PROPERTY LAW AND EQUITY REFORM COMMITTEE

WORKING PAPER ON TRUSTEES' POWERS OF INVESTMENT

Introduction

1.1 The Committee has had referred to it by the Minister of Justice certain proposals for amendment or extension of the list of investments authorised by the Trustee Act 1956. The last major review by the Committee of trustee investments was made in 1970 and a number of the suggestions for reform contained in its report of that year ("the 1970 report") were eventually enacted into law by the Trustee Amendment Act 1974.

1.2 The particular proposals referred to the Committee were that:-

(a) Trustees should be permitted to invest in companies incorporated overseas, particularly Australian companies, that otherwise comply with the criteria for trustee investment status.

(b) Trustees should be permitted to invest on mortgages secured over home ownership units held under the "cross lease" system i.e. where all the owners have a share in the fee simple estate and lease the units to particular owners in perpetuity.

(c) Trustees should be empowered to invest in land to protect against depreciation of the trust fund during inflationary times.

(d) Trustees should have power to invest in the debenture stock bonds or debentures issued by a wholly owned subsidiary of a company whose shares presently qualify as a trustee investment, on meeting certain criteria similar to those already provided (e.g. the obtaining of written advice) before the trustee can so invest.

(e) Trustees should have power to invest money on deposit with companies having trustee investment status or with their wholly owned subsidiaries.

(f) Trustees should have power to invest in other forms of investment e.g. commercial bills of exchange, unconditionally guaranteed by a company having trustee investment status.

A number of organisations, societies and persons were asked for comment on these proposals and for information on two additional points viz:-

- whether, to the respondent's knowledge, extensive use has been made by trustees of wider powers of investment contained in wills and trust instruments

- in what areas of investment have the funds available to trustees with such powers been invested?

1.3 Twentyone replies were received. Following preliminary consideration by the Committee, additional comment was invited on certain aspects of the proposal for investment on mortgage of "cross lease" home ownership units. This Working Paper records the tentative conclusions of the Committee and invites further discussion and comment.

General Approaches to Trustee Investments

2.1 As pointed out in the 1970 Report, two quite different approaches have been adopted in the main. One is that currently in vogue in England, all of the States in Australia, and New Zealand, for the provision of a list of investments which trustees are authorised to make. This is the "legal list" approach. The other is to provide not a defined list, but rather general criteria within which trustees must conduct their investment activities. This second approach is usually known as "the prudent man rule" and has been adopted in varying forms by most jurisdictions in the United States of America, in three Canadian jurisdictions viz. New Brunswick, the Northwest Territories, and the Yukon Territory, and has been recommended for adoption by the 1982 report of the Manitoba Law Reform Commission on "Investment Provisions under the Trustee Act".

2.2 In its preliminary investigations in 1970, the Committee rejected "the prudent man rule" approach on the ground that it offered too little guidance to trustees who were not experienced in making investments. The recommendations of the Committee, enacted in 1974, continued the legal list approach in a manner it was hoped would provide greater flexibility yet protect trustees from liability for loss if the guidelines in the extended list were observed. The need to again review the list may be some indication that the flexibility objective was not wholly attained.

2.3 It is of interest to observe that the recommendations in the 1970 Report for extension of the list of authorised investments were based largely on Part III of the Trustee Act 1962 of Western Australia. The Law Reform Commission of that State is also currently reviewing trustees' powers of investment and issued a Working Paper in December 1981. One of the principal questions posed in that Paper was whether the list approach or the prudent man rule was appropriate for Western Australia in today's investment climate.

2.4 The Manitoba and Western Australian Law Reform Commissions have identified a number of arguments for and against a change from the legal list to the prudent man rule approach. The arguments in favour of change include:-

(a) the legal list approach has as a basic objective the preservation of the capital invested - one of the fundamental duties of trustees. Trustees generally also have a quite distinct duty of holding a balance between the interests of income and capital. These two duties were readily compatible in times of stable money values, but in times of inflation they often pro-

duce conflict. Whilst an extension of the legal list approach might help resolve this conflict, the extra flexibility of the prudent man rule is claimed to assist trustees (particularly professional trustees or those having experience in investment matters) to achieve a fairer balance between preservation of capital and generation of a reasonable income.

(b) The general unspecified powers of investment, which are inherent in the prudent man rule approach, may mean that honest and diligent trustees making prudent investments in good faith are less likely to commit technical breaches of trust by accident. In this connection the Manitoba Law Reform Commission has suggested that support for the legal list approach is sometimes founded on two misconceptions. One is that trustees following a legal list will automatically be immune from being sued if a loss is incurred. The other is that under the prudent man rule approach, trustees will be obliged to make good the loss every time there is a bad investment. Neither of these propositions can be supported in law either in Manitoba or New Zealand.

(c) As and when new forms of investment arise, or old forms return to popularity, adoption of the prudent man rule removes any need to amend a list in the Trustee Act before trustees without appropriate powers in the trust instrument can take advantage of them. A legal list, wide or narrow, is fixed, and pressures on legislative time may prevent timely amendments being made.

However, the arguments against the prudent man rule approach which influenced the New Zealand Property Law and Equity Reform Committee in 1970, and latterly the Western Australian Law Reform Commission, still have considerable force. Wide powers of investment in unspecified terms, which may be suitable for professional trustees, offer too little guidance to those not experienced in investment matters. There is still a strong tradition in New Zealand of appointing trustees for family or other reasons and it seems undesirable to distinguish between the statutory powers of investment of professional and other trustees. It is always open to the creator of the trust to confer wide powers of investment if so desired, and, no doubt, the competence and the experience of the trustees selected by the creator of the trust have some bearing on the extent of the powers conferred.

2.5 The Committee has come to the conclusion that the legal list approach should be continued in New Zealand, but would welcome any comment on this issue. If the list approach is continued it is evident that there is some pressure for extension and it is to these this Working Paper now turns.

Discussion on the Particular Proposals before the Committee

3.1 The proposals to be discussed in this part of the Paper are set out in para 1.2. It is convenient to take each of them separately and in the order in which they appear in that paragraph.

Overseas Companies

3.2 Proposal (a) is aimed at permitting investment in overseas companies that otherwise comply with the criteria laid down in the Trustee Amendment Act 1974. Those criteria presently include the requirement that eligible companies be incorporated in New Zealand. Additionally, trustees may only invest in the stock, shares, notes or debentures of an eligible company which are officially listed on a stock exchange affiliated to the Stock Exchange Association of New Zealand.

3.3 There was considerable support for varying versions of this proposal particularly in relation to companies incorporated in Australia, It is to be noted, however, that simply removing the requirement for incorporation of a company in New Zealand will not of itself achieve the desired objective. There is also the present statutory insistence of listing on an affiliated New Zealand stock exchange, a requirement which the Committee sees good reason to retain.

3.4 One of the original objectives of the insistence on listing on a New Zealand exchange was to ensure saleability of the investments in this country. Another was to take advantage of the protection afforded to investors by the listing requirements of the affiliated New Zealand stock exchanges. These advantages include, for example, the considerable volume and extent of information required to be made publicly available by listed companies. The listing requirements in this respect are more wide ranging than the statutory disclosure rules and, according to advice given to the Committee, the supplementary information provided through stock exchanges is of considerable significance in giving a total picture of a company to investors. There is also the point that the listing requirements are policed and enforced by the Stock Exchange Association and are within control by New Zealand authorities.

3.5 On the basis that these New Zealand listing requirements are the minimum thought to be necessary as part of the framework for a general power of investment by trustees in company securities - it cannot be emphasised too strongly that creators of trusts may grant more extensive powers of investment if desired or appropriate - any change aimed at permitting investment in securities or equities listed on exchanges outside New Zealand should ensure comparable protection is provided for the trustee investor. Two elements appear to be involved. One is the nature of the listing requirements promulgated by the overseas exchange and the extent of any need to compare these requirements with New Zealand listing requirements. It has been suggested that the Stock Exchange Association of New Zealand could provide a means of satisfying this element by providing a list of overseas exchanges it recognises for the purposes of its own listing requirements. The second element concerns the procedures in the overseas country for ensuring compliance with the listing requirements of stock exchanges in that country. It is considered these procedures

should be at least as effective as those in New Zealand but it is not apparent how trustees could readily ascertain whether this element is satisfied.

3.6 It is also of interest to observe that Part III of the Western Australian Trustee Act - the basis for the 1974 extension of the New Zealand list of trustee investments - limits investments in companies to those incorporated in a State or Territory of the Commonwealth of Australia and to securities or equities listed on an Australian stock exchange. The 1981 Working Paper of the Western Australian Law Reform Commission does not suggest extension to overseas companies or to companies listed on overseas exchanges.

3.7 The Committee is not convinced there is any real case for extension of the list of authorised investments to the equities or securities of companies incorporated outside New Zealand. However should such an extension be favoured - perhaps limited to companies incorporated in either Australia or England - then the Committee sees it as desirable that the present statutory requirement for listing of the shares, stock or securities on one of the New Zealand stock exchanges be retained.

Mortgages Secured Over "Cross Lease" Titles

3.8 The "cross lease" system is a well recognised and common method of holding title to a flat, townhouse or apartment, but nonetheless trustees are not generally authorised to invest on mortgage of such titles. The Committee notes that some institutions, whose powers of investment are otherwise comparable to those of trustees, have express authority to lend on mortgage of cross lease titles.

3.9 An example is the Trustee Savings Banks. Section 24(5) Trustee Savings Banks Act 1948 authorises investment on mortgage of an estate or interest in a cross lease residential unit that is self-contained. The power is exercisable subject to such conditions as the Minister determines from time to time. One of the Savings Banks provided the Committee with some very useful information on the procedures it adopts for lending on this class of security. Not every residential unit held under this system of title, i.e. where the undivided shares as tenants in common in the fee simple estate of the land on which residential units are erected are all held by the lessees of the units, is regarded as suitable. The Bank will not lend on other than free-standing units because of insurance problems. Moreover, the terms of the leases for individual units are carefully perused by experienced staff or solicitors to ensure that the mortgagee is adequately protected. These leases do not follow a standard form, particularly in the case of older units, and many are not regarded as satisfactory.

3.10 Whilst a power to invest on mortgage of cross lease titles in wide terms may be acceptable for institutions or professional trustees, it is evident that if such a power is adopted for trustees generally quite detailed guidelines as to the accep-

tability of particular units for lending purposes may be required to assist inexperienced trustees. Moreover as the form of these titles is being constantly updated and improved the guidelines may need frequent revision.

3.11 The Public Trustee has pointed out that a means already exists whereby trustees may safely and legally invest on mortgage secured over residential units held under the cross lease system. Section 23(6) Housing Corporation Act 1974 authorises the advance of moneys (including trust funds) on the security of a mortgage of land if repayment of the advance or of the excess over the amount that might otherwise be advanced, is secured by a guarantee or indemnity provided by the Corporation. The Corporation will provide such guarantees, fee of charge at present, for cross lease residential units which meet certain criteria. These are broadly similar to those applied by the Trustee Savings Bank referred to in para 3.9.

3.12 In considering this proposal the Committee has also taken into account that there are other systems of title to residential units. These include holdings of shares in flat-owning companies coupled with licences to occupy which may or may not be registered under the Companies Amendment Act 1964. Should mortgages over these also be considered for trustee investment status? One purpose of the Unit Titles Act 1972 was to provide a means whereby a secure guaranteed title could be made available to prospective trustee or other mortgagees, and thus avoid what were perceived to be the disadvantages and defects of the several systems of title then in vogue. Unfortunately use of this Act has not been as widespread as anticipated.

3.13 Although there was a good deal of support for the principle of this proposal, many respondents recognised the wide variations that exist in the form and content of the lease and other documents forming the basis of these titles make it highly desirable trustees be given some assistance in determining whether a particular title is satisfactory. The Committee notes especially the problems of:

(a) ensuring adequate insurance cover

(b) enforcing the mutual obligations of the several owner/lessees.

There would probably need to be quite detailed guidelines and the Committee foresees considerable difficulty both in formulating guidelines and in keeping them up to date - see para 3.10.

3.13A For these reasons the Committee has somewhat reluctantly come to the conclusion that the practical problems entailed in this proposal are such that it seems doubtful whether it should be pursued further. It is not as if there are no existing means by which trustees may invest on mortgages secured over flats or apartments. Strata titles under the Unit Titles Act are acceptable subject to certain insurance requirements and there is the Housing Corporation guarantee route mentioned in para 3.11. The real question is whether there should be an addition to these means and moreover one

which could require quite complex and detailed legislation. The Committee has so far been unable to devise adequate legislature safeguards, but remains ready to consider any workable solution.

Investment in Land

3.14 There is no general statutory power for trustees in New Zealand to invest in land. The position is the same in England and in the majority of the Australian States. Queensland provides a general power to invest in the purchase of the fee simple estate of land in any State or Territory in Australia, and in certain leasehold estates within Queensland, subject to the general requirement of the trustees obtaining and acting on the advice of a valuer. The Victorian legislation empowers trustees to invest not more than one third of the trust fund in the purchase of the fee simple estate of land within the State. The land must be substantially improved and a valuer's advice must be obtained. In Tasmania there is power to invest in the purchase of an estate in fee simple in land in the State. The restrictions on this power include:-

(a) The purpose of the investment must be to obtain income from letting buildings on the land.

(b) The trust estate must exceed $20,000 in value and the total invested in the land under this power may not exceed 50% of the value of the trust estate.

(c) The advice of a valuer must be obtained and acted upon.

3.15 New Zealand trustees presently have quite extensive powers to purchase land for specific purposes. They may purchase land adjoining that already held by them where the purpose of the purchase is to better develop or use the existing land holding, or to improve the carrying on of a business on that land which they are empowered to carry on. In addition trustees may purchase a dwellinghouse for occupation by a person entitled to the income of the money spent. This power extends to the erection of a dwellinghouse on land either already held or purchased for the purpose, and to the acquisition of a flat or apartment, title to which is taken by any means considered appropriate by the trustees. Nevertheless it is recognised there is a clear distinction between these powers to purchase for specific purposes and a power to purchase land simply as a mode of investing the trust fund.

3.16 There is some support for proposal (c) in para 1.2 that trustees be permitted to invest in land, but in nearly every case the support is qualified. The qualifications range from suggested requirements for valuation and advice and restriction of the power to larger trusts or professional trustees, to the exclusion of power to purchase land which is not income producing and purchases for purely speculative purposes. If conferment of a general power to purchase land for investment is to be seriously considered then these suggested qualifications, together with a number of other sub-

sidiary matters, would need consideration and refinement. The other subsidiary matters the Committee thinks worthy of consideration include whether only estates in fee simple may be purchased, and, if so, whether the purchase of undivided interests in such estates would be permitted. If purchase of leasehold estates is to be permitted are those estates to be restricted as to the nature and type of lease involved, perhaps in the same way as the present restrictions on leasehold estates qualifying as security for mortgage investments by trustees.

3.17 This proposal, as is apparent from the manner in which it is expressed, is aimed at preserving the real value of the capital of the trust fund. Prior to 1974 the classes of authorised investments were such that the nominal value of the capital of the fund could only be preserved, never enhanced. In practice this led to trustees being concerned mainly with the production of income when making investment decisions. Although that may not have been the principle purpose, the 1974 amendment, in permitting investment in certain company stocks and shares, provided the first means by which an attempt could be made to protect the real value of the funds invested. The resulting concept of trustees investing for capital appreciation was accompanied, incidentally, by new problems for trustees of balancing the often opposing interests of income and capital. The question for the Committee is whether this concept should be extended by adding to the classes of authorised investments affording the opportunity of capital growth.

3.18 The rationale for such an addition is that investment in land offers a further or better means of protecting trust funds against the effects of inflation. Whether this is true of all classes of land at all times may be questionable. One of the general comments on this proposal was that the risky nature of investment in land, with potentially significant fluctuations in market value, makes investment in land an undesirable activity for trustees. The Securities Commission made a similar point when mentioning that while the rewards from investing in land are sometimes high, so too are the risks. The Committee is aware that according a particular class of investment trustee status may be perceived by the non-expert investor as granting it a seal of approval. There is a resulting danger that proper investment investigations may be neglected, yet, as pointed in para 3.16, most respondents agreed that investment in land is really something for the expert or professional.

3.19 The Committee has therefore tentatively concluded there ought not to be a general statutory power for trustees to invest in land. It is considered the existence of a power to invest in land should still be a matter for choice by the settlor or creator of the trust. There is no evidence that the inclusion of such a power in trust instruments has now become so commonplace that inclusion in the statutory "list" is sensible and convenient.

Investment in Subsidiary Companies

3.20 Proposal (d) in para. 1.2 is to permit investment in the debenture stock bonds or debentures of wholly owned subsidiaries of

companies where the parent company itself enjoys trustee status. The rationalisation which has occurred amongst the finance houses since the passage of the Trustee Amendment Act 1974 illustrates the basis for this proposal. Three companies, Broadlands Dominion Group Limited, General Finance Limited, and U.D.C. Group Holdings Limited, each originally met the criteria for trustee investment status specified in sections 4(1B) and (1C) Trustee Act. These companies then became part of separate groups as wholly owned subsidiaries and as a result the shares of each ceased to be listed. Consequently, investment in the debentures and other securities issued by these companies also ceased to be authorised under the 1974 Trustee Amendment Act, although the debentures, unlike the shares, remained and still remain listed on the Stock Exchange.

3.21 Most of those consulted by the Committee supported this proposal provided the debenture stock bonds or debentures are listed and are unconditionally guaranteed by a company which itself qualifies for trustee investment status. Some indeed would go further and suggest that investment be permitted in either:-

(a) The listed debentures etc of a company which meets all of the requirements specified in Sections 4(1B) and (1C) Trustee Act other than that its stock or shares be listed on the Stock Exchange.

(b) The listed debentures of any company.

Others questioned whether the proposal need be restricted to wholly owned subsidiaries where a suitable guarantee is available.

3.22 As regards suggestion (b) in para 3.21 above, one respondent made the point that the worth of a debenture, and consequently the protection it affords to the investor flows from the financial viability of the issuing company. That in turn is not dependent on the listing of the shares of the company on the Stock Exchange but on management performance and stabilityof the company. Furthermore, it was suggested, the current requirements in the Trustee Act for maintenance of a minimum dividend record on share capital is not necessarily a proper measure of the financial stability of a company and is not therefore particularly relevant when considering the desirability of investing in the debentures of the company. A company which retains a large proportion of its profits creates reserves which tends to increase the margin of security available to debenture holders. This respondent would substitute a different set of criteria to qualify the securities of companies, as opposed to their equities, for trustee investment status. In essence these would, apart from the listing requirement for debentures,

- prescribe minimum levels of both paid up capital and shareholders funds

- prescribe borrowing and servicing limitations which the debenture trust deed must meet.

A somewhat similar suggestion was considered in 1970 but rejected on the basis that such criteria are more a matter for those giving investment advice to consider and arbitrary directions should not be imposed by Statute. It was also desired to keep the criteria as simple and clear as possible. The present Committee shares these views and does not intend recommending any wholesale changes to the investment criteria. However comment on the points raised are invited.

3.23 Some minor changes are supported. The Committee favours a proposal which permits investment in debenture stock bonds or debentures where either the existing requirements of Sections 4(1B) and (1C) Trustee Act are met in full by the issuing Company itself or where repayment is unconditionally guaranteed by another company which meets those requirements. In each case listing of the securities on a New Zealand stock exchange would be a prerequisite. However, further comment on this proposal is invited and in particular the Committee would welcome comment on whether the requirement for guaranteeing of the securities may be unduly restrictive where the issuing company is a wholly owned subsidiary of a company enjoying trustee investment status.

Investments on Deposit with Qualifying Companies and Subsidiaries.

3.24 There was not a great deal of support for the proposal that trustees should have power to invest money on deposit with companies having trustee investment status or with the wholly owned subsidiaries of such companies. In Western Australia, trustees may make deposits, secured or unsecured, at interest either for a fixed term not exceeding 7 years, or at call, in any company in which they may properly invest in the purchase of shares. The position is the same in the Northern Territory. South Australia permits deposits with companies satisfying the requirements as to capital and payment of dividends specified in the Trustee Act or where repayment is guaranteed by such a company.

3.25 The Committee does not support this proposal. It is troubled by the implications of a "listed" trustee investment which comprises no more than an unsecured debt. Admittedly, as some respondants suggest, a debenture is not defined for the purposes of Section 4(1A)-(1D) Trustee Act. It may be possible by appropriate documentation to give the form of debentures to what are really no more than unsecured deposits and thus accord them trustee investment status. The Committee has no evidence this has actually occurred in practice but would be interested in hearing of any examples.

3.25A In considering this and the Bills of Exchange proposal to be discussed shortly, the Committee has examined the avenues open to a trustee acting under the statutory powers to invest moneys by way of deposit. Deposits are currently authorised in banks, in certain building societies and with authorised short term money market dealers. Any dissatisfaction with the current law appears to centre on the lower interest rates paid by these traditional institutions in comparison with other competing forms of investment, rather than on the range of deposit facilities available to trustees.

3.25B The power to invest on deposit in any bank is thought to be wide enough to include the purchase from a bank of the more sophisticated forms of certificates of deposit which have been developed in recent years. These include convertible, negotiable and transferrable certificates of deposit. There may be some doubt whether the purchase of these certificates of deposit from third parties is authorised as it can be argued the trustee is not investing on deposit but purchasing an investment. In such a case the trust moneys used for the acquisition go to the former holder of the certificate and not to the issuing bank. The Committee considers the position should be clarified and favours authorising trustees to invest in any certificates of deposit issued by banks whether by direct acquisition from the issuing bank or by purchase from a third party.

Bills of Exchange

3.26 When the 1970 report was commenced Bills of Exchange were not as well recognised a form of investment as is the case now. Because of the risks involved, which are reflected in the comparatively high rates of return available, the Committee does not regard commercial Bills of Exchange generally as a suitable form of authorised investment for trustees. However, it recognises that "Bank Bills" can reasonably be regarded as being in a separate category so far as risk is concerned. By "Bank Bills" is meant Bills of Exchange which are either endorsed or accepted by a bank. In theory, acceptance or endorsement by a bank should make a Bill of Exchange safe, because the bank thereby agrees to honour the Bill it has accepted, or to pay the Bill should the acceptor default in those cases where the bank has endorsed the Bill.

3.27 Victoria permits trustees to invest in bank accepted Bills of Exchange which have at the date of acquisition a maturity date of not more than 200 days. Queensland authorises investment on bank accepted Bills without restrictions on maturity. No other Australian State or England permits such investments by trustees, which are also not authorised under the existing New Zealand law.

3.28 Having regard to the level of support it has received, the Committee supports the proposal to permit trustees to invest in commercial Bills accepted by banks. Comment is sought on whether the proposal should be widened to include Bills endorsed by banks or Bills accepted or endorsed by companies having trustee investment status. Comment is also invited on whether restrictions should be placed on the maximum permissible time to maturity of eligible Bills. The value of a Bill depends on prevailing rates of interest and the longer the period to maturity the more likely it is fluctuations of interest rates may diminish the return on the Bill or even cause a loss. The Committee favours a restriction which is fixed having regard to the "normal" period of maturity of first class Bills in New Zealand. Some investigations on this point will be required.

3.29 If this proposal proceeds the Committee sees a need to clarify the rights of the lifetenant and remaindermen to the "profits" on a

Bill of Exchange. This profit arises from the fact that a Bill is acquired at a discount on face value and the holder either then receives the face value by retaining the Bill until maturity, or sells the Bill prior to maturity at a discount smaller than he purchased it at. The position is comparable to the purchase of redeemable stocks at a discount for which provision is made in Section 5 Trustee Act. Appropriate statutory provision should be made for the appoertionment of the proceeds of Bills of Exchange if investment in them is to be authorised.

Other Proposals

4.1 A number of other proposals for extension of the list of authorised investments were made. One which the Committee favours is to permit trustees to purchase "rights" to take up shares or securities issued by companies in whose shares or securities trustees are authorised to invest. Trustees presently have power under Section 12 Trustee Act 1956 to take up such "rights" offered to them in respect of shareholdings in any company (this power is not restricted to companies having trustee investment status) but are not authorised to purchase such "rights".

4.2 On occasions, the purchase of "rights" offers a cheaper means of acquiring a shareholding or securities in a company and the Committee sees no reason why trustees should not be permitted to use this method of investing in authorised companies. A similar proposal was recommended in the 1970 Report and has also been recommended for Western Australia by the Law Reform Commission of that State.

4.3 Authority for trustees to invest in contributory mortgages has also received consideration. There was some support for such a proposal, although generally restricted to investment through solicitors' nominee comanies. The Committee has deferred this matter pending the outcome of the review being conducted by the Securities Commission into contributory mortgage investments and investing through nominee companies.

4.4 Other related matters which have been or are being considered by the Committee include:

(a) A suggestion trustees be authorised to invest in policies of life assurance

(b) A reduction in the minimum period between rent reviews specified in Section 4(1E)(a)(iv) Trustee Act from 7 years to 3 years.

4.5 Comments and suggestions on the proposals and suggestions referred to in this working paper are now invited, to be addressed to:

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