

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE HOUSE]

*House of Representatives, 4 October 1989.*

Words struck out are shown in italics within bold round brackets, or with black rule at beginning and after last line; words inserted are shown in roman underlined with a single rule, or with single rule before first line and after last line.

*Hon. Stan Rodger*

## RURAL BANKING AND FINANCE CORPORATION OF NEW ZEALAND

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### ANALYSIS

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### A BILL INTITULED

5 **An Act to provide for the incorporation of a company under the Companies Act 1955 by the name Rural Banking and Finance Corporation of New Zealand Limited and for the transfer of the assets, rights, liabilities, and interests of the Rural Banking and Finance Corporation of New Zealand to that company**

No. 21—2

*Price  
incl. GST \$2.20*

**and to repeal the Rural Banking and Finance Corporation Act 1974**

BE IT ENACTED by the Parliament of New Zealand as follows:

**1. Short Title and commencement**—(1) This Act may be cited as the Rural Banking and Finance Corporation of New Zealand Act 1987. 5

(2) Except as provided in (subsection (3)) subsections (3) and (4) of this section, this Act shall come into force on the date on which it receives the Royal assent.

(3) (Sections 5 to 19) Sections 5 to 17B and sections 18 and 19 of this Act shall come into force on a date to be appointed for the commencement of those sections by the Governor-General by Order in Council. 10

*New*

(4) Section 17c of this Act shall come into force on a date that is 6 months after the appointed day. 15

**2. Interpretation**—(1) In this Act, unless the context otherwise requires,—

“Appointed day” means the date appointed for the commencement of (sections 5 to 19) Sections 5 to 17B and sections 18 and 19 of this Act: 20

“Board” means the board of directors of the company:

“Company” means Rural Banking and Finance Corporation of New Zealand Limited incorporated in accordance with section 4 of this Act:

“Crown” means Her Majesty the Queen in right of New Zealand: 25

“Instrument” includes—

(a) Any instrument (other than this Act) of any form or kind that creates, evidences, modifies, or extinguishes rights, interests, or liabilities or would do so if it or a copy thereof were lodged, filed, or registered under any enactment; and 30

(b) Any judgment, order, or process of a court:

“Instrument by way of security” has the meaning assigned to it in section 2 of the Chattels Transfer Act 1924: 35

“Land” has the meaning assigned to it in section 2 of the Land Transfer Act 1952:

- 5 “Liabilities” means liabilities, debts, charges, duties, and obligations of every description (whether present or future, actual or contingent, and whether payable or to be observed or performed in New Zealand or elsewhere):
- “Minister” means a Minister of the Crown:
- 10 “Property” means property of every kind whether tangible or intangible, real or personal, corporeal or incorporeal and, without limiting the generality of the foregoing, includes—
- (a) Choses in action and money:
  - (b) Goodwill:
  - (c) Rights, interests, and claims of every kind in or to property, whether arising from, accruing under, 15 created or evidenced by or the subject of, an instrument or otherwise and whether liquidated or unliquidated, actual, contingent, or prospective:
- “Responsible Minister” means the Minister for the time being responsible for the company:
- 20 “Rights” means all rights, powers, privileges, and immunities, whether actual, contingent, or prospective:
- “Rural Banking and Finance Corporation” means the Rural Banking and Finance Corporation of New Zealand established pursuant to the Rural Banking and Finance Corporation Act 1974:
- 25 “Security” means a mortgage, submortgage, charge (whether legal or equitable), bond, stock, debenture, bill of exchange, promissory note, guarantee, 30 indemnity, defeasance, hypothecation, instrument by way of security, lien, pledge, or other security for the payment of money or for the discharge of any other obligation or liability and in any case whether upon demand or otherwise, whether present or future and whether actual or contingent, and includes an 35 acknowledgement of debt (whether or not otherwise secured) and an agreement or undertaking to give or execute whether upon demand or otherwise any of the foregoing:
- 40 “Shareholding Ministers” means the Minister of Finance and the responsible Minister:
- “Subsidiary” has the same meaning as in section 158 of the Companies Act 1955:
- 45 “Undertaking” means the property, rights, and liabilities of the Rural Banking and Finance Corporation.

*New*

(2) For the purposes of this Act the term “transfer date” means the date on which the legal title to the shares in the capital of the company held by the shareholding Ministers is transferred. The publication in the *Gazette* by the responsible Minister of a notice stating that the legal title to those shares was transferred on a date specified in the notice shall be conclusive evidence that the legal title to those shares was transferred on that date.

Cf. 1986, No. 129, s. 2

**3. Act to bind the Crown**—This Act shall bind the Crown.

**4. Incorporation of company**—(1) Notwithstanding anything in the Companies Act 1955 or any other enactment or rule of law, the Rural Banking and Finance Corporation may form and register under the Companies Act 1955 a public company limited by shares that has the name “Rural Banking and Finance Corporation of New Zealand Limited”.

(2) All the shares in the capital of the company shall on its incorporation be subscribed for by the shareholding Ministers on behalf of the Crown in equal proportions and no shares in the capital of the company shall be issued or allotted by the company before the appointed day unless those shares are issued or allotted to the shareholding Ministers in equal proportions.

(3) On the appointed day all the shares in the capital of the company subscribed for in accordance with subsection (2) of this section and any other shares in the capital of the company issued to the shareholding Ministers before the appointed day shall be deemed to have been allotted as fully paid up to each shareholding Minister in equal proportions.

(4) Nothing in section 60 of the Companies Act 1955 (which relates to returns of allotments and prescribes the documents that must be delivered to the Registrar of Companies when shares are allotted for a consideration other than cash) shall apply to shares which are deemed to have been allotted pursuant to subsection (3) of this section.

*New*

(4A) Nothing in section 134 of the Companies Act 1955 (which relates to statutory meetings) shall apply to the company.

5 (5) Except as provided in **subsection (1) and subsection (4)** of this section and in section 19 of the State-Owned Enterprises Act 1986 (as applied to the company by **section 17** of this Act), the Companies Act 1955 shall apply to the company and in the application of that Act the following provisions of that Act shall  
10 be construed as if references therein to 7 members were references to 2 members—

(a) Section 41, as to carrying on business when the number of members is reduced below the legal minimum:

15 (b) Section 217 (d), as to winding up by the court when the number of members is reduced below the legal minimum:

(c) Section 219 (1) (a) (i), as to the presentation of a winding up petition by a contributory when the number of members is reduced below the legal minimum.

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*New*

(5A) With effect on and from the transfer date nothing in subsection (5) of this section in so far as it relates to the modified application to the company of the provisions of the Companies Act 1955 referred to in paragraphs (a), (b) and (c) of  
25 that subsection shall apply to the company.

(6) Nothing in this section prevents the name of the company being changed in accordance with the provisions of the Companies Act 1955.

30 (7) Nothing in section 38A of the Reserve Bank of New Zealand Act 1964 applies to—

(a) The formation and registration of the company:

(b) The carrying on of any business, trade, or occupation by the company.

35 (8) Nothing in **subsection (7)** of this section prevents the company from being registered as a registered bank under Part VA of the Reserve Bank of New Zealand Act 1964.

(9) The provisions of **subsection (7)** of this section shall not apply to the company as a registered bank in any case where that registration is cancelled.

Cf. 1986, No. 129, s. 4

**5. Transfer of undertaking of Rural Banking and Finance Corporation**—On the appointed day, by virtue of this Act, the undertaking of the Rural Banking and Finance Corporation shall vest in the company.

Cf. 1986, No. 129, s. 5

**6. Consequential provisions on transfer of undertaking of Rural Banking and Finance Corporation**—Without limiting the generality of **section 5** of this Act, the following provisions shall have effect on and from the appointed day—

- (a) A reference (express or implied) to the Rural Banking and Finance Corporation in any other Act, or in any regulation, order, or notice made or given under any enactment, or in any instrument, register, record, notice, security, document or communication, made, given, passed, or executed before or after the appointed day, shall be read and construed as a reference to the company: 15
- (b) All contracts, agreements, conveyances, deeds, leases, licences, and other instruments, undertakings, and notices, (whether or not in writing), entered into by, made with, given to or by, or addressed to the Rural Banking and Finance Corporation (whether alone or with any other person) before the appointed day and subsisting immediately before the appointed day shall, to the extent that they were previously binding on and enforceable by, against, or in favour of the Rural Banking and Finance Corporation, be binding on and enforceable by, against, or in favour of the company as fully and effectually in every respect as if, instead of the Rural Banking and Finance Corporation, the company had been the person by whom they were entered into, with whom they were made or to or by whom they were given or addressed, as the case may be: 25 30 35
- (c) An instruction, order, direction, mandate, or authority given to the Rural Banking and Finance Corporation and subsisting immediately before the appointed day shall be deemed to have been given to the company: 40

- 5 (d) A security held by the Rural Banking and Finance Corporation as security for a debt or other liability to the Rural Banking and Finance Corporation incurred before the appointed day shall be available to the company as security for the discharge of that debt or liability and, where the security extends to future or prospective debts or liabilities, shall be available as security for the discharge of debts or liabilities to the company incurred on or after the appointed day; and, in relation to a security, the company shall be entitled to all the rights and priorities (howsoever arising) and shall be subject to all liabilities to which the Rural Banking and Finance Corporation would have been entitled or subject if this Act had not been passed:
- 10 (e) All the rights and liabilities of the Rural Banking and Finance Corporation as bailor or bailee of documents or chattels shall be vested in and assumed by the company:
- 15 (f) A negotiable instrument or order for payment of money which before the appointed day is drawn on or given to or accepted or indorsed by the Rural Banking and Finance Corporation or payable at a place of business of the Rural Banking and Finance Corporation shall, unless the context otherwise requires, have the same effect on and after the appointed day as if it had been drawn on or given to or accepted or indorsed by the company instead of the Rural Banking and Finance Corporation or was payable at the place of business of the company; except that nothing in this paragraph shall be construed as a merger of the parties to any negotiable instrument:
- 20 (g) Any action, arbitration or proceedings or cause of action which immediately before the appointed day is pending or existing by, against, or in favour of the Rural Banking and Finance Corporation or to which the Rural Banking and Finance Corporation is a party may be prosecuted, and without amendment of any writ, pleading or other document, continued and enforced by, against, or in favour of the company.

Cf. 1986, No. 129, s. 6 (a)-(f), (h)

**7. Certain matters not affected by transfer of undertaking of Rural Banking and Finance**

**Corporation**—(1) Nothing effected or authorised by this Act—

- (a) Shall be regarded as placing the Rural Banking and Finance Corporation, or the company, or any other person in breach of contract or confidence or as otherwise making any of them guilty of a civil wrong; or 5
  - (b) Shall be regarded as giving rise to a right for any person to terminate or cancel any contract or arrangement or to accelerate the performance of any obligation; or 10
  - (c) Shall be regarded as placing the Rural Banking and Finance Corporation, or the company, or any other person in breach of any enactment or rule of law or contractual provision prohibiting, restricting, or regulating the assignment or transfer of any property or the disclosure of any information; or 15
  - (d) Shall release any surety wholly or in part from any obligation; or
  - (e) Shall invalidate or discharge any contract or security. 20
- (2) On and after the appointed day for the purposes of any agreement relating to any bonds, stock, debentures, and other securities issued before the appointed day by the Rural Banking and Finance Corporation and which by virtue of this Act vest in the company, the Rural Banking and Finance Corporation and the company shall, be deemed to be the same legal entity. 25

Cf. 1986, No. 129, s. 6 (g)

**8. Crown shareholding**—(1) Each shareholding Minister may, from time to time, on behalf of the Crown subscribe for or otherwise acquire shares in the capital of the company in addition to the shares subscribed for under **section 4** of this Act. 30

(2) Any money required to be paid by a shareholding Minister for the purpose of **subsection (1)** of this section shall be paid out of the *(Consolidated Account or Loans Account)* Crown Bank Account from money appropriated by Parliament for the purpose. 35

(3) Shares in the capital of the company in the name of a person described as the responsible Minister or the Minister of Finance shall be held by the person for the time being holding the office of the responsible Minister or the Minister of Finance, as the case may be. 40

(4) Notwithstanding any other enactment or rule of law, it shall not be necessary to complete or register a transfer of shares in the capital of the company consequent upon a change



in the person holding office as the responsible Minister or the Minister of Finance, as the case may be.

(5) Each shareholding Minister may exercise all the rights and powers attaching to the shares in the capital of the company held by that Minister.

Cf. 1986, No. 124, s. 22 (1)–(3); 1986, No. 129, s. 9

**9. Books and documents to remain evidence**—(1) Any document, matter, or thing, which, if this Act had not been passed, would have been admissible in evidence in respect of any matter for or against the Rural Banking and Finance Corporation shall, on and after the appointed day, be admissible in evidence in respect of the same matter for or against the company.

(2) In this section, “document” has the same meaning as in section 2 (1) of the Evidence Amendment Act (No. 2) 1980.

Cf. 1986, No. 129, s. 10

**10. Registers**—(1) No Registrar of Deeds or District Land Registrar or any other person charged with the keeping of any books or registers shall be obliged solely by reason of the foregoing provisions of this Act to change the name of the Rural Banking and Finance Corporation to that of the company in those books or registers or in any document.

(2) The presentation to any registrar or other person of any instrument, whether or not comprising an instrument of transfer by the company,—

(a) Executed or purporting to be executed by the company; and

(b) Relating to any property held immediately before the appointed day by the Rural Banking and Finance Corporation; and

(c) Containing a recital that that property has become vested in the company, by virtue of the provisions of this Act—

shall, in the absence of evidence to the contrary, be sufficient proof that the property is vested in the company.

Cf. 1986, No. 129, s. 11

**11. Directors and associate directors of Rural Banking and Finance Corporation not personally liable**—No person who immediately before the appointed day was a director or associate director of the Rural Banking and Finance Corporation, or who, before the appointed day, ceased to be a director or associate director of the Rural Banking and Finance

Corporation, shall be personally liable for any act done or default made in good faith before the appointed day by that Corporation, or by any committee of that Corporation, or by any director or associate director, in the course of operations of that Corporation or of any of its committees. 5

Cf. 1986, No. 129, s.16

**12. Taxes and duties**—(1) For the purposes of the Inland Revenue Acts, and any other enactment that imposes or provides for the collection of a tax, duty, levy, or other charge— 10

- (a) The Rural Banking and Finance Corporation and the company shall be deemed to be the same person with effect at and from the appointed day; and
- (b) In respect of the liability for and the assessment, determination, or imposition of taxes, duties, levies, or other charges accruing as from the appointed day under any such enactment, all transactions entered into by, and acts of, the Rural Banking and Finance Corporation before the appointed day shall be deemed to have been entered into by, or to be those of, the company and to have been entered into or performed by the company at the time when they were entered into or performed by the Rural Banking and Finance Corporation. 20

(2) For the purposes of the Goods and Services Tax Act 1985 the company is not a public authority as defined in section 2 of that Act. 25

(3) For the purposes of subsection (1) of this section, the expression “Inland Revenue Acts” means the Acts specified in the First Schedule to the Inland Revenue Department Act 1974. 30

(4) For the purposes of section 188 of the Income Tax Act 1976 (which relates to the carrying forward of losses) any loss incurred by the Rural Banking and Finance Corporation in any income year before the appointed day shall, so far as it has not been deducted from or set off against its assessable income in any subsequent income year, be deemed to have been incurred by the company and as if at all times during the period commencing with the beginning of the first income year in which any such loss was incurred and ending immediately before the appointed day, shares in the company carrying— 35 40

- (a) The right to exercise not less than 40 percent of the voting power in the company; and
- (b) The right to receive not less than 40 percent of the profits that may be distributed by the company; and

(c) The right to receive not less than 40 percent of any distribution of the paid-up capital of the company,— were held directly by the shareholding Ministers.

Cf. 1986, No. 129, s. 17

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**13. Trustee investment status**—(1) All bonds, stock, debentures, and other securities issued by the company on and after the appointed day and before the ordinary shares of the company are listed on the New Zealand Stock Exchange and all

10 bonds, stock, debentures, and other securities issued by the Rural Banking and Finance Corporation which the company is liable by virtue of this Act to repay shall, for the purposes of section 4 of the Trustee Act 1956, be investments in which a trustee may invest trust funds.

15 (2) For the purposes of section 4 of the Trustee Act 1956, the company shall be deemed to be—

(a) A company that, during the whole of the 3 years preceding the appointed day, has satisfied the requirements of paragraph (a) of subsection (1c) of that section; and

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(b) A company having 5 complete financial years immediately preceding the appointed day and in each of which it has satisfied the requirements of paragraph (b) of subsection (1c) of that section.

25 Cf. 1986, No. 129, s. 18; 1987, No. 135, s. 3

**14. Appeal rights**—(1) Notwithstanding anything in this Act or the State Services Act 1962, if, immediately before the appointed day, an appeal is pending under the State Services Act 1962, or a right to appeal under that Act exists,—

30 (a) By a person employed in the service of the Rural Banking and Finance Corporation against a penalty imposed under section 55 or section 57 or section 58 of that Act; or

(b) By a person employed in the service of the Rural Banking and Finance Corporation or by any other person employed in the Public Service against any appointment or promotion to a position which, immediately before the appointed day, existed in the Rural Banking and Finance Corporation and which continues after that day in the company; or

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- (c) By any person employed in the service of the Rural Banking and Finance Corporation against any appointment or promotion to a position in the Public Service— 5  
the provisions of Part IV, section 35 and subsections (2) and (3) of section 57 of that Act, so far as they are applicable, shall continue to apply in respect of that appeal or right to appeal, and as if—
- (d) In the case of an appeal or right to appeal referred to in **paragraph (a)** of this subsection, that person were still employed in the Public Service: 10
- (e) In the case of an appeal or right to appeal referred to in **paragraph (b)** of this subsection, the position were still a position in the Public Service and any employee of the company were still employed in the Public Service: 15
- (f) In the case of an appeal or right to appeal referred to in **paragraph (c)** of this subsection, the person were still employed in the Public Service. 20
- (2) The decision of the Public Service Appeal Board on any appeal to it under section 64 of the State Services Act 1962 and preserved by **subsection (1)** of this section shall be binding on and enforceable against—
- (a) In the case of an appeal referred to in **subsection (1) (a)** of this section, the appellant as if still employed in the Public Service and the company: 25
- (b) In the case of an appeal referred to in **subsection (1) (b)** of this section where the appellant is employed by the company, the appellant as if still employed in the Public Service, the person provisionally appointed to the position and the company, and in any other case, the person provisionally appointed to the position and the company: 30
- (c) In the case of an appeal referred to in **subsection (1) (c)** of this section, the appellant as if still employed in the Public Service, the company, and the State Services Commission. 35
- (3) The decision of the State Services Commission on any appeal made to it under section 57 of the State Services Act 1962 and preserved by **subsection (1)** of this section shall be 40

*Struck Out*

binding on and enforceable against the appellant as if the appellant were still employed in the Public Service.

5 (4) Subject to **subsections (2) and (5)** of this section, the decision of the Public Service Appeal Board, or, in the case of an appeal under section 57 of the State Services Act 1962, of the State Services Commission, on any appeal preserved by **subsection (1)** of this section shall be implemented, as far as practicable in the same manner as it would have been implemented if the  
10 company were still part of the Public Service.

(5) If a person becomes an employee of the company as the result of an appeal preserved by this section, that person shall be deemed for the purposes of this Part of this Act to have become an employee at the appointed day; but that person  
15 shall not be entitled to receive any remuneration as an employee of the company in respect of any period during which that person was in fact employed in the Public Service.

(6) If a person ceases to be employed by the company as a result of the success of any appeal preserved by this section,  
20 that person shall be deemed, without further authority than this subsection, to have resumed employment in the Public Service.

Cf. 1987, No. 70, ss. 37 (1) and 38

*New*

25 **14. Industrial agreement and union coverage arrangements to continue**—(1) Subject to the Labour Relations Act 1987, while a shareholding Minister holds any shares in the capital of the company—

30 (a) The agreement made between the Rural Banking and Finance Corporation, the Public Service Association Incorporated, and the State Services Commission relating to the terms and conditions of employment of the employees of the Rural Banking and Finance Corporation registered with the Arbitration  
35 Commission and in force immediately before the appointed day shall, on and after the appointed day, be deemed to have been made between the company and the Public Service Association Incorporated and

*New*

shall continue in force in relation to the employees of the company according to its terms:

(b) The union coverage arrangements that prevailed in relation to the employees of the Rural Banking and Finance Corporation immediately before the appointed day shall continue to apply to the employees of the company. 5

(2) Subject to the Labour Relations Act 1987, the union coverage arrangements prevailing immediately before the transfer date shall continue to apply for a period of 6 months from and after the transfer date. 10

(3) Notwithstanding the Labour Relations Act 1987, with effect from the transfer date—

(a) Any agreement relating to the terms and conditions of employment of the employees of the company that is in force immediately before that date and that does not expire within 6 months of that date shall continue for a period of 6 months after that date and shall then expire: 15 20

(b) Any agreement relating to the terms and conditions of employment of the employees of the company that is in force immediately before that date and that expires within 6 months after that date shall continue in force until it expires and the union and the company may negotiate an agreement for the balance of that period. 25

(4) While a shareholding Minister holds any shares in the capital of the company shall, before entering into any agreement under Part VII of the Labour Relations Act 1987, consult with the State Services Commission over the conditions of employment to be included in the agreement. 30

**14A. Certain provisions of State Sector Act 1988 to apply to company**—While a shareholding Minister holds any shares in the capital of the company— 35

(a) The provisions of subsections (1) and (2) of section 56 of the State Sector Act 1988 shall apply to the company and in the application of those subsections—

(i) The reference in subsection (1) to the expression “a Department” shall be construed as a reference to the company; and 40

*New*

- (ii) The reference in subparagraph (iii) of paragraph (d) of subsection (2) to the expression "Public Service" shall be construed as a reference to the company:
- 5 (b) The provisions of subsections (1) and (3) of section 58 of the State Sector Act 1988 shall apply to the company and in the application of subsection (1) of that section—
- 10 (i) The reference to the expression "a Department" shall be construed as a reference to the company; and
- (ii) The reference in paragraphs (a) and (b) of that subsection to the expression "the Department" shall be construed as a reference to the company.

### 15. Contributors to Government Superannuation

15 **Fund**—(1) Any person who immediately before the appointed day was an officer or employee appointed under the State Services Act 1962 and was a contributor to the Government Superannuation Fund under the Government Superannuation Fund Act 1956 shall, if the person becomes an employee of the

20 company and while a shareholding Minister holds any shares in the capital of the company, be deemed to be, for the purposes of the Government Superannuation Fund Act 1956, employed in the Government service so long as that person continues in the service of the company and the Government

25 Superannuation Fund Act 1956 shall apply to that person in all respects as if the service with the company were Government service.

(2) Subject to the Government Superannuation Fund Act 1956, nothing in **subsection (1)** of this section shall entitle any

30 such person to become a contributor to the Government Superannuation Fund after that person has once ceased to be a contributor.

(3) For the purposes of applying the Government Superannuation Fund Act 1956, in accordance with **subsection (1)**

35 of this section, to a person who is in the service of the company and is a contributor to the Government Superannuation Fund the term "controlling authority", in relation to that person, means the company.

Cf. 1987, No. 70, s. 40

**16. Government guarantee of securities issued by Rural Banking and Finance Corporation to continue—**

(1) All bonds, stock, debentures, and other securities issued by the Rural Banking and Finance Corporation and which immediately before the appointed day were guaranteed in accordance with the provisions of section 31 of the Rural Banking and Finance Corporation Act 1974 and which by virtue of this Act vest in the company shall continue to be guaranteed in accordance with the following provisions of this section. 5

(2) If any default is made by the company in the payment of any principal or interest payable by it in respect of any bonds, stock, debentures, or other securities specified in subsection (1) of this section, such principal or interest, as the case may be, shall forthwith be paid out of the (*Consolidated Account*) Crown Bank Account without further appropriation than this section. 10 15

(3) All money paid under the authority of subsection (2) of this section on account of any bonds, stock, debentures, or other securities shall constitute a debt due by the company to the Crown, and shall be recoverable as such in any Court of competent jurisdiction. 20

Cf. 1974, No. 3, s. 31

**17. Application of State-Owned Enterprises Act 1986—**

(1) While a shareholding Minister holds any shares in the capital of the company, Part III of the State-Owned Enterprises Act 1986 shall apply to the company and for that purpose the company shall be deemed to be a State enterprise within the meaning of section 2 of that Act. 25

(2) On a date on which Part III of the State-Owned Enterprises Act 1986 ceases to apply to the company—

(a) The Audit Office shall cease to be the auditor of the company and every subsidiary of the company: 30

(b) Any person or firm holding office as an additional auditor of the company or any subsidiary of the company under section 19 (3) of that Act shall cease to hold that office: 35

(c) The directors of the company and of every subsidiary of the company shall appoint an auditor or auditors of the company and of every subsidiary of the company and every such appointment shall be deemed to have been made by the directors to fill a casual vacancy in the office of auditor under section 163 (5) of the Companies Act 1955. 40



*New*

**17A. Limited application of Official Information Act 1982**—While a shareholding Minister holds any shares in the capital of the company the Official Information Act 1982 shall  
5 apply to the company in respect of information held by the company concerning an activity undertaken, or a transaction entered into, by—

(a) The Rural Banking and Finance Corporation as an agent  
10 for the Crown or for any Government department under section 20 (3) (a) of the Rural Banking and Finance Corporation Act 1974; or

(b) The company as an agent for the Crown or any Government department—

15 and for the purpose of this section the company shall be deemed to be an organisation named in the First Schedule to the Official Information Act 1982.

**17B. Income Tax Act 1976 amended**—(1) The Income Tax Act 1976 is hereby amended by omitting from the  
20 Fourteenth Schedule (as substituted by section 23 of the State Services Conditions of Employment Amendment Act 1987) the name “Rural Banking and Finance Corporation of New Zealand”, and substituting the name “Rural Banking and Finance Corporation of New Zealand Limited”.

25 (2) Subsection (1) of this section shall expire with the close of the transfer date.

**17c. Amendment to Securities Act 1978**—Section 5 (3) of the Securities Act 1978 is hereby amended by repealing paragraph (f).

**18. Repeals, savings, and consequential amendments**—  
30 (1) The enactments specified in the First Schedule to this Act are hereby amended in the manner indicated in that Schedule.

(2) The enactments specified in the Second Schedule to this Act are hereby repealed.

35 (3) Any right to indemnity or immunity from liability that would have existed in favour of the Rural Banking and Finance Corporation if this Act had not been passed in respect of any act, matter or thing, done or omitted by the Rural Banking and Finance Corporation before the appointed day shall, on and

after the appointed day, exist in favour of the company in respect of the same act, matter, or thing.

(4) Where the Rural Banking and Finance Corporation has before the appointed day made any loan or expended any money or given any guarantee or indemnity pursuant to a request by the Minister of Finance under section 22 of the Rural Banking and Finance Corporation Act 1974 the company shall be deemed to be guaranteed by the Minister of Finance in respect of any loss that may be incurred by the company arising out of the loan, expenditure, guarantee or indemnity; and any money payable to the company by the Minister pursuant to any such guarantee in favour of the company shall be paid to the company from the Consolidated Account without further appropriation than this section.

**19. Special provision relating to certain property vested in Rural Banking and Finance Corporation—**(1) A certificate in writing executed on behalf of the Housing Corporation pursuant to section 15 of the Housing Corporation Act 1974 or by the company (in the case of a security instrument registered under the Chattels Transfer Act 1924 or the Land Transfer Act 1952 specifying the registered number of the security instrument, and in the case of the Land Transfer Act 1952 specifying the Volume and folio of the register book against which the security is registered) that a loan or security instrument was a rural loan or a rural security in respect of which section 41 of the Rural Banking and Finance Corporation Act 1974 (as substituted by section 2 of the Rural Banking and Finance Corporation Amendment Act 1976) applied shall be conclusive evidence that that section applied in respect of that rural loan or rural security.

(2) For the purposes of this section, notice shall be taken judicially without further proof of—

(a) The appointment and signature of every person for the time being holding one of the following offices in the Housing Corporation, namely, Director-General, Assistant Director-General, Manager, Deputy Manager, and Assistant Manager; and

(b) The appointment and signature of every person for the time being holding office in the company as a director, secretary, or other person authorised by the company for the purpose of this section.

(3) Upon the delivery of a certificate pursuant to subsection (1) of this section, every Registrar of Deeds, Registrar of the Supreme Court, District Registrar of Companies, and Registrar

of Ships shall, without payment of any fee, do all such things and make all such entries in any register kept by that person as may be necessary to give full effect to the vesting in the company of the property, estates, interests, rights, privileges, and powers to which the certificate relates.

5 (4) Upon the delivery of a certificate pursuant to subsection (1) of this section, in a form approved by the Registrar-General of Land, every District Land Registrar shall, without payment of any fee, in respect of land details of the persons having  
10 registered estates and interests in which are contained in the registers kept by that District Land Registrar, register the company as the proprietor of every estate and interest in land of which the Housing Corporation is registered as proprietor pursuant to an instrument specified in that certificate, and  
15 otherwise do all such things and make all such entries in those registers as may be necessary to give full effect to the vesting in the company of the property, estates, interests, rights, privileges and powers to which the certificate relates.

20 (5) Notwithstanding **subsection (3)** or **subsection (4)** of this section or any provision in any Act to the contrary, no person making any entry in a register pursuant to that subsection shall be required to make that entry upon any duplicate original, duplicate, or outstanding copy of any document.

25 (6) Notwithstanding that a security instrument registered under the provisions of any Act may be a rural security, the execution on behalf of the Housing Corporation pursuant to section 15 of the Housing Corporation Act 1974 of a transfer, discharge, release, variation, extension, or renewal thereof, or of a notice thereunder or other document dealing therewith, is  
30 hereby deemed to be the execution thereof on behalf of the company.

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## SCHEDULES

## Section 18

FIRST SCHEDULE  
ENACTMENTS AMENDED

Enactments	Amendment
1946, No. 5—The Rural Intermediate Credit Amendment Act 1946 (R.S. Vol. 11, p. 275)	<p>By repealing the definition of the term “Corporation” in section 2 (as amended by section 50 of the Rural Banking and Finance Corporation Act 1974), and substituting the following definition:</p> <p>“‘Corporation’ means Rural Banking and Finance Corporation of New Zealand Limited.”</p> <p><i>Struck Out</i></p>
1962, No. 132—The State Services Act 1962 (R.S. Vol. 14, p. 601)	<p>By omitting from the Second Schedule (as amended by section 50 of the Rural Banking and Finance Corporation Act 1974) the item relating to the Rural Banking and Finance Corporation of New Zealand.</p>
1971, No. 51—The Stamp and Cheque Duties Act 1971	<p>By omitting from the Third Schedule the item relating to the Rural Banking and Finance Corporation of New Zealand.</p> <p>By omitting from paragraph (i) of subsection (1) of section 11 (as amended by section 50 of the Rural Banking and Finance Corporation Act 1974) the words “or the Rural Banking and Finance Corporation of New Zealand”.</p> <p>By omitting from paragraph (u) of subsection (1) of section 11 (as so amended) the words “or the Rural Banking and Finance Corporation of New Zealand”.</p> <p>By omitting from paragraph (d) of subsection (2) of section 12 (as so amended) the words “or the Rural Banking and Finance Corporation of New Zealand”.</p> <p>By inserting after paragraph (d) of subsection (2) of section 12 (as amended by section 50 of the Rural Banking and Finance Corporation Act 1974 and as amended in the manner indicated in this Schedule) the following paragraph:</p> <p>“(dd) Any stock issued by the Rural Banking and Finance Corporation of New Zealand and which by virtue of the Rural Banking and</p>

FIRST SCHEDULE—*continued*  
ENACTMENTS AMENDED—*continued*

Enactments	Amendment
	<i>Struck Out</i>
	<p style="text-align: center;">Finance Corporation of New Zealand Act 1987 is vested in Rural Banking and Finance Corporation of New Zealand Limited; or".</p> <p>By repealing paragraph (f) of subsection (1) of section 80 (as added by section 50 of the Rural Banking and Finance Corporation Act 1974).</p>
	<i>New</i>
<p>1971, No. 51—The Stamp and Cheque Duties Act 1971</p>	<p>By omitting from paragraph (u) of subsection (1) of section 11 (as amended by section 50 of the Rural Banking and Finance Corporation Act 1974) the words "or the Rural Banking and Finance Corporation of New Zealand".</p> <p>By repealing paragraph (f) of subsection (1) of section 80 (as added by section 50 of the Rural Banking and Finance Corporation Act 1974).</p>
<p>1974, No. 45—The Farm Ownership Savings Act 1974 (Reprinted 1976, Vol. 5, p. 3685)</p>	<p>By repealing the definition of the term "Corporation" in section 2, and substituting the following definition: " 'Corporation' means Rural Banking and Finance Corporation of New Zealand Limited."</p>
<p>1975, No. 9—The Ombudsmen Act 1975</p>	<p>By omitting from Part I of the First Schedule the item relating to the Rural Banking and Finance Corporation of New Zealand.</p>
<p>1977, No. 62—The Fishing Vessel Ownership Savings Act 1977</p>	<p>By repealing the definition of the term "Corporation" in section 2, and substituting the following definition: " 'Corporation' means Rural Banking and Finance Corporation of New Zealand Limited."</p>
<p>1977, No. 65—The Public Finance Act 1977</p>	<p>By omitting from the Second Schedule item (b) relating to accounts and funds kept by the Rural Banking and Finance Corporation of New Zealand.</p>

FIRST SCHEDULE—*continued*  
ENACTMENTS AMENDED—*continued*

Enactments	Amendment
	<i>Struck Out</i>
1977, No. 95—The State Services Conditions of Employment Act 1977 (R.S. Vol. 14, p. 669)	By repealing paragraph (c) of subsection (5) of section 75A (as inserted by section 11 of the State Services Conditions of Employment Amendment Act (No. 3) 1987), and substituting the following paragraphs: “(c) In the case of the New Zealand Railways Corporation, to perform its functions as set out in section 12 of the New Zealand Railways Corporation Act 1981; or “(d) In the case of Rural Banking and Finance Corporation of New Zealand Limited, to compete effectively for the employees that it requires in order to achieve the principal objective of a State enterprise in terms of section 4 of the State Owned Enterprises Act 1986.”
1981, No. 47—The Flags, Emblems, and Names Protection Act 1981	By omitting from the Third Schedule the item relating to the Rural Banking and Finance Corporation Act 1974.  <i>Struck Out</i>
1987, No. 17—The State Services Conditions of Employment Amendment Act 1987	By inserting in the First Schedule in its appropriate alphabetical order the following item:  “Rural Banking and Finance Corporation of New Zealand Limited”.
	<i>New</i>
1988, No. 20—The State Sector Act 1988	By omitting from the First Schedule the item relating to the Rural Banking and Finance Corporation of New Zealand.

FIRST SCHEDULE—*continued*  
 ENACTMENTS AMENDED—*continued*

Enactments	Amendment
	<i>New</i>
1989, No. 44—The Public Finance Act 1989	By omitting from the First Schedule the item relating to the Rural Banking and Finance Corporation Act 1974.

SECOND SCHEDULE

Section 18

ENACTMENTS REPEALED

- 1974, No. 3—The Rural Banking and Finance Corporation Act 1974.  
 1976, No. 18—The Rural Banking and Finance Corporation Amendment Act 1976.  
 1982, No. 28—The Rural Banking and Finance Corporation Amendment Act 1982.  
 1987, No. 54—The Rural Banking and Finance Corporation Amendment Act 1987.

*New*

- 1988, No. 129—The Rural Banking and Finance Corporation Amendment Act 1988.  
 1988, No. 149—The Rural Banking and Finance Corporation Amendment Act (No. 2) 1988.  
 1989, No. 56—The Rural Banking and Finance Corporation Amendment Act 1989.