.

In this subsection “employee of the society” includes a person, or the employee of a person, who provides the society with secretarial and administrative services.

(b)

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Sec. 68.

(Directors—
qualifica-
tion and
vacation of
office.)(b) (i) by omitting from section 68 (4) (j) the word
“or”;(ii) by omitting section 68 (4) (k) and by insert-
ing instead the following paragraphs :—(k) if, having been elected as a director
pursuant to section 67 (5), he ceases
to hold the qualification by virtue of
which he was elected;(l) if an administrator of the society's
affairs is appointed under section 86A;
or

(m) as provided by section 68B.

Sec. 68B.

(c) by inserting after section 68A the following
section :—Director
vacates
office in
certain
circum-
stances.

68B. (1) Where a person is, at the same time, a director of a society and a director of another corporation (not being an association) the Advisory Committee may, subject to this section, determine that, in its opinion, the activities and operations in which the corporation is engaged are, or are likely to be, such that that person should not be a director of the society while he is a director of that corporation.

(2) The Advisory Committee shall not make a determination under subsection (1) in relation to a director unless the director—

(a) has, by notice given to him in writing by the registrar at the direction of the Advisory Committee, been informed that the Advisory Committee proposes to consider whether a determination should be made under subsection (1) with respect to a specified corporation, or specified corporations; and

(b)

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(b) has been given an opportunity to be heard No. 5, 1974 by the Advisory Committee.

(3) The registrar shall, at the direction of the Advisory Committee, give notice in writing of a determination under subsection (1) to the director to whom it relates and, where the registrar gives such a notice, the director may appeal to the Minister against the determination within fourteen days after the giving of the notice.

(4) Where a director of a society appeals as provided by subsection (3), the Minister may—

- (a) uphold the appeal;
- (b) dismiss the appeal; or
- (c) where the determination relates to more than one corporation, uphold or dismiss the appeal in so far as the determination relates to a corporation or corporations specified by the Minister and dismiss or uphold it in relation to the other or others.

(5) A director of a society given a notice referred to in subsection (3) vacates his office as such a director—

- (a) where he does not appeal against the determination to which the notice relates—at the expiration of the period within which he might have appealed against that determination; or
- (b) where he so appeals and the appeal—
 - (i) is dismissed; or

(ii)

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- (ii) is dismissed in respect of one or more corporations and upheld in relation to another corporation or other corporations—

at the expiration of the period of seven days that next succeeds the giving to him of notice of dismissal of the appeal,

unless before the expiration of that period he ceases to be a director of any corporation in respect of which he failed to appeal or in respect of which an appeal was dismissed.

Sec. 69A.

- (d) by inserting after section 69 the following section :—

Return showing certain declarations.

69A. (1) A society shall, not later than three months after the end of its financial year, lodge with the registrar in the prescribed form a return specifying any declaration made to its board under section 69 during that financial year.

(2) Where a society fails to comply with subsection (1), the society and any officer in default are each guilty of an offence.

Penalty : \$500. Default penalty.

Sec. 70.
(Certain prohibited dealings.)

- (e) by inserting in section 70 (1) after the word "officer," the words "or his spouse,";

Sec. 70A.

- (f) by inserting after section 70 the following section :—

Certain borrowings prohibited.

70A. (1) For the purposes of this section—

- (a) a person is associated with a director or other officer of a society if that person is—

- (i) the spouse of that director or other officer;

(ii)

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(ii) a member, or the spouse of a member, of a partnership of which that director or other officer, or the spouse of that director or other officer, is a member; or

(iii) a corporation of which that director or other officer, or the spouse of that director or other officer, is a director; and

(b) the prescribed amount is \$50,000 or, where some other amount is prescribed by the regulations, that other amount.

(2) Where a society makes a loan to a director or other officer of the society, or to a person associated with a director or other officer of the society, the total of the amount lent and—

(a) where the loan is to a director or other officer of the society—the amount of any existing indebtedness to the society of—

(i) that director or other officer; and

(ii) any person associated with that director or other officer; or

(b) where the loan is to a person associated with a director or other officer of the society—the amount of any existing indebtedness to the society of—

(i) that person;

(ii) any other person associated with that director or other officer; and

(iii) that director or other officer,

shall not exceed the prescribed amount.

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(3) Where a director or other officer of a society is a director of another corporation (not being an association registered under this Act, the Co-operation Acts or the Credit Union Act, 1969) the society shall not lend to another director of that corporation or to the spouse of such a director an amount that, if added to any indebtedness of that other director, or of his spouse, to the society at the time the loan to him is made, would exceed the prescribed amount.

(4) For the purposes of this section, anything done by a proprietary company of which a director or other officer of a society or his spouse is a member shall be deemed to have been done by that director or other officer, as the case may be.

(5) Notwithstanding anything in this section, the Advisory Committee may, in a particular case, approve the making of a loan where, but for this subsection, the making thereof would be a contravention of subsection (2) or (3) and, where such an approval is given, the making of the loan is not such a contravention.

(6) Where a loan is made by a society in contravention of subsection (2) or (3)—

(a) the society;

(b) any officer in default;

(c) in the case of a loan made in contravention of subsection (2) to a director or other officer—the person to whom the loan was made;

(d)

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(d) in the case of a loan made in contravention No. 5, 1974 of subsection (2) to a person associated with a director or other officer—that director or other officer; and

(e) in the case of a loan made to a director of another corporation or his spouse in contravention of subsection (3)—any director or other officer of the society who is a director of that other corporation,

are each guilty of an offence unless, in the cases referred to in paragraphs (d) and (e), it is proved that the defendant used all due diligence to prevent the contravention.

Penalty : \$500.

(g) by omitting from section 75 (2) the words “section Sec. 75. fifty of this Act” and by inserting instead the words (Voting.) “sections 50 and 76”;

(h) (i) by inserting in section 76 (1) after the words Sec. 7. “a majority” the words “of votes”; (Voting at association meeting.)

(ii) by omitting from section 76 (1) the word “representatives” where secondly occurring and by inserting instead the words “societies represented at the meeting”;

(iii) by inserting after section 76 (1) the following subsection :—

(1A) Where the rules of an association so provide, the representative or representatives of a component society who is or are present at a meeting of the association may, on a poll, cast on behalf of the society such total number of votes, not exceeding five, as is specified in the rules of the association.

(i)

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 Sec. 78.
 (Registers
 and
 accounts.)

- (i) by inserting after section 78 (3) the following subsection :—

(3A) In relation to each person who is a director of a society, there shall, upon receipt of the necessary particulars under section 78A, be incorporated as part of the register of directors of the society a list specifying every corporation (other than the society) of which that person is from time to time a director.

Secs. 78A
 and 78B.

- (j) by inserting after section 78 the following sections :—

Directors
 to furnish
 certain
 information.

78A. (1) A director of a society shall give notice in writing to the society of such matters relating to himself as are necessary to enable the society to keep up to date its register of directors (including the list referred to in section 78 (3A)).

(2) A director required to give a notice under subsection (1) shall give the notice not later than fourteen days after—

- (a) the commencement of section 8 (j) of the Permanent Building Societies (Amendment) Act, 1974;
- (b) the day on which he became a director of the society; or
- (c) the day on which he first became aware of the matter of which he is required to give notice,

whichever last occurs.

(3) A director who fails to give the notice required by subsection (1) within the time specified by subsection (2) is guilty of an offence.

Penalty : \$500. Default penalty.

78B.

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78B. A society shall, not later than three months after the end of its financial year, submit a return in the prescribed form to the registrar specifying, in respect of each person who during that financial year was a director of the society, any corporations of which, according to any notice or notices given to the society under section 78A during that financial year, that person was at any time a director.

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Return
to be
submitted
by society.

(k) by inserting in section 82 (1) after the word “change” where secondly occurring the words “and of any corporations of which, according to any notice or notices given to the society under section 78A, any new member of the board is a director”;

Sec. 82.
(Returns.)

(l) by inserting after section 84 the following section :—

Sec. 84A.

84A. (1) Where a society is directed by the registrar so to do, the society shall submit to the registrar a special return in the form, within the time, and relating to the subject-matter, specified by the registrar when giving the direction.

Special
returns.

(2) A return submitted pursuant to subsection (1) is not a document to which section 108 (1) applies.

9. Part VII of the Principal Act is amended by inserting in section 85 (4) (a) after the word “hearing” the words “and such costs of the parties as he specifies”.

Amend-
ment of
Part VII
of Act No.
18, 1967.
Sec. 85.

10. (Disputes.)

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No. 5, 1974 **10.** Part VIII of the Principal Act is amended—

Amendment
of Part
VIII of
Act No. 18,
1967.

Secs.
86A and 86B.

(a) by inserting after section 86 the following sections :—

Appoint-
ment of
administra-
tor of
society.

86A. (1) Subject to this section, the registrar may, with the approval of the Minister, appoint an administrator to conduct the affairs of a society and may revoke any such appointment.

(2) The registrar shall not appoint an administrator unless he certifies as would be provided by sections 87 (3) and 87 (4) if section 87 were amended—

- (a) by omitting from subsection (3) the words “In the case of a winding up upon the certificate of the registrar, the society may be wound up if” and by inserting instead the words “An administrator may not be appointed under section 86A (1) unless”; and
- (b) by omitting from subsection (3) (g) the words “the society should be wound up” and by inserting instead the words “an administrator should be appointed to conduct the affairs of the society”.

(3) Upon the appointment of an administrator of a society—

- (a) the directors of the society cease to hold office;
- (b) all contracts of employment with the society are terminated; and
- (c) all contracts for the provision of secretarial or administrative services for the society are terminated.

(4)

Permanent Building Societies (Amendment).

(4) An administrator of a society has the powers, authorities, duties and functions of the board of the society and, except as provided by subsection (5), no appointment of a director of the society may be made while the administrator is in office. **No. 5, 1974**

(5) Before revoking the appointment of an administrator of a society, the registrar shall, except in the case of a revocation under section 86B (2)—

- (a) ensure that directors of the society have been elected in accordance with the rules of the society at a meeting convened by the administrator in accordance with those rules; or
- (b) appoint directors of the society.

(6) Directors elected under subsection (5) (a) or appointed under subsection (5) (b)—

- (a) take office upon revocation of the appointment of the administrator; and
- (b) in the case of appointed directors, hold office until the annual general meeting of the society that next succeeds revocation of that appointment.

(7) The expenses of and incidental to the conduct of the affairs of a society by an administrator are payable from the funds of the society.

(8) The remuneration of an administrator who is not a servant of the Crown is an expense referred to in subsection (7) and shall be fixed by the registrar.

(9) Where an administrator appointed under this section is a servant of the Crown, the reimbursement of the Crown in an amount certified by the registrar in respect of the remuneration of its servant is an expense referred to in subsection (7) and is recoverable as a debt due to the Crown.

(10)

Permanent Building Societies (Amendment).

No. 5, 1974

(10) An administrator of a society is not liable for any loss sustained by the society during his term of office unless the loss was due to his wilful misconduct or gross negligence or to his wilful failure to comply with the provisions of this Act or the regulations or the rules of the society.

(11) The registrar is not liable for any loss sustained by a society during the term of office of an administrator, whether or not the administrator is so liable.

Advisory
Com-
mittee
may make
certain
report to
Minister.

86B. (1) Where an administrator of a society is appointed, a majority of the directors who ceased to hold office upon the appointment of the administrator may, not later than fourteen days after the appointment, make representations to the Advisory Committee with respect to the appointment and, where any such representations are so made, the Advisory Committee shall report thereon to the Minister.

(2) The registrar shall, if the Minister so directs after considering a report under subsection (1) with respect to a society, revoke the appointment of an administrator of the society, and a director who held office immediately before the appointment of the administrator resumes that office upon revocation of the appointment.

Sec. 87.
(Winding
up.)

(b) by omitting from section 87 (3) (a) the word "fifty" and by inserting instead the words "one hundred or, where some other number is prescribed by the regulations, that other number";

(c)

Permanent Building Societies (Amendment).

- (c) by inserting after section 90 the following section :—

No. 5, 1974
Sec. 90A.

90A. (1) Subject to this section, the provisions of sections 367A, 367B and 367C and of sections 374A to 374G, both inclusive, of the Companies Act, 1961, apply to and in respect of a society, and its officers and former officers, in the same way as they apply to a company and its officers and former officers.

Certain offences under Companies Act, 1961, to apply equally in respect of society.

(2) For the purposes of subsection (1), the provisions referred to therein shall be construed as if—

- (a) a reference therein to a company were a reference to a society;
- (b) a reference therein to the Commission were a reference to the registrar;
- (c) the reference in section 374B to the provisions of section 161A or any corresponding previous enactment for the time being in force were a reference to the provisions of this Act relating to the keeping of accounts by a society;
- (d) paragraph (c) were omitted from—
 - (i) the definition of “company to which this section applies” in section 374E (1);
 - (ii) the definition of “appropriate officer” in section 374E (1); and
 - (iii) the definition of “the relevant day” in section 374E (1); and

(e)

Permanent Building Societies (Amendment).

No. 5, 1974

- (e) the return referred to in paragraph (f) of the definition of "the relevant day" in section 374E (1) were a reference to a return under section 82 (2) of this Act.

Amend-
ment of
Part IX
of Act No.
18, 1967.
Sec. 105.
(Contra-
vention of
Act.)

11. Part IX of the Principal Act is amended—

- (a) by inserting in section 105 (2) after the word "offence" the words "referred to therein or any contravention of that section or part";
- (b) by inserting after section 105 (3) the following subsection :—

(4) Where a penalty is imposed on a society under this Act, the society shall, not later than fifteen months after imposition of the penalty, give each member written notice of the imposition of the penalty, the amount thereof and the nature of the offence.

Transitional
provision.

12. An order made under section 62 (4) of the Principal Act and in force immediately before the commencement of section 7 (e) of this Act shall be deemed to have been made under section 62 (4) of the Principal Act, as amended by section 7 (e) of this Act.

VETERINARY