

New Zealand.



ANALYSIS.

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| <p>Title.
1. Short Title.</p> | <p>2. Section 15 of principal Act amended.
3. Trustees may obtain loans under principal Act.</p> |
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1931, No. 24.

AN ACT to amend the Rural Intermediate Credit Act, 1927. Title.
[5th November, 1931.]

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

1. This Act may be cited as the Rural Intermediate Credit Amendment Act, 1931, and shall be read together with and deemed part of the Rural Intermediate Credit Act, 1927 (hereinafter referred to as the principal Act). Short Title.

2. Section fifteen of the principal Act is hereby amended by repealing subsection two and substituting the following subsections:— Section 15 of principal Act amended.

“(2) In addition to such business the Board, for the purposes of this Act and within limits defined by this Act or by regulations thereunder, may make advances to co-operative societies, and may carry on the business of discounting promissory notes and bills of exchange. In the exercise of its power to discount promissory notes or bills of exchange the Board shall not be concerned to inquire whether or not any person who has signed any such note or bill as the maker, drawer, acceptor, or endorser thereof has received value therefor.

“(3) Any company may, notwithstanding anything to the contrary in its memorandum or articles of association, make, draw, accept, or endorse any promissory note or bill of exchange to be discounted by the Board pursuant to this section:

“Provided that the power conferred by this subsection shall not be exercised by any company unless the company by special resolution so determines. Except as expressly provided to the contrary therein, every such resolution shall be deemed to authorize the company to exercise such power from time to time, and shall continue in force until the Board has received written notice of its rescission by a subsequent special resolution:

“ Provided also that nothing in this subsection shall affect any power conferred upon any company by its memorandum of association or otherwise possessed by it.”

Trustees may
obtain loans under
principal Act.

3. (1) Where any person is carrying on farming operations as a trustee, he shall for the purposes of the principal Act be deemed to be engaged in such operations on his own account, and, unless expressly prohibited by the Act or instrument creating the trust or by any Act or instrument limiting his powers, he may apply for and be granted loans from the Board or an association pursuant to the provisions of the principal Act and, for the purposes of any such loan, may apply for and hold shares in an association, and may give such security (whether by a mortgage of property subject to the trust or otherwise) as may be required by the Board or association, as the case may be, in accordance with the provisions of the principal Act.

(2) The liability of a trustee in respect of any such loan or shares applied for by him pursuant to the last preceding subsection shall be limited to the property subject to the trust for the time being in his possession.

(3) For the purposes of this section the term “trustee” includes an executor or administrator, a committee or person authorized to administer the estate of a mentally defective person under the Mental Defectives Act, 1911, an administrator under Part III of the Prisons Act, 1908, and a manager under the Aged and Infirm Persons Protection Act, 1912.
