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VICTORIÆ REGINÆ.

No. 11.

ANALYSIS.

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Industrial and Provident Societies.

Title. AN ACT to consolidate and amend the Law relating to Industrial and Provident Societies.

[9th October, 1877.]

Preamble.

WHEREAS it is expedient to consolidate and amend the law relating to industrial and provident societies :

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

Short Title.

1. The Short Title of this Act shall be “The Industrial and Provident Societies Act, 1877.”

Definitions.

2. In this Act, if not inconsistent with the context, the following terms have the meanings hereinafter respectively assigned to them :—

“The Registrar” means persons appointed to be Registrars of Building Societies for the purposes of “The Building Societies Act, 1876.”

“Land” shall include hereditaments and chattels real.

“Property” means all real and personal estate (including books and papers).

“Registered society” means a society registered or deemed to be registered under this Act.

“Amendment of rule” includes a new rule and a resolution rescinding a rule.

“Rules” means rules for the time being.

“The committee” means the committee of management or other directing body of a society.

“Persons claiming through a member” includes the heirs, executors, administrators, and assigns of a member, and also his nominees where nomination is allowed.

“Officer” extends to any trustee, treasurer, secretary, member of the committee of management of a society, manager, or servant other than a servant appointed by the committee of a society.

“Meeting” includes (when the rules of a society so allow) a meeting of delegates appointed by members.

“Gazette” means the *New Zealand Gazette*.

Repeal of “Industrial and Provident Societies Act, 1867.”

3. “The Industrial and Provident Societies Act, 1867,” is repealed from the commencement of this Act; but this repeal, or anything herein contained, shall not affect the past operation of the said Act, or the force or operation, validity or invalidity, of anything done or suffered, or any bond or security given, right title obligation or liability accrued, contract entered into, or proceedings taken under the said Act, or under the rules of any society registered or certified thereunder, before the commencement of this Act.

Existing societies.

4. Every incorporated society now subsisting whose rules have been registered or certified under the said Act shall be deemed to be a society registered under this Act, and its rules shall, so far as the same are not contrary to any express provision of this Act, continue in force until altered or rescinded under this Act.

Societies which may be registered.

5. The societies which may be registered under this Act are societies (herein called “industrial and provident societies”) for carrying on any labour, trade, or handicraft, whether wholesale or retail, including the buying or selling of land, but excepting the business of banking, of which societies no member other than a society registered under this Act shall have or claim an interest in the funds exceeding two hundred pounds sterling.

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- 6.** With respect to the registry of societies the following provisions shall have effect:—
- (1.) No society can be registered under this Act which does not consist of seven persons at least. Registry of societies.
To consist of seven persons at least.
- (2.) For the purpose of registry, an application to register the society, signed by seven members and the secretary, and two written or printed copies of the rules, shall be sent to the Registrar. The application for registry.
- (3.) No society shall be registered under a name identical with that under which any other existing society is registered, or so nearly resembling such name as to be likely, in the opinion of the Registrar, to deceive the members or the public as to its identity. And no society shall change its name without sanction of the Registrar or otherwise than is hereinafter provided. Identity or similarity of names not to be allowed.
- (4.) The word "Limited" shall be the last word in the name of every society registered under this Act. "Limited" to be last word of name.
- (5.) The Registrar, on being satisfied that a society has complied with the provisions as to registry under this Act, shall issue to such society an acknowledgment of registry. The acknowledgment of registry.
- (6.) If any Registrar refuse to register the society, or any rules, the society may appeal from such refusal to the Supreme Court, and the Judges of the said Court, or any three of them, of whom the Chief Justice shall be one, shall make rules or orders as to the form of appeals and the trying thereof and otherwise relating thereto. Appeals from refusal to register.
- (7.) If the refusal of registry be overruled on appeal, an acknowledgment of registry shall thereupon be given to the society by the Registrar. If refusal overruled, acknowledgment to be given.
- (8.) The acknowledgment of registry shall be conclusive evidence that the society therein mentioned is duly registered, unless it be proved that the registry of the society has been suspended or cancelled. Effect of acknowledgment of registry.
- 7.** With respect to the cancelling or suspension of registry, the following provisions shall have effect:—
- (1.) The Registrar may cancel the registry of a society by writing under his hand—
- (a.) If he thinks fit, at the request of a society, to be evidenced in such manner as he shall from time to time direct:
- (b.) With the approval of the Governor, on proof to his satisfaction that an acknowledgment of registry has been obtained by fraud or mistake, or that a society exists for an illegal purpose, or has wilfully, and after notice from the Registrar, violated any of the provisions of this Act, or has ceased to exist.
- (2.) The Registrar in any case in which he might, with the approval of the Governor, cancel the registry of a society, may suspend the same by writing under his hand for any term not exceeding three months, and may, with the approval of the Governor, renew such suspension from time to time for the like period. Suspension.
- (3.) Not less than two months' previous notice in writing, specifying briefly the ground of any proposed cancelling or suspension of registry, shall be given by the Registrar to a society before the registry of the same can be cancelled (except at its request) or suspended; and notice of every cancelling or suspension shall be published in the Notice of cancelling or suspension.

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- Gazette* and in some newspaper circulating in the city, town, or place in which the registered office of the society is situated, as soon as practicable after the same takes place.
- Appeal from cancelling or suspension. (4.) A society may appeal from the cancelling of its registry, or (when the same has been suspended for two consecutive periods not exceeding six months in the whole) against any renewal of suspension, in manner herein provided for appeals from the Registrar's refusal to register.
- Effect of cancelling or suspension. (5.) A society whose registry has been suspended or cancelled shall, from the time of such suspension or cancelling (but, if suspended, only while such suspension lasts, and subject also to the right of appeal hereby given), absolutely cease to enjoy as such the privileges of a registered society, but without prejudice to any liability actually incurred by such society, which may be enforced against the same as if such suspension or cancelling had not taken place.
- Rules and amendments. 8. With respect to the rules of societies the following provisions shall have effect:—
- Provisions to be contained in rules. (1.) The rules of every society sent for registry shall contain provisions in respect of the several matters mentioned in the First Schedule to this Act.
- Amendments to be registered. (2.) No amendment of a rule made by a registered society shall be valid until the same has been registered under this Act, for which purpose copies of the same, signed by three members and the secretary, shall be sent to the Registrar.
- Provision applicable to amendments. (3.) The provision herein contained as to appeals from a refusal of registry shall apply to amendments of rules.
- Acknowledgment of registry of amendments. (4.) The Registrar shall, on being satisfied that any amendment of a rule is not contrary to the provisions of this Act, issue to the society an acknowledgment of registry of the same, which shall be conclusive evidence that the same is duly registered.
- Copies of rules to be delivered on demand. (5.) A copy of the rules of a registered society shall be delivered by the society to every person, on demand, on payment of a sum not exceeding one shilling.
- Delivery of untrue rules. (6.) If any person, with intent to mislead or defraud, gives to any other person a copy of any rules, laws, regulations, or other documents, other than rules for the time being registered under this Act, on the pretence that the same are existing rules of a registered society, or that there are no other rules of such society, or gives to any person a copy of any rules on the pretence that such rules are the rules of a registered society when the society is not registered, the person so offending shall be deemed guilty of misdemeanour.
- Duties and obligations of societies. 9. With respect to the duties and obligations of registered societies, the following provisions shall have effect:—
- Registered office. (1.) Every society shall—
- (a.) Have a registered office, to which all communications and notices may be addressed, and send to the Registrar notice of the situation of such office, and of every change therein:
- (b.) Paint or affix, and keep painted or affixed, its name on the outside of every office or place in which the business of the society is carried on, in a conspicuous position in letters easily legible, and have its name engraven in legible characters on its seal, and have its name mentioned in legible characters in all notices, advertisements,
- Publication of name.

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and other official publications of the society, and in all bills of exchange, promissory notes, indorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of such society, and in all bills of parcels, invoices, receipts, and letters of credit of the society :

(c.) Once at least in every year submit its accounts for audit, either to one of the public auditors appointed as herein mentioned, or to two or more persons appointed as the rules of the society provide, who shall have access to all the books and accounts of the society, and shall examine the general statement of the receipts and expenditure, funds and effects of the society, and verify the same with the accounts and vouchers relating thereto, and shall either sign the same as found by them to be correct, duly vouched, and in accordance with law, or specially report to the society in what respects they find it incorrect, unvouched, or not in accordance with law :

(d.) Once in every year, before the first day of June send to the Registrar a general statement (to be called "the annual return") of the receipts and expenditure, funds and effects of the society as audited, which shall show separately the expenditure in respect of the several objects of the society, and shall be made out to the thirty-first of December then last inclusively, and shall state whether the audit has been conducted by a public auditor appointed as by this Act is provided, and by whom, and, if by any person other than a public auditor, shall state the name, address, and calling or profession of each such person, and the manner in which and the authority under which he is appointed, and together therewith shall send a copy of the auditor's report :

(e.) Allow any member or person having an interest in the funds of the society to inspect the books and names of the members at all reasonable hours at the registered office of the society, or at any place where the same are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the general meetings of the society, except that no such member or person, unless he be an officer of the society, or be specially authorized by a resolution thereof, shall have the right to inspect a loan or deposit account of any other member without the written consent of such member :

(f.) Supply gratuitously to every member or person interested in the funds of the society, on his application, a copy of the last annual return of the society for the time being :

(g.) Keep a copy of the last balance-sheet for the time being, together with the report of the auditors, always hung up in a conspicuous place at the registered office of the society.

(2.) It shall be an offence under this Act if any registered society—

(a.) Fails to give any notice, send any return or document, or do or allow to be done any act or thing which the society is by this Act required to give, send, do, or allow to be done :

(b.) Wilfully neglects or refuses to do any act or to furnish any information required for the purposes of the

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Act by the Registrar or other person authorized under this Act, or does any act or thing forbidden by this Act :

(c.) Makes a return or wilfully furnishes information in any respect false or insufficient.

Offences by societies to be also offences by officers.

(3.) Every offence by a society under this Act shall be deemed to have been also committed by every officer of the same bound by the rules thereof to fulfil the duty whereof such offence is a breach, or, if there be no such officer, then by every member of the committee of the same, unless such member be proved to have been ignorant of or to have attempted to prevent the commission of such offence; and every act or default under this Act constituting an offence, if continued, shall constitute a new offence in every week during which the same continues.

Returns to be in prescribed form.

(4.) Every return and other document required for the purpose of this Act shall be made in such form and shall contain such particulars as the Registrar prescribes.

Recording of documents.

(5.) All documents by this section required to be sent to the Registrar shall be deposited with the rules of the society to which the same respectively relate, and shall be registered, or recorded by the Registrar, with such observations thereon, if any, as the Registrar shall direct.

Privileges of societies.

10. Registered societies shall be entitled to the following privileges:—

Incorporation of society with limited liability.

(1.) The registration of a society shall render it a body corporate by the name described in the acknowledgment of the registry, by which it may sue and be sued, with perpetual succession and a common seal, and with limited liability, and shall vest in the society all property for the time being vested in any person in trust for the society; and all legal proceedings pending by or against the trustees of any such society may be prosecuted by or against the society in its registered name without abatement.

Rules to bind the members.

(2.) The rules of the society shall bind the society and all members thereof, and all persons claiming through them respectively, to the same extent as if each member had subscribed his name and set his seal thereto and there were contained in such rules a covenant on the part of himself, his heirs, executors, and administrators to conform thereto, subject to the provisions of this Act: Provided that a society registered at the time when this Act comes into operation, or the members thereof, may respectively exercise any power given by this Act and not made to depend on the provisions of its rules, notwithstanding any provision contained in any rule thereof certified before this Act was passed.

Exemption from stamp duty.

(3.) Stamp duty shall not be chargeable upon any of the following documents:—

(a.) Power, warrant, or letter of attorney granted by any person as trustee for the transfer of any money of the society invested in his name in any debentures, bonds, or Treasury bills issued under any Act of the General Assembly.

(b.) Order or receipt for money contributed to or received from the funds of the society by virtue of its rules or of this Act.

(c.) Bond given to or on account of the society, or by the treasurer or other officer thereof.

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- (d.) Draft or order, or appointment or revocation of appointment of agent, or other document required or authorized by this Act, or by the rules of the society.
- (4.) All moneys payable by a member to the society shall be a debt due from such member to the society, and recoverable as such either in the Resident Magistrate's Court of the district in which the registered office of the society is situate or that of the district in which such member resides, at the option of the society. Money due from members to be a debt recoverable from them.
- (5.) A member of a society, not being under the age of sixteen years, may, by writing under his hand delivered at or sent to the registered office of the society, nominate any person not being an officer or servant of the society, unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator, to whom his shares in the society shall be transferred at his decease: Provided that the amount credited to him in the books of the society does not exceed fifty pounds, and may from time to time revoke or vary such nomination by a writing under his hand similarly delivered or sent, but not otherwise; and every such society shall keep a book wherein the names of all persons so nominated shall be regularly entered, and the shares comprised in such nomination shall be transferable to the nominee although the rules of the society declare its shares to be generally not transferable; and, on receiving satisfactory proof of the death of a nominator, the committee of the society shall either transfer the shares in manner directed on such nomination, or pay to every person entitled thereunder the full value of his interest, at their option, unless the shares if transferred to any such nominee would raise his interest in the society to an amount exceeding two hundred pounds sterling, in which case they shall pay him the full value of such shares not exceeding the sum aforesaid. Power of nomination for sums not exceeding fifty pounds.
- (6.) If any member of a society entitled to an interest in the society not exceeding fifty pounds dies intestate and without having made any nomination under this Act which remains unrevoked at his death, such interest shall be transferable or payable, without letters of administration, to or among the persons who appear to a majority of the committee, upon such evidence as they may deem satisfactory, to be entitled by law to receive the same. Distribution of sums not exceeding fifty pounds.
- (7.) Whenever the committee, after the decease of any member, make any payment or transfer to any person who at the time appears to them to be entitled under this section, the payment or transfer shall be valid and effectual against any demand made upon the committee or the society by any other person. Payment to persons apparently entitled valid.
- (8.) When any person in whose name any funds, debentures, securities, or moneys belonging to such society are standing or vested, either jointly with another or others, or solely as a trustee therefor, is absent from New Zealand, or becomes bankrupt, or files any petition, or executes any deed for liquidation of his affairs by assignment or arrangement, or for composition with his creditors, or whose estate is liquidated under any Act for the relief of debtors, or becomes a lunatic, or is convicted of felony, or is dead, or has been removed from his office of trustee, or if it be When trustees, &c., absent, Registrar may order funds, &c., to be transferred.

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unknown whether such person is living or dead, the Registrar, on application in writing from the secretary and three members of the society, and on proof satisfactory to him, may direct the transfer of such funds, debentures, securities, or moneys to the society or into the names of any other persons appointed by the society as trustees, and such transfer shall be made by the surviving or continuing trustees; and if there be no such trustees, or if such trustees refuse or be unable to make such transfer, the Registrar may direct that where such funds, debentures, securities, or moneys—

(a.) are standing in the books of the Colonial Treasurer, or are under his control, such transfer be made by the Colonial Treasurer, or some officer of the General Government to be named in the order:

(b.) are standing in the books or in the control of any bank or banking corporation, or other corporation or body, such transfer be made by some officer of such bank or banking corporation or other corporation or body to be named in the order:

(c.) are standing in the books or are in the hands or control of any other person or persons, such transfer be made by such person or persons.

Indemnity to persons acting under order of Registrar.

(9.) The Colonial Treasurer and every such bank and banking corporation, and all corporations, companies, and persons, and their officers and servants respectively, are hereby indemnified from anything done by him or them or any of his or their officers in pursuance of the provisions of clause eight of this section against any claim or demand of any person injuriously affected thereby.

Membership of minors.

(10.) A person under the age of twenty-one, but above the age of sixteen, may be a member of a society, unless provision be made in the rules of the society to the contrary, and may, subject to the rules of the society, enjoy all the rights of a member (except as herein provided), and execute all instruments and give all acquittances necessary to be executed or given under the rules, but shall not be a member of the committee of management, trustee, manager, or treasurer of the society.

Promissory notes and bills of exchange.

(11.) A promissory note or bill of exchange shall be deemed to have been made, accepted, or indorsed on behalf of any society if made, accepted, or indorsed in the name of the society, or by or on behalf or on account of the society by any person acting under the authority of the society.

Register of members or shares.

(12.) Any register or list of members or shares kept by any society shall be *prima facie* evidence of any of the following particulars entered therein:—

(a.) The names, addresses, and occupations of the members, the number of shares held by them respectively, the numbers of such shares if they are distinguished by numbers, and the amount paid or agreed to be considered as paid on any such share.

(b.) The date at which the name of any person, company, or society was entered in such register or list as a member.

(c.) The date at which any such person, company, or society ceased to be a member.

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(13.) Contracts on behalf of the society may be made, varied, or discharged as follows :— Contracts, how made.

(a.) Any contract which if made between private persons would be by law required to be in writing, and, if made according to the English law, to be under seal, may be made on behalf of the society in writing under the common seal of the society, and may in the same manner be varied or discharged.

(b.) Any contract which if made between private persons would be by law required to be in writing, and signed by the persons to be charged therewith, may be made on behalf of the society in writing by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged.

(c.) Any contract under seal which if made between private persons might be varied or discharged at law or in equity by a writing not under seal signed by any person interested therein, may be similarly varied or discharged on behalf of the society by a writing not under seal signed by any person acting under the express or implied authority of the society.

(d.) Any contract which if made between private persons would be by law valid though made by parol only, and not reduced into writing, may be made by parol on behalf of the society by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged.

(e.) A signature purporting to be made by a person holding any office in the society attached to a writing whereby any contract purports to be made, varied, or discharged by or on behalf of the society, shall *prima facie* be taken to be the signature of a person holding at the time when the signature was made the office so stated :

And all contracts which may be or have been made, varied, or discharged according to the provisions herein contained, shall, so far as concerns the form thereof, be effectual in law and binding on the society and all other parties thereto, their heirs, executors, or administrators, as the case may be.

11. With respect to the property and funds of registered societies, Property and funds of societies. the following provisions shall have effect :

(1.) A society may (if its rules do not direct otherwise) invest Investment of funds. the funds of such society or any part thereof, to any amount, in any of the following ways :—

(a.) In the purchase or lease, in its own name, of any Holding of land. land or buildings, and may hold, sell, exchange, mortgage, lease, or build upon the same (with power to alter and pull down buildings and again rebuild); and no purchaser, assignee, mortgagee, or tenant shall be bound to inquire as to the authority for any sale, exchange, mortgage, or lease by the society, and the receipt of the society shall be a discharge for all moneys arising from or in connection with such sale, exchange, mortgage, or lease :

(b.) In the Post Office Savings Bank, or in such other bank or banks as the Governor may from time to time direct :

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- (c.) In any debentures, bonds, or Treasury bills issued by or on behalf of the General Government of the colony under the authority of any Act of the General Assembly:
- (d.) Upon any other security expressly directed by the rules of the society.
- Advances to mem- (2.) The rules may provide for the advancing of money by the
bers. society to members on the security of real or personal property.
- Investment. (3.) A society may, if its rules so allow, invest any part of its capital in the shares or on the security of any other society registered under this Act or under the Building Societies Acts, or of any company registered under the Joint Stock Companies Acts, or incorporated by Act of the General Assembly of New Zealand, or by charter, provided that no such investment be made in the shares of any society or company other than one with limited liability; and a society so investing may make such investment in its registered name, and shall be deemed to be a person within the meaning of the Joint Stock Companies Acts and the Building Societies Acts; and any investment made before the passing of this Act which would have been valid if this Act had been then in force, is hereby made valid and confirmed.
- Other corporate (4.) Any other body corporate may, if its regulations permit,
bodies. hold shares by its corporate name in a society.
- Forms. (5.) In the rules or any schedules thereto may be set forth the forms of conveyance, surrender, mortgage, transfer, agreement, bond, or other instrument necessary for carrying the purposes of the society into effect.
- Application of (6.) The profits of the society may be applied to any lawful
profits. purpose.
- Discharge of mort- (7.) A receipt under the hands of the three members of the
gages by receipt committee, countersigned by the secretary, in the Form (2)
indorsed. contained in the Second Schedule to this Act, or in any form specified by the rules of the society or any schedule thereto, for all moneys secured to the society by any mortgage or other assurance, shall vacate the same, and vest the property therein comprised in the persons entitled to the equity of redemption of the same without reconveyance or resurrender.
- Mortgages and in- (8.) Every society shall forward from time to time to the
cumbrances under District Land Registrar of any district to which its
"Land Transfer Act, operations extend a return setting forth the names of
1870." every member of the committee of management and secretary; and also notice in writing of the death, resignation, or removal of existing, and the appointment of new, members and secretary respectively; also a copy of the rules and of every amendment thereof. Every such return and notice shall be accompanied by a statutory declaration made by the secretary or a member of the committee of management stating that the declarant is the secretary or a member of the committee of management, and verifying the statement contained in such return or notice. When any instrument shall be presented for registration affecting the land included in any mortgage or incumbrance registered under "The Land Transfer Act, 1870," and shall purport to be signed by four persons, three of whom shall appear to the District Land Registrar to be

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members of the committee of management and the other the secretary of the society at the time of the execution of such instrument, he shall register the same, and no person claiming under any such instrument shall be affected by notice, direct or constructive, that the persons signing the same were not such members or secretary respectively, nor that such instrument was executed in contravention of the rules of the society or the terms of the mortgage or incumbrance, and no claim on the assurance fund shall arise from the fact that such persons were not members of the committee of management or secretary respectively.

- (9.) If any person obtains possession by false representation or imposition of any property of a society, or, having the same in his possession, withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society and authorized by this Act, he shall, on the complaint of the society, or of any member authorized by the society, or committee of management of the same, or of the Registrar, be liable, on summary conviction, to a penalty not exceeding fifty pounds, and costs, and to be ordered to deliver up all such property or to repay all moneys applied improperly, and in default of such delivery or repayment, or of the payment of such penalty and costs aforesaid, to be imprisoned with or without hard labour for any term not exceeding six months; but nothing herein contained prevents any such person from being proceeded against by way of indictment if not previously convicted of the same offence under the provisions of this Act.

Punishment of fraud
or misappropriation.

12. With respect to officers of registered societies having receipt or charge of money, the following provisions shall have effect:—

Officers in receipt or
charge of money.

- (1.) Every officer, if the rules of the society shall require, shall, before taking upon himself the execution of his office, become bound with one sufficient surety at the least in a bond in the Form (1) contained in the Second Schedule to this Act, or give the security of a guarantee society, in such sum as the society directs, conditioned for his rendering a just and true account of all moneys received and paid by him on account of the society at such times as its rules appoint, or as the society, or committee of management thereof, require him to do so, and for the payment by him of all sums due from him to the society.

Security to be given.

- (2.) Every officer, his executors or administrators, shall, at such times as by the rules of the society he should, render account, or, upon demand made or notice in writing given or left at his last or usual place of residence, give in his account, as may be required by the society or committee of management of the society, to be examined and allowed or disallowed by them, and shall, on the like demand or notice, pay over all moneys and deliver all property for the time being in his hands or custody to such person as the society or the committee of management appoint; and in case of any neglect or refusal to deliver such account, or to pay over such moneys, or to deliver such property in manner aforesaid, the society may sue upon the bond or security before mentioned, or may apply to the Resident Magistrate's Court of the district in which the registered office of the society is situated, and the order of such Court shall be final and conclusive.

Accounts of officers.

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Disputes.

13. With respect to disputes concerning registered societies, the following provisions shall have effect:—

To be decided by rules of society.

Every dispute between a member, or person claiming through a member or under the rules of a registered society, and the society or an officer thereof, shall be decided in manner directed by the rules of the society, if they contain any such directions, and the decision so made shall be binding and conclusive on all parties without appeal, and shall not be removable into any Court of law, or restrainable by injunction; and application for the enforcement thereof may be made to a Resident Magistrate's Court: Provided as follows:—

May be referred to Registrar.

(a.) The parties to a dispute in a society may, by consent (unless the rules of such society expressly forbid), refer such dispute to the Registrar, who shall, with the consent of the Governor, hear and determine such dispute, and shall have power to order the expenses of determining the same to be paid either out of the funds of the society or by such parties to the dispute as he shall think fit; and such determination and order shall have the same effect and be enforceable in like manner as a decision made in the manner directed by the rules of the society.

Registrar may administer oaths, &c.

(b.) The Registrar to whom any dispute is referred may administer oaths, and may require the attendance of all parties concerned, and of witnesses, and the production of all books and documents relating to the matter in question; and any person refusing to attend, or to produce any documents, or to give evidence before such Registrar, shall be guilty of an offence under this Act.

Reference to Justices to be determined by a Resident Magistrate's Court.

(c.) Where the rules of a society direct that disputes shall be referred to Justices, the dispute shall be determined by a Resident Magistrate's Court.

(d.) When the rules contain no direction as to disputes, or when no decision is made on a dispute within forty days after application to the society for reference under its rules, the member or person aggrieved may apply to a Resident Magistrate's Court, which may hear and determine the matter in dispute.

Case for opinion of Supreme Court.

(e.) The Court or Registrar may at the request of either party state a case for the opinion of the Supreme Court on any question of law, and may also grant to either party such discovery as to documents and otherwise, or such inspection of documents, as might be granted by any Court of law or equity, such discovery to be made on behalf of the society by such officer of the same as such Court or Registrar may determine.

Inspection of affairs.

14. With respect to the inspection of the affairs of registered societies, the following provisions shall have effect:—

Special powers of Registrars to be exercised on application from members.

Upon the application of one-fifth of the whole number of members of a registered society, or of one hundred members in the case of a society of one thousand members and not exceeding ten thousand, or of five hundred members in the case of a society of more than ten thousand members, the Registrar, but with the consent of the Governor, may—

Inspectors.

(1.) Appoint one or more inspectors to examine into the affairs of such society and to report thereon, who may require the production of all or any of the books and documents of the society, and may examine on oath its officers, members, agents, and servants, in relation to its business, and may administer such oath accordingly:

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- (2.) Call a special meeting of the society, in such manner and at such time and place as the Registrar may direct, and may direct what matters shall be discussed and determined on at such meeting, which shall have all the powers of a meeting called according to the rules of the society, and shall in all cases have power to appoint its own chairman, any rule of the society to the contrary notwithstanding. Special meetings.

Provided that—

(a.) The application herein mentioned shall be supported by such evidence for the purpose of showing that the applicants have good reason for requiring such inspection to be made or meeting to be called, and that they are not actuated by malicious motives in their application, and such notice thereof shall be given to the society as the Registrar shall direct. Application to be supported by evidence.

(b.) The Registrar may, if he think fit, require the applicants to give security for the costs of the proposed inspection or meeting before appointing any inspector or calling such meeting. Security for costs.

(c.) All expenses of and incidental to any such inspection or meeting shall be defrayed either by the members applying for the same, or out of the funds of the society, as the Registrar shall direct. Expenses.

15. With respect to special resolutions by registered societies, and to the proceedings which may be taken by virtue thereof, the following provisions shall have effect:— Special resolutions and proceedings which may be taken thereon.

- (1.) A special resolution is one which is passed by a majority of not less than three-fourths of such members of a society for the time being entitled under the rules to vote as may be present in person or by proxy (where the rules allow proxies) at any general meeting of which notice, specifying the intention to propose such resolution, has been duly given according to the rules, and which resolution is confirmed by a majority of such members for the time being entitled under the rules to vote as may be present in person or by proxy at a subsequent general meeting, of which notice has been duly given, held not less than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed. At any meeting mentioned in this section a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of the fact. Special resolutions.

- (2.) A society may, by special resolution, with the approval in writing of the Registrar, change its name; but no such change shall affect any right or obligation of the society, or of any member thereof, and any pending legal proceedings may be continued by or against the society, or any other officer who may sue or be sued on behalf of such society, notwithstanding its new name. Change of name.

- (3.) Any two or more societies may, by special resolution of both or all such societies, become amalgamated together as one society, with or without any dissolution or division of the funds of such societies or either of them; and any society may, by special resolution, transfer its engagements to any other registered society which may undertake to fulfil the engagements of such society. Amalgamation of societies.

- (4.) A society may, by special resolution, determine to convert itself into a company under "The Joint Stock Companies Conversion of societies into companies, &c.

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- Act, 1860," or to amalgamate with or transfer its engagements to any such company.
- Rights of creditors. (5.) No amalgamation or transfer of engagements shall prejudice any right of a creditor of either or any society party thereto.
- Registration of special resolutions. (6.) A copy of every special resolution for any of the purposes mentioned in this section, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the Registrar, and be registered by him, and until such copy is so registered such special resolution shall not take effect.
- Registration of copy of special resolution as memorandum of association. (7.) If a special resolution for converting a society into a company contains the particulars by "The Joint Stock Companies Act, 1860," required to be contained in the memorandum of association of a company, and a copy thereof has been registered at the office of the Registrar, a copy of such resolution under the seal or stamp of the Registrar shall have the same effect as a memorandum of association duly signed and attested under the said Act.
- Registry of society under Act to become void on registration as a company, &c. (8.) If a society be registered as, or amalgamates with, or transfers all its engagements to a company, the registry of such society under this Act thereupon becomes void, and the same shall be cancelled by the Registrar; but the registration of a society as a company shall not affect any right or claim for the time being subsisting against such society, or any penalty for the time being incurred by such society; and for the purpose of enforcing any such right, claim, or penalty the society may be sued and proceeded against in the same manner as if it had not become registered as a company; and every such right or claim, or the liability to such penalty, has priority as against the property of such company over all other rights or claims against, or liabilities of, such company.
- Dissolution of societies. **16.** With respect to the dissolution of registered societies, the following provisions shall have effect:—
- How societies may be dissolved. (1.) A society may be dissolved by an order to wind up the society, or a resolution for the winding up thereof, made as is directed in regard to companies by "The Joint Stock Companies Act, 1860," the provisions whereof shall apply to any such order or resolution, except that the Court having jurisdiction in the winding up shall be the Resident Magistrate's Court; or by the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution.
- Liability of the members. (2.) Where a society is wound up, the liability of a present or past member of the society to contribute for payment of the debts and liabilities of the society, the expenses of winding up, and the adjustment of the rights of contributories amongst themselves, shall be qualified as follows:—
- (a.) No individual, society, or company who or which has ceased to be a member for one year or upwards prior to the commencement of the winding up shall be liable to contribute.
- (b.) No individual, society, or company shall be liable to contribute in respect of any debt or liability contracted after he or it ceased to be a member.
- (c.) No individual, society, or company not a member shall be liable to contribute unless it appears to the Court

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that the contributions of the existing members are insufficient to satisfy the just demands on the society.

(d.) No contribution shall be required from any individual, society, or company exceeding the amount (if any) unpaid on the shares in respect of which he or it is liable as a past or present member.

(e.) An individual, society, or company shall be taken to have ceased to be a member, in respect of any withdrawable share withdrawn, from the date of the notice or application for withdrawal.

(3.) Where a society is terminated by an instrument of dissolution, the following provisions shall apply:—

(a.) The instrument of dissolution shall set forth the liabilities and assets of the society in detail, the number of members and the nature of their interests in the society respectively, the claims of creditors (if any) and the provision to be made for their payment, and the intended appropriation or division of the funds and property of the society, unless the same be stated in the instrument of dissolution to be left to the award of the Registrar. Contents of instrument of dissolution.

(b.) Alterations in the instrument of dissolution may be made with the like consents as hereinbefore provided, testified in the same manner. Alterations.

(c.) A statutory declaration shall be made by three members and the secretary of the society that the provisions of the Act have been complied with, and shall be sent to the Registrar with the instrument of dissolution; and any person knowingly making a false or fraudulent declaration in the matter shall be guilty of a misdemeanour. Statutory declaration.

(d.) The instrument of dissolution and all alterations therein shall be registered in manner herein provided for the registry of rules, and shall be binding upon all members of the society. Registry of instrument of dissolution.

(e.) The Registrar shall cause a notice of the dissolution to be advertised at the expense of the society in the *Gazette*, and in some newspaper circulating in the city, town, or place in which the registered office of the society is situated; and unless, within three months from the date of the *Gazette* in which such advertisement appears, a member or other person interested in or having any claim on the funds of the society commences proceedings to set aside the dissolution of the society in the Resident Magistrate's Court of the district where the registered society's office is situate, and such dissolution is set aside accordingly, the society shall be legally dissolved from the date of such advertisement, and the requisite consents to the instrument of dissolution shall be considered to have been duly obtained without proof of the signatures thereto. Notice of dissolution.

(f.) Notice shall be sent to the Registrar of any proceeding to set aside the dissolution of a society, not less than seven days before it is commenced, by the person by whom it is taken, or of any order setting it aside, within seven days after it is made by the society. Notice of proceedings to set aside a dissolution.

17. With respect to penalties under this Act, the following provisions shall have effect:— Penalties.

(1.) If any person wilfully makes, orders, or allows to be made any entry or erasure in or omission from any balance- Penalty for falsification.

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sheet of a registered society, or any contribution or collecting book, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same or to evade any of the provisions of this Act, he shall be liable to a penalty not exceeding fifty pounds, recoverable at the suit of the Registrar or of any person aggrieved.

Not using the name of the society.

- (2.) If any officer of the society, or any person on its behalf, uses any seal purporting to be a seal of the society whereon its name is not so engraven as aforesaid, or issues or authorizes the issue of any notice, advertisement, or other official publication of the society, or signs or authorizes to be signed on behalf of the society any bill of exchange, promissory note, indorsement, cheque, order for money or goods, or issues or authorizes to be issued any bills of parcels, invoice, receipt, or letters of credit of the society, wherein its name is not mentioned in manner aforesaid, he shall be liable to a penalty of fifty pounds, and shall further be personally liable to the holder of any such bill of exchange, promissory note, cheque, or order for money or goods for the amount thereof, unless the same is duly paid by the society.

Penalty for ordinary offences.

- (3.) Every society, officer, or member of a society, or other person guilty of an offence under this Act, for which no penalty is expressly provided herein, is liable to a penalty of not less than one pound and not more than five pounds, recoverable at the suit of the Registrar or of any person aggrieved.

Recovery of penalties.

- (4.) All penalties imposed by this Act, or to be imposed by any regulations under the same, or by the rules of a registered society, are recoverable in a summary way before any Resident Magistrate or two or more Justices of the Peace.

18. With respect to offences and penalties thereon made, the following provisions shall have effect:—

Proceedings may be taken under "The Justices of the Peace Act, 1866."

- (1.) All offences and penalties under this Act may be prosecuted and recovered in the manner directed by "The Justices of the Peace Act, 1866," or any Acts amending the same, as respects a prosecution against a society or its officers, in the place where the registered office of the society is, or where the offence has been committed; or, as respects any prosecution against any person other than a society or its officers, in the place where such person is resident at the time of the institution of such prosecution, or where the offence has been committed.

Description of offences.

- (2.) In any information or complaint under this Act, it is sufficient to describe the offence in the words of this Act, and no exception, exemption, proviso, excuse, or qualification accompanying the description of the offence in this Act need be specified or negatived.

Procedure on application to Resident Magistrate's Court.

19. Every application authorized or required to be made to a Resident Magistrate's Court for the settlement of disputes, or for any relief, direction, adjudication, or order, shall be made to such Court in a summary way. Every Resident Magistrate's Court shall have power to entertain such application, and give such relief, and make such orders and directions in relation to the matter of such application as the case may require.

How orders of Resident Magistrate's Court enforced.

When the order of a Resident Magistrate's Court shall be for the payment of money, the same may be enforced in the same manner as the ordinary judgments or orders of such Court are enforced.

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Where the order of such Court shall be for the doing of some act not being the payment of money, the Court may order the party to do such act, and that, in default of his doing it, he shall pay a certain sum of money; and, in case he refuse to do the act required upon demand, the sum of money mentioned in the order may then be recovered and enforced in the same manner as a judgment or order for debt or damages in such Court.

20. The Governor may from time to time appoint fit and proper persons to be public auditors for the purposes of this Act, and may determine from time to time the rate of remuneration to be paid by societies for the services of such auditors, but the employment of such auditors is not compulsory on any society. Public auditors.

21. The Governor may from time to time determine a scale of fees to be paid for matters to be transacted or for the inspection of documents under this Act; but no fee shall be payable on the registry of any industrial and provident society or of any amendment of the rules of the same. Fees.

All fees which may be received by any Registrar under or by virtue of this Act shall be paid into the consolidated revenue of the colony.

22. The Colonial Treasurer shall, out of money to be provided by the General Assembly, pay such sums of money for defraying the expenses of carrying this Act into execution, whether as a salary or remuneration to the Registrar, or as salaries or remuneration for actuaries, accountants, clerks, servants, and inspectors, computation of tables, publication of documents, diffusion of information, expenses of prosecutions, travelling expenses, and other allowances of the Registrar, and all other expenses which may be incurred for carrying out the purposes of this Act, and may also pay to any auditors to be appointed under this Act such remuneration (if any) as the Colonial Treasurer shall from time to time allow. Payment of salaries and expenses.

23. The Governor may from time to time make regulations respecting registry and procedure under this Act, and the seal and forms to be used for such registry, and the duties and functions of the Registrar, and the inspection of documents kept by the Registrar under this Act, and generally for carrying this Act into effect. All regulations shall be laid before both Houses of the General Assembly within ten days after the approval thereof if the General Assembly is then sitting, or if not then sitting, then within ten days from the next assembling of the General Assembly. Regulations to be made for carrying out this Act.

24. Every instrument or document, copy or extract of an instrument or document, bearing the seal or stamp of the Registrar, shall be received in evidence without further proof; and every document purporting to be signed by the Registrar, or any inspector or public auditor under this Act, shall, in the absence of any evidence to the contrary, be received in evidence without proof of the signature. Evidence of documents.

25. Subsection six of section nine of "The Friendly Societies Act, 1877," relating to the duties of the Registrar, shall, so far as the same is applicable to industrial and provident societies, be incorporated with this Act. Subsection 6 of section 9, "Friendly Societies Act, 1877," to apply.

26. The Revising Barristers for the time being appointed under "The Building Societies Act, 1876," shall be the Revising Barristers under this Act, and shall peruse the rules and alterations and amendments of rules under this Act. Subsections six and seven of section ten, and subsection five of section twelve, of "The Friendly Societies Act, 1877," shall be read as part of this Act. Revising Barristers.

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Schedules.

SCHEDULES.

FIRST SCHEDULE.

MATTERS TO BE PROVIDED FOR BY THE RULES OF SOCIETIES REGISTERED UNDER THIS ACT.

1. Object, name, and place of office of the society.
2. Terms of admission of the members, including any society or company investing funds in the society under the provisions of subsection 3 or subsection 4 of section 11.
3. Mode of holding meetings, and right of voting and of making, altering, and rescinding rules.
4. The appointment and removal of a committee of management, by whatever name, of managers or other officers, and their respective powers and remuneration.
5. Determination of the amount of interest, not exceeding two hundred pounds sterling, in the shares of the society which any member other than a registered society may hold.
6. Determination whether the shares or any number thereof shall be transferable; and, if it be determined that the shares or any number of them shall be transferable, provision for the form of transfer and registration of the shares, and for the consent of the committee thereto; and, if it be determined that the shares or any of them shall be withdrawable, provision for paying the members the balance due thereon on withdrawing from the society.
7. Provision for the audit of accounts.
8. Determination whether and how members may withdraw from the society, and provisions for the claims of executors, administrators, or trustees of the property of bankrupt members and for the payment of nominees in the case herein mentioned.
9. Mode of application of profits.
10. Provision for the custody, use, and device of the seal of the society, which shall in all cases bear the registered name of the society.
11. Determination whether and by what authority, and in what manner, any part of the capital may be invested.

SECOND SCHEDULE.

(1.) FORM OF BOND.

KNOW all men by these presents that we, A.B., of _____, one of the officers of the _____ Society, Limited, established at _____, in the Colony of New Zealand, and C.D., of _____, in the said colony (as surety on behalf of the said A.B.), are jointly and severally held and firmly bound to the said society in the sum of _____ to be paid to the said society or their certain attorney, for which payment well and truly to be made we jointly and severally bind ourselves, and each of us by himself, our and each of our heirs, executors, and administrators, firmly by these presents. Sealed with our seals. Dated the _____ day of _____ one thousand eight hundred and _____

Whereas the above-bounden A.B. has been duly appointed to the office of _____ of the _____ Society, established as aforesaid, and he, together with the above-bounden C.D. as his surety, have entered into the above-written bond, subject to the condition herein contained: Now, therefore, the condition of the above-written bond is such that if the said A.B. do render a just and true account of all moneys received and paid by him on account of the said society, at such times as the rules thereof appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the said society in his hands or custody to such person or persons as the said society or the committee thereof appoint, according to the rules of the said society, together with the proper and legal receipts or vouchers for such payment, then the above-written bond shall be void, otherwise shall remain in full force.

Scaled and delivered in the presence of [*two witnesses*].

(2.) FORM OF RECEIPT TO BE INDORSED ON MORTGAGE OR FURTHER CHARGE.

THE _____ Society, Limited, hereby acknowledge to have received all moneys intended to be secured by the within [or above] -written deed.

Countersigned [*Secretary*]. Signed [*three members of the committee*].

THIRD SCHEDULE.

(3.) FORM OF ACKNOWLEDGMENT OF REGISTRY OF SOCIETY.

THE _____ Society, Limited, is registered under "The Industrial and Provident Societies Act, 1877," this _____ day of _____

[Seal or stamp of Registrar.]

(4.) FORM OF ACKNOWLEDGMENT OF REGISTRY OF AMENDMENT OF RULES.

THE foregoing amendment of the rules of the _____ Society, Limited, is registered under "The Industrial and Provident Societies Act, 1877," this _____ day of _____

[Seal or stamp of Registrar.]

WELLINGTON, NEW ZEALAND:

Printed under authority of the New Zealand Government, by GEORGE DIBSBURY, Government Printer.