Version
as at 30 March 2025

Building Societies Act 1965

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Note

The Parliamentary Counsel Office has made editorial and format changes to this version using the powers under subpart 2 of Part 3 of the Legislation Act 2019.

Note 4 at the end of this version provides a list of the amendments included in it.

This Act is administered by the Ministry of Business, Innovation, and Employment.

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An Act to consolidate and amend certain enactments of the Parliament of New Zealand relating to building societies

Title: amended, on 1 January 1987, pursuant to section 29(2) of the Constitution Act 1986 (1986 No 114).

1 Short Title and commencement

(1) This Act may be cited as the Building Societies Act 1965.

(2) This Act shall come into force on 1 January 1966.

Part 1
Preliminary

2 Interpretation

(1) In this Act, unless the context otherwise requires,—

alteration, in relation to the rules of a society, includes any addition to the rules, and also includes the rescission of all or any of the rules, with or without the substitution of 1 or more new rules for any rules rescinded

annual return means the annual return required to be made by a society pursuant to section 103

applicable auditing and assurance standard has the same meaning as in section 5 of the Financial Reporting Act 2013

board of directors, in relation to a society managed by a committee of management, means that committee

bonus ballot means a ballot, held by or on behalf of a society, of eligible bonus balloting shares for the purpose of ascertaining which of the holders of those shares are entitled to receive any prizes arising in respect of those shares

bonus balloting shares means shares issued pursuant to section 31A

building society, or **society**, means a building society incorporated under this Act or under the Building Societies Act 1908

court means the District Court in any case where the District Court has jurisdiction under the District Court Act 2016 in relation to this Act or to building societies, and in any other case means the High Court or a Judge of the High Court

debt security has the same meaning as in section 8 of the Financial Markets Conduct Act 2013

director includes a member of a committee of management of a society, and any other person occupying the position of director, by whatever name called

disposition, in relation to any land, means any disposition of that land *inter vivos*, and includes the grant of a lease or underlease; and **acquisition** has a corresponding meaning

financial statements has the same meaning as in section 6 of the Financial Reporting Act 2013

financial year, in relation to a society, means a year ending on a balance date of the society (within the meaning of section 41 of the Financial Reporting Act 2013), and if, as a result of the date of the incorporation of the society or a change of the balance date of the society, the period ending on that date is longer or shorter than a year, that longer or shorter period is a financial year

FMA means the Financial Markets Authority established under Part 2 of the Financial Markets Authority Act 2011

generally accepted accounting practice has the same meaning as in section 8 of the Financial Reporting Act 2013

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

(b) any judgment, order, or process of a court

land includes—

(a) all estates or interests, whether freehold or chattel, in real property; and

(b) a licensee's interest under—

(i) a licence to occupy (within the meaning of section 122 of the Land Transfer Act 2017); or

(ii) a deferred payment licence (within the meaning of section 2 of the Land Act 1948)

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)

member, in relation to a society, includes—

(a) any person who for the time being holds a share (whether advanced or not) in the society:

(b) any person who has succeeded to any of the rights or liabilities of a member of the society

Minister means the Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is for the time being responsible for the administration of this Act

officer, in relation to a society, includes a director, manager, or secretary

permanent society has the meaning assigned to it by section 10

prescribed means prescribed by regulations made under this Act

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, created or evidenced by or the subject of, an instrument or otherwise and whether liquidated or unliquidated, actual, contingent, or prospective

purchase price, in respect of any leasehold estate in land, means any sum payable as the consideration, or as part of the consideration, for the grant or assignment of the lease

registered valuer means a valuer for the time being registered under the Valuers Act 1948

Registrar means the Registrar of Building Societies under this Act

rights means all rights, powers, privileges, and immunities, whether actual, contingent, or prospective

security means a mortgage, submortgage or charge (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, indemnity, defeasance, hypothecation, 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 agreement or undertaking to give or execute whether upon demand or otherwise any of the foregoing

share includes stock

special resolution has the meaning assigned to it by section 81

terminating society has the meaning assigned to it by section 10; and, where a permanent society in existence at the commencement of this Act had, on 1 August 1965, shareholders in terminating groups, includes that part of the society's activities which relates to terminating groups.

(2) For the purposes of Part 7A, **conversion date** means the date shown on the certificate of incorporation of a society as a company under the Companies Act 1993 issued pursuant to section 113D.

(3) For the purposes of any enactment in this Act which provides that an officer of a society who is in default shall be liable on conviction to imprisonment or to a fine, the expression **officer who is in default** means any officer of the society who knowingly and wilfully authorises or permits the default, refusal, or contravention mentioned in the enactment.

(4) *[Repealed]*

(5) Any reference in this Act to contravention of any provision of this Act, or of any regulations or directions thereunder, shall include a reference to failure to comply with that provision.

Section 2: replaced, on 1 September 1987, by section 2 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 2(1) **applicable auditing and assurance standard**: inserted, on 1 April 2014, by section 5(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2(1) **appropriate District Registrar of Companies**: repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 2(1) **court**: replaced, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49).

Section 2(1) **debt security**: replaced, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 2(1) **financial statements**: inserted, on 1 April 2014, by section 5(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2(1) **financial year**: replaced, on 1 April 2014, by section 5(1) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2(1) **FMA**: inserted, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 2(1) **generally accepted accounting practice**: inserted, on 1 April 2014, by section 5(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2(1) **land**: replaced, on 1 January 2008, by section 364(1) of the Property Law Act 2007 (2007 No 91).

Section 2(1) **land** paragraph (b)(i): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Section 2(1) **licensed auditor**: repealed, on 1 April 2014, by section 5(2) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2(1) **Minister**: replaced, on 1 October 1995, by section 10(3) of the Department of Justice (Restructuring) Act 1995 (1995 No 39).

Section 2(1) **participatory security**: repealed, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 2(1) **registered audit firm**: repealed, on 1 April 2014, by section 5(2) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2(1) **security**: amended, on 1 May 2002, by section 191(1) of the Personal Property Securities Act 1999 (1999 No 126).

Section 2(2): amended, on 5 December 2013, by section 14 of the Companies Amendment Act 2013 (2013 No 111).

Section 2(3): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 2(4): repealed, on 20 November 1989, by section 2(1) of the Building Societies Amendment Act 1989 (1989 No 111).

2A Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in Schedule 1AA have effect according to their terms.

Section 2A: inserted, on 30 May 2017, by section 4 of the Regulatory Systems (Commercial Matters) Amendment Act 2017 (2017 No 12).

3 Registrar of Building Societies

For the purposes of this Act, there shall from time to time be appointed under the Public Service Act 2020 a Registrar of Building Societies.

Compare: 1908 No 18 s 4; 1955 No 97 s 3(1)

Section 3: amended, on 7 August 2020, by section 135 of the Public Service Act 2020 (2020 No 40).

4 Deputy Registrars of Building Societies

(1) There may also be 1 or more Deputy Registrars of Building Societies appointed under the Public Service Act 2020.

(2) A Deputy Registrar has and may exercise the powers, duties, and functions of the Registrar under this Act (subject to the control of the Registrar).

(3) The fact that a Deputy Registrar exercises those powers, duties, or functions is conclusive evidence of the authority to do so.

Section 4: replaced, on 20 September 2007, by section 4 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 4(1): amended, on 7 August 2020, by section 135 of the Public Service Act 2020 (2020 No 40).

5 Official seal

[Repealed]

Section 5: repealed, on 20 September 2007, by section 5 of the Building Societies Amendment Act 2007 (2007 No 43).

6 Registers to be kept

[Repealed]

Section 6: repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

7 Annual report by Registrar

[Repealed]

Section 7: repealed, on 20 November 1989, by section 3 of the Building Societies Amendment Act 1989 (1989 No 111).

8 Information as to societies, and inspection of documents kept by Registrars

[Repealed]

Section 8: repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Part 2
Constitution of building societies

Functions and general powers of building societies

Heading: replaced, on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

9 Purpose for which building society may be established

[Repealed]

Section 9: repealed, on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

9A Functions of building societies

(1) Subject to any restrictions or prohibitions contained in the rules of a society, the functions of every building society registered under this Act shall be—

(a) to provide services of any kind for its members or other persons, including, without limiting the generality of the foregoing, to provide services consisting of, or relating to,—

(i) the lending of money:

(ii) the provision of credit:

(iii) the giving of guarantees and indemnities:

(iv) the sale and purchase of financial obligations, debts, and securities:

(v) the discounting of credit instruments:

(vi) banking:

(vii) investment:

(viii) insurance:

(ix) trusteeship:

(x) foreign exchange dealing:

(b) to acquire by purchase, lease, exchange, or in any other way, land or any interest in land:

(c) to develop, improve, manage, sell, lease, exchange, or otherwise deal in land or any interest in land.

(2) No society registered under this Act shall be required to carry on all of the functions referred to in subsection (1) if the society carries on 1 or more of those functions.

Section 9A: inserted, on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

9B Powers of building societies

(1) Subject to any restrictions or prohibitions contained in the rules of a society, a society shall have all such powers, rights, and authorities as are conferred on it by this Act and all such other powers not inconsistent with this Act as may be reasonably necessary to enable it to carry on its functions.

(2) Any power, right, or authority that a society has pursuant to this Act may be exercised—

(a) as a principal, agent, attorney, contractor, trustee, or otherwise:

(b) by or through an agent, attorney, contractor, trustee, or otherwise.

Section 9B: inserted, on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

9C Ultra vires transactions

(1) Nothing done by a society and no conveyance or transfer of any property to or by a society shall be invalid, void, or unenforceable by reason only of the fact that the society was without capacity or power to do it, or to execute, or give, or take such conveyance or transfer.

(2) Nothing in subsection (1) shall apply:

(a) in any proceedings against the society by any member of the society, or where the society has issued a debenture or debentures secured by any charge over all or any of the undertaking or property of the society, by the holder of any of those debentures or the trustee for the holder of those debentures—

(i) to prevent the doing of any act, or the conveyance or transfer of any property to or by the society on the ground that the society is without capacity or power to do the thing or to execute or take such conveyance or transfer; or

(ii) to obtain any other relief on the ground that the society was without capacity or power to do such thing, or to execute or take such conveyance; or

(b) in any proceedings by the society or any member of the society against any officer or former officer of the society as a result of any thing done

by the society or the conveyance or transfer of any property to or by the society on the ground that the society was without capacity or power to do such thing or to execute, give, or take such conveyance or transfer; or

(c) in any application by the FMA to have the society put into liquidation.

(3) In any proceedings to which subsection (2)(a)(i) applies to prevent the doing of any act, or the conveyance or transfer of any property by or to the society pursuant to any contract to which the society is a party, the court may, on the application of any party to the contract (including the society), in addition to making any order restraining or preventing the society from performing the contract, make an order granting such relief as the court thinks just in respect of any loss or damage which may be sustained as a result of the society being prevented from performing the contract.

(4) Nothing in subsection (3) shall authorise the granting of relief in respect of the loss of anticipated or future profits.

(5) Every proceeding to which subsection (2)(a) or subsection (2)(b) applies shall, notwithstanding anything to the contrary in the rules of the society or in sections 108 to 113, be heard and determined by the court and not by arbitration.

Section 9C: inserted (with effect on 1 January 1966 and applying to any thing done by a society and any conveyance or transfer of any property to or by a society whether before or after this date, but not applying to or affecting any proceedings instituted or commenced before 1 September 1987), on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 9C(2)(c): replaced, on 1 July 1994, by section 2 of the Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Section 9C(2)(c): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

9D Registration of documents not to constitute constructive notice

No person is affected by or is deemed to have notice or knowledge of the rules of a society or any other documents or the contents thereof by reason only that the rules or other documents are—

(a) pursuant to this Act—

(i) registered by the Registrar; or

(ii) filed or lodged with the Registrar; or

(iii) *[Repealed]*

(b) available for inspection at an office of the society.

Section 9D: inserted (with effect on 1 January 1966, but not applying to or affecting any proceedings instituted or commenced before 1 September 1987), on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 9D(a)(iii): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

9E Dealings between society and other persons

(1) A society or a guarantor of an obligation of a society may not assert against a person dealing with the society or with any person who has acquired any property, rights, or interests from the society that—

(a) the rules of the society have not been complied with:

(b) a person named in a notice sent to the Registrar under section 88 as a director or secretary of the society—

(i) is not a director or secretary of the society, as the case may be; or

(ii) has not been duly appointed; or

(iii) does not have authority to exercise a power which a director or secretary of a society carrying on business of the kind carried on by the society customarily has authority to exercise:

(c) a person held out by the society as an officer or agent of the society—

(i) has not been duly appointed; or

(ii) does not have authority to exercise a power which an officer or agent of a society carrying on business of the kind carried on by the society customarily has authority to exercise:

(d) a person held out by the society as an officer or agent of the society with authority to exercise a power which an officer or agent of a society carrying on business of the kind carried on by the society does not customarily have authority to exercise, does not have authority to exercise that power:

(e) an officer or agent of the society who has authority to issue a document on behalf of the society does not have authority to warrant that the document is genuine:

(f) an officer or agent of the society who has authority to issue a certified copy of a document on behalf of the society or otherwise certify on behalf of the society does not have authority to warrant that the copy is a true copy or to so certify—

unless that person knows or by reason of that person's position with or relationship to the society ought to know of the matter referred to in paragraphs (a), (b), (c), (d), (e), or (f), as the case may be.

(2) A society or a guarantor of an obligation of a society may not assert against a person dealing with the society or with any person who has acquired any property, rights, or interests from the society that a document has not been properly sealed by the society if—

(a) the document is sealed with a seal which appears to be the seal of the society; and

(b) the affixing of the seal appears to have been witnessed by 2 persons; and

(c) at the time the document appears to have been sealed—

(i) one of those persons was named in a notice sent to the Registrar under section 88, or was being held out by the society, as a director of the society; and

(ii) the other person was named in a notice sent to the Registrar under section 88, or was being held out by the society, as a director or secretary of the society—

unless that person knows or by reason of that person's position with or relationship to the society ought to know that—

(d) the seal is not the seal of the society; or

(e) the affixing of the seal was not witnessed by 2 persons; or

(f) a person referred to in paragraph (c)(i) was not a director of the society; or

(g) a person referred to in paragraph (c)(ii) was not a director or secretary of the society, as the case may be.

Section 9E: inserted (with effect on 1 January 1966, but not applying to or affecting any proceedings instituted or commenced before 1 September 1987), on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

9F Effect of fraud

Section 9E applies notwithstanding the fact that a person referred to in any of the provisions of paragraphs (b) to (f) of subsection (1) or paragraph (c) of subsection (2) of that section—

(a) acts fraudulently; or

(b) forges a document that purports to have been sealed on behalf of the society—

unless the person dealing with the society or with the person who has acquired any property, rights, or interests from the society has actual knowledge of the fraud or forgery.

Section 9F: inserted (with effect on 1 January 1966, but not applying to or affecting any proceedings instituted or commenced before 1 September 1987), on 1 September 1987, by section 4(1) of the Building Societies Amendment Act 1987 (1987 No 175).

10 Permanent and terminating societies

(1) A building society established under this Act may be either a permanent society or a terminating society.

(2) A permanent society is a society that is not a terminating society.

(3) A terminating society is a society—

(a) which by its rules is to terminate—

(i) at a fixed date; or

(ii) when a result specified in its rules is attained; or

(b) which has included in its capital any subscriptions paid in respect of groups of shares which are to terminate at the end of given periods or on the attainment of specified results.

(4) No society shall, on or after 1 April 1981, issue or re-issue any shares in groups which are to terminate at the end of given periods or on the attainment of specified results.

(5) Notwithstanding subsection (1), no terminating society shall be first registered under this Act on or after 1 April 1981.

Section 10: replaced, on 22 December 1980, by section 3 of the Building Societies Amendment Act 1980 (1980 No 92).

11 Power to raise and repay funds

(1) A society may from time to time raise funds by the issue of shares of 1 or more denominations, either as shares paid up in full or as shares to be paid by periodical or other subscriptions, and with or without accumulating interest.

(2) The society may repay any funds so raised when they are no longer required for the purposes of the society:

provided that whenever the society proposes to repay any such funds it shall not do so until provision has been made by it to meet applications that have then been duly made by depositors for the repayment of money deposited by them with the society.

Compare: 1908 No 18 s 8; Building Societies Act 1962 s 6 (UK)

12 Powers in relation to land

[Repealed]

Section 12: repealed, on 1 September 1987, by section 5 of the Building Societies Amendment Act 1987 (1987 No 175).

Establishment and incorporation of societies

13 Mode of establishing society

(1) Any 20 or more persons may establish a society under this Act by—

(a) agreeing upon rules for the government of the society, being rules that conform to the requirements of this Act relating to rules of building societies; and

(b) sending to the Registrar for registration a copy of those rules, signed by not less than 20 of those persons and by the intended secretary or other officer.

(2) Subject to subsection (4) and section 13A, the Registrar must not register a copy of the rules or send the building society a certificate of incorporation unless—

(a) the society has a director who lives in—

(i) New Zealand; or

(ii) an enforcement country (within the meaning of section 2(1) of the Companies Act 1993) and is a director or officer of a body corporate that is incorporated in an enforcement country; and

(b) the first 20 individuals who became members of the society are ordinarily resident in New Zealand; and

(c) the society's principal place of business is in New Zealand; and

(d) if the society is not also a registered bank, the society—

(i) has an open NBDT regulated offer of debt securities; and

(ii) carries on the business of borrowing and lending at all times after its rules are registered under this Act.

(3) Subject to section 13A, the building society must ensure that at all times it meets the requirements of subsection (2)(a) and (c).

(4) Despite subsection (2)(d), a society may be registered under subsection (2) even if it does not comply with paragraph (d).

(5) However, the society must, within 12 months of its registration, comply with subsection (2)(d) and continue to comply with it thereafter.

(6) If the society fails to comply with subsection (5) within the 12-month period, the Registrar must—

(a) deregister the rules of the society; and

(b) cancel the registration of the society under section 124.

(7) In this section,—

debt security has the same meaning as in section 4(1) of the Non-bank Deposit Takers Act 2013

NBDT has the same meaning as in section 4(1) of the Non-bank Deposit Takers Act 2013

NBDT regulated offer has the same meaning as in section 4(1) of the Non-bank Deposit Takers Act 2013

ordinarily resident in New Zealand, in relation to an individual, means—

(a) the individual has their home in New Zealand; or

(b) New Zealand is their place of permanent abode even though they are temporarily absent from New Zealand.

Compare: 1908 No 18 ss 7, 13; 1955 No 97 s 5(a); Building Societies Act 1962 s 1(3) (UK)

Section 13(1)(b): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 13(2): inserted, on 30 March 2025, by section 26 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 13(3): inserted, on 30 March 2025, by section 26 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 13(4): inserted, on 30 March 2025, by section 26 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 13(5): inserted, on 30 March 2025, by section 26 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 13(6): inserted, on 30 March 2025, by section 26 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 13(7): inserted, on 30 March 2025, by section 26 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

13A Transitional arrangements

(1) Subsections (2) and (3) apply to a society whose rules were registered immediately before the commencement of section 13(2).

(2) The society continues to be registered on and after commencement and the society may continue in operation, but the society must, within 12 months of the date on which section 13(2) commences, comply with section 13(2)(a), (c), and (d) and continue to comply with those provisions thereafter.

(3) If the society fails to comply with subsection (2) within the 12-month period, the Registrar must—

(a) deregister the rules of the society, and amend the registers accordingly; and

(b) cancel the registration of the society under section 124.

Section 13A: inserted, on 30 March 2025, by section 27 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

14 Registration of rules of society

(1) The Registrar may refer the rules sent to the Registrar under section 13 to the Solicitor-General to ensure they comply with the requirements of this Act relating to rules of building societies.

(2) If the Solicitor-General considers that the rules do not comply with those requirements, he or she may notify the society of the ways in which they do not comply.

(3) If the Registrar is satisfied that the rules comply with those requirements and that the requirements of section 13(2)(a) to (d) are satisfied, the Registrar must—

(a) register the rules; and

(b) send a certificate of incorporation to the building society.

Section 14: replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 14(3): amended, on 30 March 2025, by section 28 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

15 Incorporation of society

(1) From the date of incorporation mentioned in such certificate of incorporation as aforesaid, the society shall become a body corporate, by the name contained in the rules so registered, having perpetual succession and a common seal.

(2) The common seal of the society shall bear the registered name of the society.

Compare: 1908 No 18 s 6; Building Societies Act 1962 s 3 (UK)

16 Appeal against refusal to register

If the Registrar refuses to register the rules, the society may submit the rules to a Judge of the High Court, together with a statement in writing of the reasons assigned by the Registrar for his or her refusal, whereupon the Judge may, if he or she thinks fit, direct the Registrar to register the rules.

Compare: 1908 No 18 s 15

Section 16: amended, on 1 April 1980, pursuant to section 12 of the Judicature Amendment Act 1979 (1979 No 124).

Rules of society

17 Contents of rules

(1) The rules of every society shall set out—

(a) the name of the society and the address of its registered office:

(b) the manner in which the funds of the society are to be raised:

(c) the classes of shares to be issued, the terms on which they are to be issued, the terms (if any) on which they may be withdrawn or surrendered, and the manner in which payments for shares are to be made and contributions are to be paid to the society by the members:

(d) in the case of a terminating society, the date on which, or the result on the attainment of which, the society is to terminate; or, where the terminating society is one in which groups of shares are to terminate at the end of given periods or on the attainment of specified results, that period or result in respect of any group, and the manner in which, on the termination of any group, the residual assets or liabilities are to be dealt with by the society:

(e) whether preferential shares are to be issued and, if so, within what limits:

(f) *[Repealed]*

(g) *[Repealed]*

(h) the manner in which any ballots, tenders, or auctions for loans or other investments in terminating groups are to be conducted, and the terms and conditions upon and subject to which rights to take up such loans or other investments may be exercised or surrendered:

(i) the manner in which losses are to be ascertained and provided for:

(j) *[Repealed]*

(k) *[Repealed]*

(ka) any restrictions or prohibitions on the functions of the society:

(kb) any restrictions or prohibitions on any powers, rights, or authorities that a society has under this Act:

(kc) any restrictions on the power of the society to borrow money:

(kd) any restrictions on the power of the society to lend money:

(ke) any restrictions on the power of the society to invest money:

(l) the manner in which membership is to cease:

(m) the manner of remunerating auditors, and the manner of appointing, remunerating, and removing the board of directors and other officers:

(n) the powers and duties of the board of directors and of other officers:

(o) provision for the custody of the mortgage instruments and other securities belonging to the society:

(p) whether disputes between the society and any of its members, or any person claiming by or through a member, or under the rules, are (subject to the provisions of this Act) to be settled by reference to the court or to arbitration:

(q) the fines and forfeitures to be imposed on members of the society, and the manner of their disposal in the society's accounts:

(r) provision for the device, custody, and use of the society's common seal:

(s) the manner in which the society (whether permanent or terminating) may be terminated or dissolved:

(t) in the case of a society which proposes to issue bonus balloting shares, the manner in which bonus ballots are to be conducted.

(2) The rules of every society shall also provide for the calling and holding of meetings, and in particular for—

(a) the right of members to requisition meetings:

(b) the manner in which notice of any resolutions to be moved at meetings is to be given to members:

(c) the procedure to be observed at meetings:

(d) the form of notice for the convening of a meeting, and the manner of its service:

(e) the voting rights of members, the right to demand a poll, and the manner in which a poll is to be taken.

(3) In the case of a society incorporated after the commencement of this Act, the rules shall also include provision authorising the issue of paid up shares in accordance with subsection (1) of section 29.

(4) The rules of any society may describe in a schedule thereto the forms of mortgage, transfer, agreement, bond, security for deposit or loan, or other instrument necessary for carrying its purposes into execution.

(5) No society may in its rules provide, in respect of any shares issued by it on or after 1 April 1981, a right to a loan or other investment by tender, auction, or ballot except by way of a bonus ballot.

(5A) The rules of every society shall be deemed to authorise the society to issue any shares not inconsistent with the provisions of this Act:

provided that any society that does issue shares not expressly authorised by its rules shall—

(a) before issuing the shares, give to the Registrar a statement in writing setting out the terms on which the shares are to be issued and on which they may be withdrawn:

(b) before 31 March 1982, amend its rules pursuant to section 19 to expressly authorise the issue of shares not inconsistent with the provisions of this Act.

(5B) Notwithstanding anything to the contrary in a society's rules, no society shall, on or after 1 April 1981, issue shares on terms which give the society any right—

(a) to regard any share subscription paid by a member as forfeit:

(b) to impose any fine or arrears fee upon any member in respect of those shares.

(c) *[Repealed]*

(6) *[Repealed]*

(7) *[Repealed]*

(8) The foregoing provisions of this section shall have effect without prejudice to the provisions of this Act relating to rules that are void as therein mentioned.

Compare: 1908 No 18 ss 11, 21; Building Societies Act 1962 ss 4, 130, Eighth Schedule (para 3) (UK)

Section 17(1)(f): repealed, on 1 September 1987, by section 6(1) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(g): repealed, on 1 September 1987, by section 6(1) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(h): amended, on 1 September 1987, by section 38 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(h): amended, on 22 December 1980, by section 4(1) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 17(1)(j): repealed, on 1 September 1987, by section 6(2) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(k): repealed, on 1 September 1987, by section 6(2) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(ka): inserted, on 1 September 1987, by section 6(2) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(kb): inserted, on 1 September 1987, by section 6(2) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(kc): inserted, on 1 September 1987, by section 6(2) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(kd): inserted, on 1 September 1987, by section 6(2) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(ke): inserted, on 1 September 1987, by section 6(2) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(1)(p): amended, on 27 November 1970, by section 8(2)(a) of the Building Societies Amendment Act 1970 (1970 No 117).

Section 17(1)(t): inserted, on 22 December 1980, by section 4(2) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 17(5): replaced, on 22 December 1980, by section 4(3) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 17(5): amended, on 1 September 1987, by section 38 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(5A): inserted, on 22 December 1980, by section 4(3) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 17(5B): inserted, on 22 December 1980, by section 4(3) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 17(5B)(c): repealed, on 1 September 1987, by section 6(3) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 17(6): repealed, on 22 December 1980, by section 4(4) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 17(7): repealed, on 22 December 1980, by section 4(4) of the Building Societies Amendment Act 1980 (1980 No 92).

18 Effect of rules

(1) The rules of a society shall be binding on every member and officer of the society, and on all persons claiming on account of any member or under the rules; and all such members, officers, and persons shall be deemed to have full notice of the rules.

(2) No lender or other person dealing with a society shall be concerned to see or inquire whether any restriction on the power of a society to borrow money imposed by the rules of a society is observed.

Section 18: replaced, on 1 September 1987, by section 7 of the Building Societies Amendment Act 1987 (1987 No 175).

19 Alteration of rules

(1) Any society may alter its rules by special resolution.

(2) The society must send notice of the alteration, signed by a director and the secretary of the society, to the Registrar for registration within 14 days after the passing of the special resolution.

(3) The Registrar may refer the alteration to the Solicitor-General to ensure it complies with this Act.

(3A) If the Solicitor-General considers that the alteration does not comply with this Act, he or she may notify the society of the ways in which it does not comply.

(4) If the Registrar is satisfied that the alteration complies with this Act, the Registrar must register the alteration.

(5) The alteration takes effect on registration.

(6) If the Registrar refuses to register the alteration, the society shall have the same right of appeal to a Judge of the High Court as it would have against a refusal to register rules, and the provisions of section 16 shall apply accordingly.

(7) Any provision in the rules of a society that the rules may be altered without passing a special resolution shall be void.

(8) If any society fails to comply with subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: 1908 No 18 ss 18, 19, 20; 1955 No 97 ss 2(3), 5(c), (d); Building Societies Act 1962 s 17 (UK)

Section 19(2): replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 19(3): replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 19(3A): inserted, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 19(4): replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 19(5): replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 19(6): amended, on 1 April 1980, pursuant to section 12 of the Judicature Amendment Act 1979 (1979 No 124).

20 Copies of rules to be supplied on request

(1) On the request of any person, a society shall supply to that person a complete printed copy of its rules with a copy of the society's certificate of incorporation annexed to it.

(2) The society shall be entitled to charge a sum not exceeding 50 cents for every such copy of its rules.

(3) If any society fails to comply with the requirements of subsection (1), the society, and every officer of the society who is in default, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100.

Compare: 1908 No 18 s 17; Building Societies Act 1962 s 107 (UK)

Section 20(3): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Name of society

21 Restriction on registration of names

(1) No society shall hereafter be registered under this Act in a name that—

(a) is identical with that of any other building society, or of a company carrying on business in New Zealand (whether registered in New Zealand or not), or of any other body corporate established or registered in New Zealand under any Act, or so nearly resembles that name as to be calculated to deceive, except where that other society or company or body corporate, as the case may be, signifies its consent in such manner as the Registrar requires, and the Registrar is satisfied that registration of the society in the proposed name will not be contrary to the public interest.

(b) *[Repealed]*

(1A) *[Repealed]*

(2) No society shall be registered under this Act in a name that in the opinion of the Registrar is undesirable.

(3) Except as provided in subsection (1), nothing in this section shall limit or affect the provisions of any enactment, other than this Act, relating to restrictions on the use of any name.

(4) If any society fails to comply with any requirements of this Act in relation to the name of the society or to a change of name of the society, the society and every officer of the society in default commits an offence against this Act.

Compare: 1908 No 18 s 16; 1951 No 37; Building Societies Act 1962 s 2(2) (UK)

Section 21(1)(b): repealed, on 31 December 1981, by section 5(1) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 21(1A): repealed, on 1 September 1987, by section 9 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 21(4): inserted, on 31 December 1981, by section 5(3) of the Building Societies Amendment Act 1980 (1980 No 92).

22 Society to use registered name

(1) A society shall not use any name or title other than its registered name:

provided that the Registrar may from time to time, by writing, authorise any society to use for any specified purpose or purposes any abbreviation of that name approved by him or her in that behalf.

(2) If any society contravenes the provisions of subsection (1), the society, and every director of the society who is a party to the contravention, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $20 and, if the offence is a continuing one, to a further fine not exceeding $20 for every day during which the offence has continued.

Compare: Building Societies Act 1962 s 15 (UK)

Section 22(2): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

23 Change of name

(1) Subject to the provisions of this Act, a society may change its name by special resolution.

(2) If, through inadvertence or otherwise, a society at its first registration under this Act or on its registration in a new name is registered in a name which is in contravention of section 21, or of any enactment, other than this Act, relating to restrictions on the use of any name, the society shall, within a period of 6 weeks from the date of its being required by the Registrar to do so, or within such further period as he or she may allow, change its name by resolution to a name that is not in contravention as aforesaid.

(3) The society shall give notice in writing of any such change to the Registrar for registration within 14 days after the passing of the special resolution or resolution, as the case may be.

(4) On receipt of the notice the Registrar shall, unless in his or her opinion the new name is undesirable, register the new name.

(5) *[Repealed]*

(6) Any such change of name shall not affect the rights and obligations of the society or of any of its members or of any other person concerned.

(7) If a society fails to send to the Registrar a notice of any change of name within the time prescribed or allowed by this section the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: 1908 No 18 s 24; Building Societies Act 1962 s 16 (UK)

Section 23(3): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 23(4): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 23(5): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Membership

24 Members who are not shareholders

(1) The rules of a society may allow a person to become a member without holding a share in the society.

(2) Such of the rules as relate to the making of loans or other investments to members need not be expressed in terms that treat a member to whom a loan or other investment is made as being, by reason of the making of the loan or other investment, the holder of a share in the society.

Compare: Building Societies Act 1962 s 8 (UK)

Section 24(2): amended, on 1 September 1987, by section 38 of the Building Societies Amendment Act 1987 (1987 No 175).

25 Members under age of 20

Any person under the age of 20 years may, if the rules do not otherwise provide, be admitted as a member of a building society, and can give all necessary receipts; but while he or she is under the age of 18 years he or she cannot vote or hold any office in the society.

Compare: 1908 No 18 s 42; Building Societies Act 1962 s 9 (UK)

Section 25 heading: amended, on 1 January 1971, by section 6 of the Age of Majority Act 1970 (1970 No 137).

Section 25: amended, on 22 December 1980, by section 6 of the Building Societies Amendment Act 1980 (1980 No 92).

Section 25: amended, on 1 January 1971, by section 6 of the Age of Majority Act 1970 (1970 No 137).

26 Joint shareholders

(1) Two or more persons may jointly hold shares in any society.

(2) The provisions of section 127 apply to any shares so held.

Compare: 1908 No 18 s 43; Building Societies Act 1962 s 10 (U K)

27 Liability of members

(1) The liability of a member of a society in respect of any share on which no loan or other investment has been made shall be limited to the amount actually paid or in arrear on the share.

(2) The liability of a member in respect of any share on which a loan or other investment has been made shall be limited to the amount payable thereon under any mortgage or other security or under the rules of the society.

(3) The liability of a member to whom a loan or other investment is made under rules made in accordance with section 24 shall not be greater than it would be if the rules treated him or her as being, by reason of the making of the loan or other investment, the holder of a share in the society.

Compare: 1908 No 18 s 9; Building Societies Act 1962 s 11 (UK)

Section 27(1): amended, on 1 September 1987, by section 38 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 27(2): amended, on 1 September 1987, by section 38 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 27(3): amended, on 1 September 1987, by section 38 of the Building Societies Amendment Act 1987 (1987 No 175).

Purchase of shares in terminating societies

[Repealed]

Heading: repealed, on 1 April 1981, by section 7(1)(a) of the Building Societies Amendment Act 1980 (1980 No 92).

27A Interpretation

[Repealed]

Section 27A: repealed, on 1 April 1981, by section 7(1)(a) of the Building Societies Amendment Act 1980 (1980 No 92).

27B Agreements to purchase shares

[Repealed]

Section 27B: repealed, on 1 April 1981, by section 7(1)(a) of the Building Societies Amendment Act 1980 (1980 No 92).

27C Right of purchaser to cancel agreement

[Repealed]

Section 27C: repealed, on 1 April 1981, by section 7(1)(a) of the Building Societies Amendment Act 1980 (1980 No 92).

27D Effect of cancellation of agreement

[Repealed]

Section 27D: repealed, on 1 April 1981, by section 7(1)(a) of the Building Societies Amendment Act 1980 (1980 No 92).

27E No contracting out

[Repealed]

Section 27E: repealed, on 1 April 1981, by section 7(1)(a) of the Building Societies Amendment Act 1980 (1980 No 92).

27F Schedule 7 may be amended

[Repealed]

Section 27F: repealed, on 1 April 1981, by section 7(1)(a) of the Building Societies Amendment Act 1980 (1980 No 92).

Commencement of business

28 Business not to be commenced before incorporation

(1) No society, and no persons representing themselves to be a society, shall commence business without first obtaining a certificate of incorporation under this Act.

(2) Every society or person who acts in contravention of this section commits an offence and is liable on conviction to a fine not exceeding $10 for every day during which business has been carried on without a certificate of incorporation having been obtained.

(3) Proceedings for an offence against this section must be commenced by the FMA.

Compare: 1908 No 18 s 49; Building Societies Act 1962 s 12(1) (UK)

Section 28(2): replaced, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 28(3): inserted, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

29 Minimum subscription by founding members

(1) A society incorporated after the commencement of this Act shall not commence any business or borrow any money unless there has been produced to the Registrar evidence satisfying him or her that all those members who signed a copy of the rules for sending to the Registrar under section 13—

(a) have each been issued with shares in the society to the value of $1,000 or more on terms that conform to the requirements of Schedule 2; and

(b) have together received shares issued under paragraph (a) to a total value of at least $200,000; and

(c) have fully paid to the society in cash the value of the shares issued to them—

and that the Registrar has issued to the society his or her certificate that the requisite evidence has been so produced.

(2) If at the end of the period of 2 months beginning with the date on which the society became a body corporate the requisite evidence has not been produced to the Registrar under subsection (1), the Registrar may if he or she thinks fit cancel the registration of the society, and the society shall cease to enjoy the privileges of a society under this Act.

(3) Notice of the cancellation of registration of a society under subsection (2) shall be published by the Registrar in the *Gazette*, and in such other ways as appear to him or her to be expedient for informing the public, and the Registrar must register the cancellation.

(4) The provisions of Schedule 2 shall have effect in respect of shares issued in conformity with subsection (1), for the purpose of ensuring that the conditions attaching to the shares are observed until the end of the period of 5 years beginning with the date on which the Registrar issued his or her certificate to the society under that subsection.

(5) If any society commences business or borrows any money in contravention of this section, the society shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $1,000; and every officer of the society who is in default shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding 2 years or to a fine not exceeding $1,000, or to both.

Compare: Building Societies Act 1962 s 13 (UK)

Section 29(1): replaced, on 22 December 1980, by section 8(1) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 29(1): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 29(3): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 29(5): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

30 Commencement of advertising

[Repealed]

Section 30: repealed, on 1 September 1987, by section 10 of the Building Societies Amendment Act 1987 (1987 No 175).

31 Commencement of balloting for appropriations

[Repealed]

Section 31: repealed, on 1 April 1981, by section 7(1)(c) of the Building Societies Amendment Act 1980 (1980 No 92).

Bonus balloting shares and bonus ballots

Heading: inserted, on 1 April 1981, by section 9(1) of the Building Societies Amendment Act 1980 (1980 No 92).

31A Bonus balloting shares and bonus ballots

(1) Subject to this section and to any regulations made under section 137, a society may, from time to time, issue shares (to be called bonus balloting shares) to any persons who may subscribe for them.

(2) All subscriptions on bonus balloting shares, and such other money as may be prescribed, shall form a separate fund in each society that issues them.

(3) A proportion of the annual earnings of the bonus balloting shares fund shall, from time to time, be distributed as prizes to holders of the shares pursuant to a bonus ballot.

(4) For the purposes of subsection (3), the proportion of annual earnings to be distributed as prizes shall not, in any financial year, exceed—

(a) an amount equal to 2% of the total fund held in that financial year; or

(b) an amount equal to 20% of the total sum distributed to holders of bonus balloting shares in respect of that financial year by way of prizes under subsection (3) and interest on the shares,—

whichever is the less.

(5) All prizes under this section shall be paid in cash.

(6) Notwithstanding subsection (5), it shall not be unlawful for a society, at the request of a prizewinner and instead of a cash prize, to advance money to that prizewinner, on the security of a mortgage of land, on such terms and

conditions as may be agreed and as will yield to the prizewinner benefits approximately equivalent in value to the cash prize.

(7) The provisions of this section shall apply notwithstanding anything to the contrary in the Gambling Act 2003.

(8) *[Repealed]*

Section 31A: inserted, on 1 April 1981, by section 9(1) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 31A(7): amended, on 1 July 2004, by section 374 of the Gambling Act 2003 (2003 No 51).

Section 31A(8): repealed (with effect on 1 April 1981 and applying with respect to the tax on income derived in the income year that commenced on that date and in every subsequent year), on 29 September 1981, by section 12(3) of the Income Tax Amendment Act 1981 (1981 No 33).

Union or transfer of engagements

32 Union of societies

(1) Two or more building societies may unite and become 1 society, with or without a dissolution or division of the funds of any 1 or more of those societies, if the terms of the union are approved by a special resolution of each of the societies.

(2) Notice of every union of societies shall be sent to the Registrar for registration.

(3) If any society fails to send notice to the Registrar under subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Section 32: replaced, on 1 September 1987, by section 11 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 32(2): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

33 Transfer of engagements

(1) Subject to the provisions of this section, a society may, by special resolution, transfer all or part of its engagements to another society which undertakes to fulfil those engagements.

(2) A society may, by resolution of a general meeting of the society or of the board of directors of the society, undertake to fulfil all or part of the engagements of another society.

(3) It shall be the duty of a society transferring all or part of its engagements under this section to send notice of the transfer to the Registrar for registration.

(4) A transfer of engagements between societies under this section shall not have effect unless notice of the transfer has been registered.

(5) If a society fails to comply with subsection (3), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Section 33: replaced, on 1 September 1987, by section 11 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 33(3): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

34 Supplementary provisions as to union and transfer of engagements

(1) A society (in this section referred to as the relevant society) desiring to unite with 1 or more other societies, or to transfer all or part of its engagements to another society, shall send to each member referred to in subsection (2) a statement setting out—

(a) the financial position of the relevant society and that of the other society or societies concerned:

(b) the interest of the directors of the relevant society in the union or transfer:

(c) the compensation or other consideration proposed to be paid to the directors or other officers of the relevant society, and of the other society or societies concerned:

(d) the payments (if any) to be made to the members of the relevant society, and of the other society or societies concerned, in consideration of the union or transfer of engagements.

(2) A statement under subsection (1) shall be sent to every member qualified to vote on the special resolution to approve the union, or to effect the transfer of engagements, as the case may be, together with the notice of meeting required to be sent to each such member.

(3) If the Registrar receives a notice of a union or transfer under section 32 or 33 and is satisfied that those sections and this section have been complied with, the Registrar must register the notice.

(4) The registration by the Registrar of notice of the union or transfer shall operate, by virtue of this subsection and without further assurance, as an effectual transfer and assignment, as at the date of the registration, to the united society or, as the case may be, to the society to which the engagements are transferred, of the funds, property, and assets of the relevant society, or, as the case may be, of such part of those funds, property, and assets as are provided for by the resolution to approve the union or to effect the transfer, as the case may be.

(5) Where by virtue of subsection (4) any land or interest in land becomes vested in the united society or, as the case may require, the society to which the engagements are transferred, the Registrar-General of Land, on the request of the said society and on payment of the appropriate fee, and on being satisfied, by statutory declaration or otherwise, of the title of the said society, shall make such entries in the register and generally do such things as may be necessary to give effect to that subsection.

(6) The union or transfer of engagements shall not affect the rights of any creditor of the relevant society.

(7) A failure to comply with any of the provisions of subsections (1) and (2) shall not invalidate the union or transfer of engagements; but if the relevant society fails to comply with any of those provisions the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Section 34: replaced, on 1 September 1987, by section 11 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 34(3): replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 34(5): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Disposal of part of business undertaking

Heading: inserted, on 1 September 1987, by section 11 of the Building Societies Amendment Act 1987 (1987 No 175).

34A Power to dispose of part of business undertaking

(1) A society may, with the approval of a resolution of a general meeting of the society or of the board of directors of the society, sell or otherwise dispose of any part of the business undertaking of the society to such person or persons and upon such terms and conditions as the society in general meeting or the board of directors thinks fit.

(2) Nothing in subsection (1) authorises a society to sell or dispose of any part of the business undertaking of the society if that sale or disposition would result in the society uniting with any other society or transferring any of the society's engagements.

Section 34A: inserted, on 1 September 1987, by section 11 of the Building Societies Amendment Act 1987 (1987 No 175).

Part 3
Advances
[Repealed]

Part 3: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Special advances on mortgage
[Repealed]

Heading: repealed, on 17 December 1982, by section 4(1) of the Building Societies Amendment Act 1982 (1982 No 169).

35 Advances on security of mortgage of land for residential purposes

[Repealed]

Section 35: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

36 Ordinary limitations on special advances

[Repealed]

Section 36: repealed, on 17 December 1982, by section 4(2)(a) of the Building Societies Amendment Act 1982 (1982 No 169).

37 Permission to exceed limit for special advances

[Repealed]

Section 37: repealed, on 17 December 1982, by section 4(2)(b) of the Building Societies Amendment Act 1982 (1982 No 169).

38 Permission to make special advance to purchaser of mortgaged property

[Repealed]

Section 38: repealed, on 17 December 1982, by section 4(2)(c) of the Building Societies Amendment Act 1982 (1982 No 169).

General provisions as to advances on mortgage
[Repealed]

Heading: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

39 Meaning of member for the purposes of this Part

[Repealed]

Section 39: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

40 Valuation of security

[Repealed]

Section 40: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

41 Additional security for advances

[Repealed]

Section 41: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

42 Record of advances

[Repealed]

Section 42: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

43 Security taken from third party

[Repealed]

Section 43: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

44 Arrangement for excess advance in connection with sale of property

[Repealed]

Section 44: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

45 Implied warranty on advance to purchaser, unless notice given to the contrary

[Repealed]

Section 45: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

46 Representation as to sufficiency of security

[Repealed]

Section 46: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

47 Restrictions on second or subsequent mortgages

[Repealed]

Section 47: repealed, on 17 December 1982, by section 6(1) of the Building Societies Amendment Act 1982 (1982 No 169).

48 Advance for single premium life policy

[Repealed]

Section 48: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

49 Restriction on commissions for introduction of mortgage business

[Repealed]

Section 49: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

50 Provisions as to sale of mortgaged property

[Repealed]

Section 50: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Advances on security of members' shares

[Repealed]

Heading: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

51 Limitation on advances on security of members' shares

[Repealed]

Section 51: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Unsecured or other advances

[Repealed]

Heading: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

51A Advances on security other than mortgage of land or members' shares, or without security

[Repealed]

Section 51A: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Supplementary provisions

[Repealed]

Heading: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

52 Power of Registrar to require actuary's certificate as to appropriations by ballot

[Repealed]

Section 52: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

53 Memorandum of discharge of mortgage

[Repealed]

Section 53: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Part 4
Investment and banking of surplus funds

[Repealed]

Part 4: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

54 Interpretation

[Repealed]

Section 54: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

55 Investment and banking of surplus funds

[Repealed]

Section 55: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

55A Societies to hold certain public securities

[Repealed]

Section 55A: repealed, on 1 September 1973, by section 14(2) of the Reserve Bank of New Zealand Amendment Act 1973 (1973 No 16).

Part 5A
Investment and borrowing

Part 5A: inserted, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

56A Investment powers

Without limiting the generality of section 9A or section 9B, but subject to any restriction contained in the rules of the society, a society may invest any money belonging to it or acquired in the course of its business—

(a) for any purpose connected with the functions of the society; or

(b) to the extent that any money is not immediately required for the performance of the functions of the society, in any other manner that the society thinks fit.

Section 56A: inserted, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

56B Borrowing powers

Without limiting the generality of section 9A or section 9B, but subject to any restriction contained in the rules of the society, a society may borrow money on such terms and conditions as the society thinks fit.

Section 56B: inserted, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

56C Power to give security

A society may secure the payment of money and the performance of any other obligation of the society in such manner as the society thinks fit.

Section 56C: inserted, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

56D Home ownership accounts and farm ownership accounts

(1) Without limiting section 56B, any society which is for the time being designated under section 56F, or deemed to be so designated, as a society with which trustees may invest trust funds by way of deposit, may, with the approval of the Governor-General by Order in Council, accept deposits from its members in home ownership accounts or farm ownership accounts (any such society being referred to in this section as an approved society).

(2) Home ownership accounts or farm ownership accounts may be operated by an approved society upon such terms and conditions as may be specified in regulations made under this Act.

(3) It shall not be lawful for any society, other than an approved society, to accept or hold itself out as willing to accept deposits in home ownership accounts or farm ownership accounts.

(4) If any society contravenes any provision of this section that is applicable to it, the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

(5) An order under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section		
Publication	PCO must publish it on the legislation website and notify it in the *Gazette*	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 56D: inserted, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 56D(5): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

56E Depositor under age of 20

A receipt or acknowledgment given to a society by a person under the age of 20 years, in respect of the payment to that person of any sum due in respect of the principal of or interest on sums lent by that person to the society, shall not be invalid on the ground that that person is under the age of 20 years.

Section 56E: inserted, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

56F Designation of societies for investments by trustees

[Repealed]

Section 56F: repealed, on 1 October 1988, by section 16(1) of the Trustee Amendment Act 1988 (1988 No 119).

56G Memorandum of discharge of mortgage

For the purposes of section 83 of the Property Law Act 2007, and without affecting section 9 of that Act, a memorandum of discharge of a mortgage to a society shall be deemed to be duly executed if it is under the society's seal and countersigned by the manager or secretary of the society.

Section 56G: inserted, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 56G: amended, on 1 January 2008, by section 364(1) of the Property Law Act 2007 (2007 No 91).

Part 5
Borrowing powers. Investors and depositors

[Repealed]

Part 5: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

56 Borrowing powers

[Repealed]

Section 56: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

57 Restrictions on savings bank deposits

[Repealed]

Section 57: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

57A Home ownership accounts and farm ownership accounts

[Repealed]

Section 57A: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

58 Interest on deposits

[Repealed]

Section 58: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

59 Liability for borrowing in excess of powers

[Repealed]

Section 59: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

60 Assistance to other building societies

[Repealed]

Section 60: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

61 New investors and depositors to receive copies of accounts

[Repealed]

Section 61: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

62 Depositor under age of 20

[Repealed]

Section 62: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

63 Designation of societies for investments by trustees

[Repealed]

Section 63: repealed, on 1 September 1987, by section 12 of the Building Societies Amendment Act 1987 (1987 No 175).

Part 6
Powers of control of Registrar

[Repealed]

Part 6: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

64 Power to order suspension of borrowing and subscriptions for shares

[Repealed]

Section 64: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

65 Procedure to be followed in making order

[Repealed]

Section 65: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

66 Provisions consequential on Registrar's order

[Repealed]

Section 66: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

67 Power to give directions as to advertising

[Repealed]

Section 67: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

68 Procedure to be followed in giving direction

[Repealed]

Section 68: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

69 Power to require documents and information

[Repealed]

Section 69: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

70 Special powers of direction in relation to small societies

[Repealed]

Section 70: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

71 Supplementary provisions as to small societies

[Repealed]

Section 71: repealed, on 1 September 1987, by section 13 of the Building Societies Amendment Act 1987 (1987 No 175).

Part 7
Management and administration

Registered office

72 Registered office of society

(1) Every society shall, as from the date of its incorporation, have a registered office in New Zealand to which all communications and notices may be addressed.

(2) Subject to the provisions of this Act, the registered office of a society shall be that specified in its rules.

(3) Where the chief office of any society incorporated before the date of the commencement of this Act and in existence on that date is not the office as specified in its rules, the society shall notify the Registrar, within 1 month after that date, of the situation of its chief office, and that office shall, until notice of any change is given to the Registrar, be the registered office of the society for the purposes of this Act. On receipt of the notification, the Registrar shall forthwith notify the appropriate District Registrar of Companies of the situation of that office.

(4) If a society fails to comply with subsection (3), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

73 Change of registered office

(1) A society must send notice of a change to its registered office to the Registrar for registration within 14 days after the date of the change.

(2) *[Repealed]*

(3) It shall not be necessary to alter the rules of a society by reason only that its registered office is changed.

(4) If a society fails to give notice to the Registrar in accordance with subsection (1), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: Building Societies Act 1962 s 108 (UK)

Section 73(1): replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 73(2): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Register of members

74 Duty to keep register

(1) Every society shall keep a register of the names and addresses of its members.

(2) Subject to subsection (3), the register shall be kept at the society's registered office.

(3) With the consent in writing of the FMA, the register, or parts of it, may be kept at 1 or more of the offices of the society other than its registered office.

(4) If a society contravenes any of the provisions of this section, the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: Building Societies Act 1962 s 62 (UK)

Section 74(3): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

75 Inspection of register of members

(1) The register of members kept pursuant to section 74 shall during business hours (subject to such reasonable restrictions as the society may impose, so that not less than 2 hours in each day shall be allowed for inspection) be open without charge to the inspection of any member or any person nominated by the member on the member's behalf.

(2) The right to inspect the register conferred by subsection (1) shall be deemed to include the right to take or require a copy of the register, or of any part thereof, on payment in advance of 20 cents, or such less sum as the society may prescribe, for every 100 words or fractional part thereof required to be copied. The society shall cause any copy so required by any member to be sent to that member within a period of 10 days commencing on the day next after the day on which the payment is received by the society.

(3) If any inspection required under this section is refused, or if any copy required under this section is not sent within the proper period, the court may by order compel an immediate inspection of the register or direct that the copies required shall be sent to the member requiring them.

Section 75: replaced, on 1 September 1987, by section 14 of the Building Societies Amendment Act 1987 (1987 No 175).

Meetings and resolutions

76 Annual general meeting

(1) Subject to the provisions of this section, every society shall in the first 4 months of every financial year hold a meeting as its annual general meeting, in addition to any other meetings held in that year.

(2) The annual general meeting shall be described as such in the notices calling it.

(3) A society need not hold an annual general meeting in the financial year in which it is incorporated.

(4) If in any financial year default is made in holding an annual general meeting in accordance with this section, the FMA may—

(a) call or direct the calling of an annual general meeting in that financial year; and

(b) give any ancillary or consequential directions as the FMA thinks fit (including directions modifying or supplementing the operation of the society's rules in relation to the calling, holding, and conducting of the meeting).

(5) If default is made in holding an annual general meeting in accordance with subsections (1) and (2), or in complying with any directions of the FMA under subsection (4), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: Building Societies Act 1962 s 64 (UK)

Section 76(4): replaced, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 76(5): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

77 Length of notice of meetings

(1) Any provision in a society's rules shall be void so far as it provides for the calling of a meeting of the society, other than an adjourned meeting, by a shorter notice than 14 clear days' notice in writing.

(2) Except so far as the rules of a society make other provision in that behalf (not being a provision made void by subsection (1)), a meeting of a society, other than an adjourned meeting, may be called by not less than 14 clear days' notice in writing.

(3) Where notice is given in accordance with subsection (2), the notice shall be taken for the purposes of this Act or any other Act to have been duly given according to the society's rules.

(4) Notice of a meeting of a society shall not be sent to its members more than 56 days before the date of the meeting.

Compare: Building Societies Act 1962 s 65 (UK)

78 Persons entitled to notice of meetings

(1) Written notice of any meeting of a society which specifies the intention to propose a resolution as a special resolution at the meeting shall be sent to every member qualified to vote on a special resolution at the meeting.

(2) Subject to subsection (1), written notice of any meeting of a society shall be sent to every member of the society:

provided that, subject as aforesaid and to the society's rules, notice of a meeting is not required by virtue of this subsection to be sent to a member—

(a) if at the relevant time the member did not, or, as the case may be, does not, hold shares in the society to a value of $200 or more; or

(b) in the case of a meeting called by a terminating society for the purpose of conducting appropriations or ballots for loans or other investments, if the meeting is called by advertisement; or

(c) if, subject to such conditions or requirements as may be prescribed, the notice is published in major daily newspapers circulating generally in those parts of New Zealand where the members reside.

(3) For the purposes of paragraph (a) of the proviso to subsection (2), the relevant time—

(a) if the society was established in the financial year in which the notices are being sent, is the time at which the notices are sent; and

(b) in any other case, is the end of the financial year preceding that in which the notices are sent.

(4) An accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice of the meeting shall not invalidate the proceedings at that meeting.

Compare: Building Societies Act 1962 s 66 (UK)

Section 78(2) proviso paragraph (a): amended, on 1 September 1987, by section 15 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 78(2) proviso paragraph (b): amended, on 1 September 1987, by section 38 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 78(2) proviso paragraph (b): amended, on 22 December 1980, by section 15(1) of the Building Societies Amendment Act 1980 (1980 No 92).

Section 78(2) proviso paragraph (c): inserted, on 22 December 1980, by section 15(2) of the Building Societies Amendment Act 1980 (1980 No 92).

79 Proxies

(1) Any member of a society entitled to attend and vote at a meeting of the society shall be entitled to appoint another person, whether a member or not, as his or her proxy to attend and, subject to subsection (2), to vote instead of him.

(2) Unless the society's rules otherwise provide, a proxy shall not be entitled to vote except on a poll.

(3) In every notice calling a meeting of a society there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, 1 or more proxies, to attend and vote instead of him, and that a proxy need not also be a member.

(4) If default is made in complying with subsection (3) in respect of any meeting, every officer of the society who is in default shall be guilty of an offence against this Act.

(5) Any provision in a society's rules shall be void so far as it would have the effect of requiring the instrument appointing a proxy, or any other document necessary to show the validity of or otherwise relating to the appointment of a proxy, to be received by the society or any other person more than 72 hours before a meeting or adjourned meeting in order that the appointment may be effective thereat.

(6) If for the purpose of any meeting of a society invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the society's expense to some only of the members entitled to be sent a notice of the meeting and to vote thereat by proxy, every officer of the company who knowingly and wilfully authorises or permits their issue as aforesaid shall be guilty of an offence against this Act:

provided that an officer shall not be liable under this subsection by reason only of the issue to a member at his or her request in writing of a form of appointment naming the proxy or of a list of persons willing to act as proxy if the form is available on request in writing to every member entitled to vote at the meeting by proxy.

(7) This section shall apply to meetings of any class of members of a society as it applies to general meetings of the society.

Compare: Building Societies Act 1962 s 67 (UK)

80 Right to demand a poll

(1) Any provision in a society's rules shall be void so far as it would have the effect either—

(a) of excluding the right to demand a poll, at a meeting of the society, on any question other than the election of a chairman of the meeting or the adjournment of the meeting; or

(b) of making ineffective a demand for a poll on any such question which is made by not less than 10 members having the right to vote at the meeting.

(2) The instrument appointing a proxy to vote at a meeting of a society shall be taken also to confer authority to demand or join in demanding a poll; and for the purposes of subsection (1) a demand by a person as proxy of a member shall be the same as a demand by the member.

Compare: Building Societies Act 1962 s 68 (UK)

81 Special resolutions

(1) A resolution of a society shall be a special resolution when it has been passed by not less than three-fourths of the number of the members of the society qualified to vote on a special resolution, and voting, in person or by proxy, on a poll on the resolution, at a meeting of the society of which notice specifying the intention to move the resolution as a special resolution has been duly given.

(2) The members qualified to vote on a special resolution at a meeting of the society shall be all the members aged 18 years or more who were also members at the end of the last financial year before the date of the meeting, except that, if the society's rules so provide, members who at the end of that financial year did not, or at the date of the meeting do not, hold shares in the society to a value of $200 or more shall not be qualified to vote.

(3) For the purposes of this section—

(a) notice of a meeting shall be taken to be duly given if the notice is given in the manner provided by this Act and by the society's rules:

(b) a meeting of a society shall be taken to be duly held if it is held in the manner provided by the society's rules.

(4) Notwithstanding anything in a society's rules, the business that may be dealt with at the annual general meeting, or at any other meeting, shall include any resolution to be passed as a special resolution.

(5) In any rules made by a society after the commencement of this Act, the expression **special resolution**, unless the context otherwise requires, means a special resolution as defined in this section.

Compare: Building Societies Act 1962 s 69 (UK)

Section 81(2): amended, on 1 September 1987, by section 16 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 81(2): amended, on 22 December 1980, by section 16(a) of the Building Societies Amendment Act 1980 (1980 No 92).

82 Notices of special resolutions

(1) If a member of a society gives notice in writing to the society of his or her intention to move a special resolution at a meeting of the society, the society shall include in the notice of the meeting a notice specifying the intention to move that resolution as a special resolution.

(2) If the member does not specify the meeting at which he or she intends to move the resolution, or if he or she specifies a meeting that will be held 56 days or less after the date of the receipt by the society of the member's notice, the society shall act on the footing that he or she intends to move the resolution at the first meeting held more than 56 days after that date.

(3) If a society fails to comply with subsection (1), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

(4) In this section, the expression **special resolution** means a resolution that will not be effective unless it is passed as a special resolution.

Compare: Building Societies Act 1962 s 70 (UK)

Directors and other officers

83 Directors

Every society shall have at least 2 directors.

84 Giving of security by officers of society

[Repealed]

Section 84: repealed, on 1 September 1987, by section 17 of the Building Societies Amendment Act 1987 (1987 No 175).

85 Duty of officers to account

[Repealed]

Section 85: repealed, on 1 September 1987, by section 18 of the Building Societies Amendment Act 1987 (1987 No 175).

86 Disclosure of interest by directors

(1) Subject to the provisions of this section, every director of a society who is in any way, directly or indirectly, interested in a contract or proposed contract with the society shall declare the nature of his or her interest to the board of directors in accordance with this section.

(2) In the case of a proposed contract, the declaration required by this section shall be made at the meeting of the directors at which the question of entering into the contract is taken into consideration or, if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he or she becomes interested in the proposed contract.

(3) Where the director becomes interested in a contract with the society after it is made, such declaration shall be made at the first meeting of the directors held after he or she becomes interested in the contract.

(4) For the purposes of this section, a general notice given by a director, at a meeting of the directors, to the effect that he or she is a member of a specified company or firm, and is to be regarded as interested in any contract that may

thereafter be made with that company or firm, shall be a sufficient declaration of interest in relation to any such contract.

(5) A declaration or notice under this section need not be made or given by the director in person at the meeting, if the director takes reasonable steps to ensure that it is brought up and read at the meeting.

(6) A director who fails to comply with the provisions of this section commits an offence against this Act.

(7) Nothing in this section shall prejudice the operation of any rule of law restricting directors of a society from having any interest in contracts with the society.

Compare: Building Societies Act 1962 s 73 (UK)

87 Officers not to accept commissions

(1) No director, manager, secretary, or other officer of a society shall, in addition to that person's remuneration as an officer of the society, accept from any other person any commission for or in connection with—

(a) any loan made by the society; or

(b) any policy of insurance effected through the society or issued by a person nominated or selected by the society.

(2) If any director or other officer contravenes any of the foregoing provisions of this section—

(a) that director or other officer commits an offence and shall be liable on conviction to imprisonment for a term not exceeding 6 months or to a fine not exceeding $100, or to both; and

(b) if, having been convicted of an offence against subsection (1), that director or other officer fails to pay to the society the amount or value of the commission referred to in that subsection, as and when directed to do so by the convicting court, that director or other officer commits a further offence and shall be liable on conviction to imprisonment for a term not exceeding 6 months or to a fine not exceeding $100, or to both.

(3) If any person pays to any director or other officer any commission to which this section applies, that person commits an offence and shall be liable on conviction to imprisonment for a term not exceeding 6 months or to a fine not exceeding $100, or to both.

(4) In this section, **commission** includes any gift, bonus, or benefit.

Section 87: replaced, on 1 September 1987, by section 19 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 87(2)(a): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 87(2)(b): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 87(3): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

88 Notice of changes in holding of certain offices

(1) If a person becomes, or ceases to be, a director or the manager or secretary of a society, the society must give notice of the change to the Registrar for registration within 1 month after the change.

(1A) The notice must state the full name and address of the person and details of the office that he or she has taken or relinquished.

(2) *[Repealed]*

(3) If a society fails to comply with this section, the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: Building Societies Act 1962 s 75 (UK)

Section 88(1): replaced, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 88(1A): inserted, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 88(2): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Office management

89 Office management

(1) Every society shall establish and maintain a system to ensure the safe custody of all mortgage instruments, deeds, and documents of title belonging to or held by the society.

(2) A society shall not be taken to have established a proper system under this section unless, under the system, on each occasion on which any such instrument, deed, or document of title is released from such safe custody, the consent is obtained of the board of directors or of a person authorised by the board to give such consent.

(3) If a director of a society—

(a) fails to take all reasonable steps to ensure compliance by the society with this section; or

(b) has by his or her own wilful act been the cause of any default by the society thereunder—

he commits an offence and shall be liable on conviction to imprisonment for a term not exceeding 6 months or to a fine not exceeding $400, or to both.

(4) It shall be a defence to a charge of an offence against paragraph (a) of subsection (3) to prove that the person charged had reasonable grounds to believe, and did believe, that a competent and reliable person was charged with the duty of seeing that the requirements of this section were complied with and was in a position to discharge that duty.

Compare: Building Societies Act 1962 ss 76(3)–(5), 79(1) (UK)

Section 89(3): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Accounting records and financial reporting

Heading: replaced, on 1 April 2014, by section 6 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

90 Accounting records must be kept

Every society must comply with subpart 2 of Part 7 of the Financial Markets Conduct Act 2013 (which relates to accounting records).

Section 90: replaced, on 1 April 2014, by section 6 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

91 Financial reporting

(1) Every society must comply with subpart 3 of Part 7 of the Financial Markets Conduct Act 2013 (which relates to the preparation, audit, and lodgement of financial statements).

(2) The directors of every society must ensure that the financial statements of the society are laid before the society at the annual general meeting.

Section 91: replaced, on 1 April 2014, by section 6 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

91A Summary financial statements

[Repealed]

Section 91A: repealed, on 1 April 2014, by section 6 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

92 Half-yearly financial statements must be prepared

(1) Every society must ensure that, within 3 months after the end of the first half of the financial year, financial statements that comply with generally accepted accounting practice are—

(a) completed in relation to the society and that first half of the financial year; and

(b) dated and signed on behalf of the society by 2 directors of the society.

(2) The financial statements referred to in subsection (1) must be—

(a) published in the manner, or distributed to the persons, that are prescribed; and

(b) audited by a qualified auditor if required by regulations made under this Act.

Section 92: replaced, on 1 April 2014, by section 6 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

93 Form and content of financial statements

[Repealed]

Section 93: repealed, on 1 April 2014, by section 6 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

94 Offences under sections 90 to 93

[Repealed]

Section 94: repealed, on 1 April 2014, by section 6 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

95 Directors' report

(1) The directors must prepare for submission at the annual general meeting a report on the state of the affairs of the society.

(2) The directors' report must be attached to the financial statements laid before that meeting.

(3) The directors of every society must ensure that every copy of the financial statements of the society referred to in section 91 that is issued, circulated, or published has attached to it, or is accompanied by,—

(a) a copy of the directors' report; and

(b) a copy of the auditor's report on those statements.

Section 95: replaced, on 1 April 2014, by section 7 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

96 Distribution of copies of financial statements and reports

(1) The directors of every society must ensure that a copy of the financial statements to be laid before the society at the annual general meeting, a copy of the auditor's report on those statements, and a copy of the directors' report are, not less than 14 days before the date of the meeting,—

(a) sent to each member of the society; or

(b) published in major daily newspapers circulating generally in those parts of New Zealand where members reside.

(2) The directors of every society must ensure that a copy of the directors' report is sent to the Registrar for registration within the time frame referred to in subsection (1).

(3) Subsection (1)(b) is subject to the society's rules and to any conditions or requirements that may be prescribed.

Section 96: replaced, on 1 April 2014, by section 7 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

97 Depositors and members entitled to be supplied with copy of financial statements

(1) Every depositor in or member of a society is entitled, on demand and without charge, to be supplied with copies of the last financial statements and reports of the society that are required to be laid before that society at the annual general meeting.

(2) The directors of the society must ensure that the depositor or member is sent copies of the financial statements and reports within 7 days after the demand is made.

(3) However, this section does not apply if the depositor in or member of the society—

(a) has previously been sent copies of the financial statements and reports; or

(b) has already demanded and received copies of the financial statements and reports under this section.

Section 97: replaced, on 1 April 2014, by section 7 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

97A Offences relating to laying financial statements before annual general meeting, half-yearly financial statements, directors' report, and distribution of financial statements

(1) If any of sections 91(2), 92, 95, 96, and 97 are not complied with, every director of the society commits an offence and is liable on conviction to a fine not exceeding $10,000.

(2) It is a defence to a director of a society charged with an offence under this section in respect of a requirement referred to in section 91(2), 92, 95, 96, or 97 if the director proves that—

(a) the society took all reasonable and proper steps to ensure that the requirement would be complied with; or

(b) the director took all reasonable steps to ensure that the requirement would be complied with; or

(c) in the circumstances, the director could not reasonably have been expected to take steps to ensure that the requirement would be complied with.

Section 97A: replaced, on 1 April 2014, by section 7 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

97B Election to receive summary financial statements

[Repealed]

Section 97B: repealed, on 1 April 2014, by section 7 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

98 Appointment of auditors

(1) Every society shall at each annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting.

(2) *[Repealed]*

(2A) *[Repealed]*

(3) At any annual general meeting a retiring auditor, however appointed, shall be reappointed without any resolution being passed unless—

(a) he is not qualified for reappointment; or

(b) a resolution has been passed at that meeting appointing somebody instead of him or her or providing expressly that he or she shall not be reappointed; or

(c) he has given to the society notice in writing of his or her unwillingness to be reappointed:

provided that where notice is given of an intended resolution to appoint some person or persons in place of a retiring auditor, and by reason of the death, incapacity, or disqualification of that person or of those persons, as the case may be, the resolution cannot be proceeded with, the retiring auditor shall not be automatically reappointed by virtue of this subsection.

(4) With respect to the first auditors of a society, the following provisions shall apply:

(a) they may be appointed by the directors at any time before the first annual general meeting; and, subject to paragraph (b), auditors so appointed shall hold office until the conclusion of that meeting:

(b) subject to section 99, the society may at a general meeting remove any auditors so appointed, and appoint in their place any other persons who have been nominated for appointment by any member of the society and of whose nomination notice has been given to the members of the society not less than 14 days before the date of the meeting:

(c) if the directors fail to exercise their powers under paragraph (a), the society in general meeting may appoint the first auditors, and thereupon the said powers of the directors shall cease.

(5) The directors may fill any casual vacancy in the office of auditor; but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

Compare: Building Societies Act 1962 s 84 (UK)

Section 98(2): repealed, on 1 April 2014, by section 8 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 98(2A): repealed, on 1 April 2014, by section 8 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

99 Resolutions as to appointment and removal of auditors

(1) A resolution at a society's annual general meeting—

(a) appointing as auditor a person other than a retiring auditor; or

(b) providing expressly that a retiring auditor shall not be reappointed—

shall not be effective unless notice of the intention to move it has been given to the society not less than 28 days before the meeting at which it is moved:

provided that if, after notice of the intention to move such a resolution has been given to the society, the annual general meeting is called for a date less than 28 days after the notice has been given, the notice, though not given within the time required by this subsection, shall be taken to have been so given.

(2) A society shall give to its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting, or, if that is not practicable, shall give them notice of the resolution, not less than 21 days before the meeting, either by advertisement in a newspaper having an appropriate circulation or in any other way allowed by the society's rules.

(3) On receipt by a society of notice given under subsection (1) of an intended resolution, the society shall forthwith send a copy of the notice to the retiring auditor (if any).

(4) Subject to subsection (5), where such a notice is given, and the retiring auditor makes representations in writing to the society (not exceeding a reasonable length) with respect to the intended resolution, and requests that those representations be notified to members of the society, the society shall, unless the representations are received too late for it to do so,—

(a) in any notice of the resolution given to members, state the fact of the representations having been made; and

(b) send a copy of the representations to every member to whom notice of the meeting is sent (whether before or after receipt of the representations by the society)—

and if a copy of the representations is not so sent either because they were received too late or because of the society's default, the auditor (without prejudice to his or her right to be heard orally) may require that they be read out at the meeting.

(5) Copies of any such representations need not be sent out, and they need not be read out at the meeting, if, on the application either of the society or of any other person who claims to be aggrieved, the High Court or a Judge thereof is satisfied that the rights conferred by this section are being abused to secure needless publicity for defamatory matter; and the court or Judge may order the society's costs on any such application to be paid in whole or in part by the auditor, notwithstanding that he or she is not a party to the application.

(6) Subsections (4) and (5) shall apply in relation to a resolution to remove the first auditors of a society, by virtue of subsection (4) of section 98, as they apply in relation to a resolution that a retiring auditor shall not be reappointed.

Compare: Building Societies Act 1962 s 85 (UK)

Section 99(5): amended, on 1 April 1980, pursuant to section 12 of the Judicature Amendment Act 1979 (1979 No 124).

100 Qualifications of auditors and access to information

(1) No person is qualified for appointment as auditor of a society unless he or she is a qualified auditor (within the meaning of section 35 of the Financial Reporting Act 2013).

(2) *See* sections 37 to 39 of the Financial Reporting Act 2013 (which provide for the appointment of a partnership and access to information in relation to a society).

Section 100: replaced, on 1 April 2014, by section 9 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

101 Auditors' report and right to attend meetings

(1) The auditors of a society shall make a report to the members on the financial statements laid before the society at the annual general meeting during their tenure of office.

(2) An auditor must, in carrying out an audit for the purposes of subsection (1) or section 92, comply with all applicable auditing and assurance standards.

(3) The auditor's report must comply with the requirements of all applicable auditing and assurance standards.

(4) *[Repealed]*

(4A) *[Repealed]*

(5) *[Repealed]*

(6) *[Repealed]*

(7) The auditors of a society shall be entitled—

(a) to attend any general meeting of the society, and to receive notices of and other communications relating to any general meeting which any member of the society is entitled to receive; and

(b) to be heard at any meeting which they attend on any part of the business of the meeting which concerns them as auditors.

Compare: Building Societies Act 1962 s 87 (UK)

Section 101 heading: amended, on 1 April 2014, by section 10(1) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 101(1): replaced, on 1 September 1987, by section 21 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 101(1): amended, on 1 April 2014, by section 10(2) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 101(2): replaced, on 1 April 2014, by section 10(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 101(3): replaced, on 1 April 2014, by section 10(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 101(4): repealed, on 1 April 2014, by section 10(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 101(4A): repealed, on 1 April 2014, by section 10(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 101(5): repealed, on 1 April 2014, by section 10(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 101(6): repealed, on 1 April 2014, by section 10(3) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

102 Accounts of groups in terminating society

[Repealed]

Section 102: repealed, on 1 April 2014, by section 11 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Annual return

103 Duty to make annual return

(1) Every society must, within 4 months of its balance date (within the meaning of section 41 of the Financial Reporting Act 2013), send to the Registrar for registration a return relating to its affairs for the previous financial year:

provided that a society need not make a return under this subsection in the financial year in which it is incorporated.

(2) The annual return shall contain such information and be in such form as may be prescribed.

(2A) The annual return must be signed by—

(a) the manager or secretary of the society; and

(b) a second person who is authorised to sign by the directors of the society and who is any of the following:

(i) a director of the society:

(ii) a qualified statutory accountant (as defined in section 5(1) of the Financial Reporting Act 2013):

(iii) a lawyer (as defined in section 6 of the Lawyers and Conveyancers Act 2006).

(3) *[Repealed]*

(4) If a society fails to comply with any of the provisions of this section or of any regulations made for the purposes thereof, the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: 1908 No 18 ss 44, 45; Building Societies Act 1962 s 88(1)–(3), (5), (6) (UK)

Section 103(1): amended, on 30 March 2025, by section 29 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 103(1): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 103(2): amended, on 30 May 2017, by section 5(1) of the Regulatory Systems (Commercial Matters) Amendment Act 2017 (2017 No 12).

Section 103(2A): inserted, on 30 May 2017, by section 5(2) of the Regulatory Systems (Commercial Matters) Amendment Act 2017 (2017 No 12).

Section 103(3): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

104 Annual return to disclose loans or other investments to certain officers or companies

[Repealed]

Section 104: repealed, on 30 May 2017, by section 6 of the Regulatory Systems (Commercial Matters) Amendment Act 2017 (2017 No 12).

105 Additional annual return of certain transactions

[Repealed]

Section 105: repealed, on 1 September 1987, by section 24 of the Building Societies Amendment Act 1987 (1987 No 175).

106 Auditors' report on annual return

(1) The auditors of a society shall make a report on the annual return, and that report shall be annexed to the annual return made to the Registrar.

(2) Without limiting the power to make regulations under section 137, any such regulations may provide that the auditors of a society shall not be required, in their report on the annual return, to deal with such of the matters to be contained in the annual return as may be prescribed.

(3) The auditors' report on the annual return shall, without prejudice to any provision of this Act requiring any other information to be contained therein, contain statements as to the following matters:

(a) whether in their opinion the annual return is properly drawn up in accordance with this Act and any regulations made thereunder:

(b) whether the annual return gives a true and fair view of the matters to which it is to be addressed, other than those with which the auditors, by virtue of regulations made under this Act, are not required to deal:

(c) whether the annual return is in agreement with the accounting and other records of the society.

Compare: 1908 No 18 s 44(2); Building Societies Act 1962 s 91 (UK)

Section 106(3)(c): amended, on 1 April 2014, by section 12 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Liability of officers

107 Officers and auditors not to be exempted from liability

(1) This section applies to any provision for—

(a) exempting any director or other officer of a society from any liability which, by virtue of any rule of law, would otherwise attach to him or her in respect of any negligence, default, breach of duty, or breach of trust of which he or she may be guilty in relation to the society; or

(b) indemnifying any such director or officer against any such liability.

(2) Subject to the provisions of this section, any provision to which this section applies, whether the provision is in a society's rules or in any contract with a society or otherwise, shall be void.

(3) In respect of anything done at any time before the expiry of a period of 6 months from the commencement of this Act, nothing in subsection (2) shall deprive any person of any exemption or right to be indemnified by virtue of any such provision, if that provision was in force at the commencement of this Act.

(4) This section shall not prevent a society from indemnifying a person against any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted.

(5) Section 468 of the Companies Act 1955 (which empowers the court to grant relief in certain cases of negligence, default, breach of duty, or breach of trust) shall apply (as if that section were still in force) in relation to directors and other officers of a society as it applied in relation to officers of a company.

Compare: Building Societies Act 1962 ss 92, 130, Eighth Schedule (para 10) (UK)

Section 107(5): amended, on 5 December 2013, by section 14 of the Companies Amendment Act 2013 (2013 No 111).

Determination of disputes

108 General provisions as to disputes

(1) This section applies to any dispute between a society and a member thereof, or a representative of a member, in his or her capacity as a member, in respect of any matter except the construction or effect of—

(a) a mortgage instrument; or

(b) any other contract contained in any document other than the society's rules.

(2) Sections 109 to 112 shall have effect in respect of disputes to which this section applies, but, except so far as a society's rules otherwise expressly provide, shall not have effect in respect of any other dispute.

(3) Where the provisions of those sections have effect, and in accordance therewith a dispute is to be determined by arbitration, no court shall have jurisdiction to determine it except so far as those provisions confer jurisdiction in that behalf.

(4) Nothing in those sections shall prevent a society or any member thereof, or any person claiming through or under a member, from obtaining in the ordinary course of law any remedy in respect of any mortgage or in respect of any other contract, other than the society's rules, to which he or she or the society would otherwise be entitled by law.

(5) Any reference in a society's rules to disputes shall, except so far as the rules otherwise expressly provide, be construed as referring, and as referring only, to disputes to which this section applies.

Compare: 1908 No 18 s 2(2); Building Societies Act 1962 s 93 (UK)

Section 108(3): amended, on 27 November 1970, by section 8(2)(b) of the Building Societies Amendment Act 1970 (1970 No 117).

109 Determination of disputes by arbitration

(1) This section shall have effect where a society's rules direct that disputes shall be referred to arbitration.

(2) Every such reference to arbitration shall be—

(a) to a sole arbitrator agreed on by the parties to the dispute; or

(b) if the parties do not agree on a sole arbitrator, to 2 arbitrators, one to be appointed by each party to the dispute, with power to the 2 arbitrators to appoint an umpire.

(3) No such arbitrator or umpire shall be beneficially interested, whether directly or indirectly, in the funds of the society.

(4) The Registrar shall not be eligible for appointment under this section as a sole arbitrator, or as one of 2 arbitrators or as an umpire.

(5) For the purposes of any such arbitration, this section shall be deemed to be a submission within the meaning of the Arbitration Act 1908, and the provisions of that Act, so far as they are applicable, shall apply accordingly.

Section 109: replaced, on 27 November 1970, by section 7(1) of the Building Societies Amendment Act 1970 (1970 No 117).

Section 109(4): replaced, on 1 September 1987, by section 25 of the Building Societies Amendment Act 1987 (1987 No 175).

110 Determination of disputes by Registrar

[Repealed]

Section 110: repealed, on 27 November 1970, by section 8(1) of the Building Societies Amendment Act 1970 (1970 No 117).

111 Determination of disputes by court

The court may hear and determine a dispute in any case where—

(a) the society's rules direct that disputes shall be referred to the court or to Justices; or

(b) it appears to the court, on the application of any person concerned, that either party to the dispute has applied to the other party for the purpose of having the dispute settled by arbitration under the society's rules, and that either the last-mentioned application has not been complied with within 40 days or the arbitrators have refused, or have neglected for a period of 21 days, to make an award.

Compare: 1908 No 18 s 39; Building Societies Act 1962 s 96 (UK)

112 Effect of determination

Subject to section 113, every determination of a dispute by arbitrators, or by the court, shall be final and conclusive and binding on all parties, and shall not be subject to appeal; and no proceedings on or determination of a dispute, whether referred to arbitrators, or the court, shall be removed into or restrained by injunction granted by any court.

Compare: 1908 No 18 s 40(1); Building Societies Act 1962 s 97 (UK)

Section 112: amended, on 27 November 1970, by section 8(2)(c) of the Building Societies Amendment Act 1970 (1970 No 117).

113 Statement of case for High Court

(1) At the request of either party to the dispute, the arbitrators, or the District Court Judge where the District Court is hearing the dispute, may state a case for the opinion of the High Court on any question of law.

(2) Clause 4 of Schedule 2 of the Arbitration Act 1996 shall not apply to any dispute that is so referred.

Compare: 1908 No 18 s 40(1); Building Societies Act 1962 s 98 (UK)

Section 113 heading: amended, on 1 April 1980, pursuant to section 12 of the Judicature Amendment Act 1979 (1979 No 124).

Section 113(1): amended, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49).

Section 113(1): amended, on 1 April 1980, pursuant to section 12 of the Judicature Amendment Act 1979 (1979 No 124).

Section 113(1): amended, on 27 November 1970, by section 8(2)(d) of the Building Societies Amendment Act 1970 (1970 No 117).

Section 113(2): replaced, on 1 July 1997, by section 17 of the Arbitration Act 1996 (1996 No 99).

Part 7A
Conversion to company

Part 7A: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113A Building society may approve scheme for conversion of society into company under Companies Act 1993

(1) A society may, by special resolution, approve a scheme for conversion of the society into a company having limited liability under the Companies Act 1993.

(2) Every scheme shall—

(a) state the name of the proposed company:

(b) state the number of shares of the proposed company:

(c) have annexed to it the constitution of the proposed company, if it is proposed to have one:

(d) specify the persons or classes of persons who will be shareholders of the proposed company:

(e) specify, in the case of persons or classes of persons who are members of the society and who will be shareholders of the proposed company, by reference to the interests of those persons or classes of persons in the capital of the society, the entitlements of those persons or classes of persons to shares in the proposed company:

(f) specify, in the case of persons or classes of persons who are members of the society and who will not be shareholders of the proposed company, the rights and liabilities of such persons or classes of persons:

(g) contain such other matters as the society thinks appropriate.

(3) A society that has passed a special resolution approving a scheme for the conversion of the society into a company pursuant to this section shall, within 14 days after the date on which the resolution was passed, file a notice, stating that such a resolution has been passed, and specifying the terms thereof, with the Registrar.

(4) Before a special resolution is passed pursuant to subsection (1) a notice complying with the provisions of subsection (5) shall be sent to every member qualified to vote on the special resolution together with the notice of meeting required by section 78 to be sent to each such member.

(5) Every notice required for the purposes of subsection (4) shall—

(a) summarise, in sufficient detail to enable the members of the society to properly determine how to vote on the resolution, the matters required to be referred to in, and the contents of any documents required to be annexed to, the scheme for conversion as specified in subsection (2):

(b) specify any proposed change in the principal activities of the society:

(c) specify the names of the persons who will be the directors of the proposed company:

(d) state whether any financial benefits are to be conferred as a consequence of the scheme on any director of the society or the proposed company:

(e) state whether it is intended that the proposed company will, within 6 months of the conversion date, issue any shares in the proposed company other than in accordance with the scheme for conversion:

(f) state that a copy of the scheme for conversion is available for inspection by any member at every place of business of the society at any time during normal business hours.

(6) No scheme for conversion including a statement purporting to be made by an expert, and no document relating to a scheme for conversion including a statement purporting to be made by an expert, shall be sent to, or made available for inspection by, any person for the purposes of this section, unless—

(a) the expert has given and has not, before the date on which the scheme for conversion or other document, as the case may be, is sent to, or made available for inspection by, any person, withdrawn his or her written consent to distribution of the scheme or other document with the statement included in the form and context in which it is included; and

(b) a statement that the expert has given and has not withdrawn his or her consent appears in the scheme or other document, as the case may be; and

(c) a statement of the expert's qualifications appears in the scheme or other document, as the case may be; and

(d) a statement which appears in the scheme or other document, as the case may be, states whether or not the expert is or is intended to be a director, officer, or employee of, or professional adviser to, the society or the proposed company; and

(e) the statement was made not earlier than 4 months before the scheme or other document, as the case may be, was sent to, or made available for inspection by, any person for the purposes of this section.

(7) For the purposes of subsection (6), **expert** means any person who holds himself or herself out to be of a profession or calling that gives authority to a statement made by him or her; and includes an accountant or valuer; but does not include a person acting in his or her capacity as an auditor or as a director or officer of a society.

Section 113A: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113A heading: amended, on 1 July 1994, by section 2 of the Building Societies Amendment Act 1993 (1993 No 111).

Section 113A(1): replaced, on 1 July 1994, by section 2 of the Building Societies Amendment Act 1993 (1993 No 111).

Section 113A(2): replaced, on 1 July 1994, by section 2 of the Building Societies Amendment Act 1993 (1993 No 111).

113B Cancellation of approval of scheme for conversion by High Court

(1) An application for the cancellation of the approval, by special resolution passed under section 113A, of a scheme for conversion of a society into a company may be made to the High Court—

(a) by persons—

(i) who together comprise not less than one-tenth of the whole number of members of the society who were qualified to vote on the special resolution of the society to approve the scheme for conversion; and

(ii) who all voted, by person or by proxy, against that resolution; or

(b) with the leave of the court,—

(i) by any member of the society; or

(ii) by any creditor of the society.

(2) An application under subsection (1) shall be made within 21 days after the date on which the notice that a special resolution has been passed by the society is filed with the Registrar in accordance with section 113A(3).

(3) An application under subsection (1) may be made on behalf of 1 or more of the persons entitled to make the application by such 1 or more of their number as may be appointed in writing for the purpose.

(4) A copy of every application made under subsection (1) shall be filed with the Registrar within 21 days after the date on which the notice that a special resolution has been passed by the society is filed with the Registrar in accordance with section 113A(3).

(5) On an application under subsection (1), the court may—

(a) make an order confirming or cancelling the approval of the scheme for the conversion of the society into a company either wholly or in part, and on such terms and conditions as it thinks fit:

(b) adjourn the proceedings in order that an arrangement may be made, to the satisfaction of the court, for the purchase of the interests of dissentient members:

(c) give such directions and make such orders as it thinks fit for facilitating or carrying into effect any such arrangement.

(6) In exercising its powers under subsection (5), the court—

(a) shall have regard to the rights and interests of the members of the society, or any class of them; and

(b) may also have regard to any other matter that it thinks fit.

(7) Except by special leave of the court by whom the judgment or order appealed from was made, or by special leave of the Court of Appeal, no appeal from any judgment or order made under subsection (5) shall be brought after the expiration of 30 days from the time the decision of the court is given.

Section 113B: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113C Special resolution approving scheme for conversion to be registered by Registrar of Building Societies

(1) A copy of a special resolution passed by a society pursuant to section 113A to approve a scheme for the conversion of the society into a company shall not be delivered to the Registrar for registration pursuant to this section before the expiration of the latest of the following:

(a) 21 days after the date on which the notice that a special resolution has been passed has been filed with the Registrar pursuant to section 113A(3); or

(b) if an application to the court has been made under section 113B, the date the application is determined by the court; or

(c) if there is an appeal against that determination, the date the appeal is finally determined.

(2) A copy of the special resolution together with a copy of the scheme for conversion shall, if an application under section 113B has not been made to the court, be delivered to the Registrar by the society within 14 days after the expiration of the period of 21 days referred to in subsection (1)(a).

(3) If an application has been made to the court under section 113B, a copy of the special resolution, together with a sealed copy of the order of the court confirming the approval of the scheme for conversion, and a copy of the scheme for conversion, shall be delivered to the Registrar by the later of the following:

(a) 30 days after the date the application is determined by the court; or

(b) if there is an appeal against that determination, 30 days after the date that appeal is finally determined.

(4) The Registrar, on being satisfied that the requirements of section 113A have been complied with, shall retain and register the documents delivered in accordance with subsection (2) or subsection (3), as the case may be, and shall certify the registration, which shall be conclusive evidence that the requirements of this section and section 113A have been complied with.

(5) If a society makes default in delivering to the Registrar any document required by this section to be delivered to the Registrar, the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Section 113C: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113C(4): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

113D Registrar of Companies to register society as company on receipt of certain documents

(1) As soon as reasonably practicable after the registration, pursuant to section 113C(4), of a copy of the special resolution approving the scheme for the conversion of the society into a company, the society shall deliver to the Registrar of Companies the following documents and fee:

(a) a copy of the special resolution certified under the hand of the Registrar of Building Societies as having been registered under section 113C(4):

(b) the constitution of the proposed company, if it is proposed to have one, annexed to the scheme approved by the society:

(c) confirmation from the Registrar of Companies that the name of the proposed company has been reserved pursuant to section 22 of the Companies Act 1993:

(d) the address of the registered office and the address for service of the proposed company:

(e) the written consents to act as directors as required by section 152 of the Companies Act 1993 of all persons to be appointed directors of the proposed company:

(f) the certificate of incorporation of the society issued under this Act:

(g) such fee as is payable for the registration of the company.

(2) The Registrar of Companies, on being satisfied that the documents delivered under subsection (1) are in accordance with that subsection, shall retain and register them and issue a certificate of incorporation for the company.

(3) The certificate of incorporation shall be conclusive evidence that the requirements of this section have been complied with and that the society was, on the date shown in the certificate, duly registered as a company under the Companies Act 1993.

(4) From the commencement of the date shown in the certificate of incorporation, the society shall cease to be incorporated under this Act and shall be a company incorporated under Part 2 of the Companies Act 1993 and that Act shall apply to it accordingly.

(5) The Registrar shall forthwith publish notice of the registration of the society as a company pursuant to this section in the *Gazette*.

(6) Upon the registration of a society as a company,—

(a) all persons who are to be shareholders of the company in accordance with the terms of the scheme for conversion shall be shareholders in the company; and

(b) the shares in the company to which all such persons are entitled in accordance with the scheme for conversion shall be deemed to be issued to such persons; and

(c) an entry shall be made in the share register of the company in respect of each such person showing—

(i) the name of that person:

(ii) the address of that person to which notices and other documents are to be sent:

(iii) the class of share and the number of the shares in the company to be held by that person calculated in accordance with the terms of the scheme for conversion.

(7) Where any shares are, pursuant to subsection (6), deemed to have been issued to shareholders of the company, the company shall, as soon as practicable, deliver to the Registrar of Companies—

(a) a list, verified by the statutory declaration of a director, showing—

(i) the number of shares issued:

(ii) the names, addresses, and descriptions of the shareholders:

(iii) the amount credited as paid up on each share issued:

(iv) the consideration for which the shares were issued:

(b) a statutory declaration by a director of the company to the effect that the consideration provided is not less than the amount by which the shares have been paid up otherwise than in cash and describing the consideration for the issue of the shares (or, where the effect of the issue of the shares is to satisfy the whole or part of a liability of the company, for the liability) in sufficient detail to identify it and stating an estimate of its value and how that value was assessed.

(8) Notwithstanding anything contained in subsection (7)(a) of this section or section 87 of the Companies Act 1993, no company into which a society has become converted pursuant to this Part shall be required—

(a) to show on the list required to be delivered to the Registrar of Companies by subsection (7)(a); or

(b) to enter in its share register—

the description of any person who immediately before the conversion date was a member of the society if the register of members of the society did not contain a description of that person.

Section 113D: replaced, on 1 July 1994, by section 3 of the Building Societies Amendment Act 1993 (1993 No 111).

113E Consequential provisions on conversion of society

(1) Where any society becomes converted into a company pursuant to this Part, the undertaking of the society shall, on the conversion date, vest in the company by virtue of this Act.

(2) For the purposes of subsection (1), **undertaking**, in relation to any society, means the property, rights, and liabilities of that society.

(3) Without limiting the generality of subsection (1), the following provisions shall have effect in respect of any society that becomes converted into a company pursuant to this Part on and after the conversion date:

(a) a reference (express or implied) to the society in any instrument made, given, passed, or executed before the conversion date shall be read and construed as a reference to the company:

(b) except as provided in section 113F, 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 society (whether alone or with any other person) before the conversion date and subsisting immediately before the conversion date shall, to the extent that they were previously binding on and enforceable by, against, or in favour of the society, 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 society, 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:

(c) an instruction, order, direction, mandate, or authority given to the society and subsisting immediately before the conversion date shall be deemed to have been given to the company:

(d) a security held by the society as security for a debt or other liability to the society incurred before the conversion date 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 conversion date; 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 society would have been entitled or subject if the society had not become converted into a company:

(e) all the rights and liabilities of the society as bailor or bailee of documents or chattels shall be vested in and assumed by the company:

(f) a negotiable instrument or order for payment of money which before the conversion date is drawn on or given to or accepted or endorsed by the society or payable at a place of business of the society shall, unless

the context otherwise requires, have the same effect on and after the conversion date as if it had been drawn on or given to or accepted or endorsed by the company instead of the society or was payable at the place of business of the company:

(g) nothing effected or authorised by this Part—

(i) shall be regarded as placing the society, 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

(ii) 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

(iii) shall be regarded as placing the society, 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

(iv) shall release any surety wholly or in part from any obligation; or

(v) shall invalidate or discharge any contract or security:

(h) any action, arbitration or proceedings, or cause of action which immediately before the conversion date is pending or existing by, against, or in favour of the society or to which the society 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.

Section 113E: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113F Enforceability of rights and liabilities altered by or arising under scheme for conversion

(1) Where a scheme for conversion approved under section 113A provides for the conversion or alteration of the rights or liabilities of any person that were subsisting immediately before the conversion date those rights and liabilities shall, notwithstanding section 113E, cease to be enforceable by, against, or in favour of the company on or after the conversion date except in accordance with that scheme.

(2) Where a scheme for conversion approved under section 113A provides for any rights or liabilities to arise immediately after the conversion date those rights and liabilities shall be enforceable by, against, or in favour of the company on and after the conversion date.

Section 113F: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113G Liability of members of company

No shares in the capital of a company into which a society has become converted pursuant to this Part that are issued in respect of shares held by a person as a member of the society shall require a contribution from that person to the assets of the company in the event of the company being put into liquidation that exceeds the amount undertaken to be contributed by that person in respect of that person's shares in the capital of the society to the assets of the society in the event of the society being dissolved.

Section 113G: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113G: amended, on 1 July 1994, by section 4 of the Building Societies Amendment Act 1993 (1993 No 111).

113H Prohibition on issue of terminating or bonus balloting shares in company to which society converts

(1) No shares shall be issued in the capital of a company into which a society has become converted pursuant to this Part that—

(a) are to terminate at the end of given periods or on the attainment of specified results; or

(b) entitle the holder to participate in a ballot for the purpose of ascertaining which of the holders of such shares are entitled to receive any prizes arising in respect of those shares.

(2) Nothing in subsection (1) prevents a company into which a society has become converted from issuing any shares that a company incorporated under the Companies Act 1993 is authorised or permitted to issue.

Section 113H: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113H(2): replaced, on 5 December 2013, by section 14 of the Companies Amendment Act 2013 (2013 No 111).

113I Preservation of rights of terminating shareholders

(1) Subject to subsection (3), and notwithstanding anything to the contrary contained in any scheme for conversion in relation to a society, every person who, immediately before the conversion date, was a holder of 1 or more shares in a society which becomes converted into a company pursuant to this Part, being a share or shares that was or were to terminate at the end of a given period or on the attainment of a specified result, shall be issued with debt securities of the company into which the society becomes converted corresponding in value to, and, subject to subsection (2), carrying the same rights and liabilities as, the shares of that class held by that person in the capital of the society.

(2) No debt securities issued pursuant to subsection (1) shall confer on the holder of those securities—

(a) any right to vote at any meeting of the company:

(b) any right to receive notice of any meeting of the company:

(c) any right to appoint any director of the company:

(d) any other rights ordinarily only conferred on shareholders of a company.

(3) Subsection (1) shall not apply to any person—

(a) who has received a notice that complies with subsection (4); and

(b) who has consented in writing to the conversion of that person's shares into any interest other than those specified in subsection (1).

(4) Every notice referred to in subsection (3) shall inform the person to whom it is addressed, in sufficient detail as to enable that person to make an informed assessment as to the nature of the interests into which his or her shares may be converted,—

(a) of that person's entitlement under subsection (1):

(b) of the nature of the interest into which that person's shares may be converted if that person so consents.

Section 113I: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113I(1): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 113I(2): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 113I(2)(a): amended, on 1 July 1994, by section 6 of the Building Societies Amendment Act 1993 (1993 No 111).

Section 113I(2)(b): amended, on 1 July 1994, by section 6 of the Building Societies Amendment Act 1993 (1993 No 111).

113J Terms and conditions of bonus balloting securities not to be substantially different from terms and conditions of bonus balloting shares

(1) Subject to subsection (2), where a scheme for conversion of any society that is to become converted into a company pursuant to this Part provides for the conversion into debt securities of any bonus balloting shares issued by the society, the terms and conditions of those debt securities shall not be substantially different from the terms and conditions of those bonus balloting shares.

(2) Nothing in subsection (1) shall require the issue of any debt securities which confer on the holder of those securities—

(a) any right to vote at any meeting of the company:

(b) any right to receive notice of any meeting of the company:

(c) any right to appoint any director of the company:

(d) any other rights ordinarily only conferred on shareholders of a company.

(3) Subsection (1) shall not apply to any person—

(a) who has received a notice that complies with subsection (4); and

(b) who has consented in writing to the conversion of that person's shares into any debt securities the terms and conditions of which are substantially different from the terms and conditions of that person's bonus balloting shares.

(4) Every notice referred to in subsection (3) shall inform the person to whom it is addressed, in sufficient detail as to enable that person to make an informed assessment as to the nature of the interests into which his or her shares may be converted,—

(a) of that person's entitlement under subsection (1):

(b) of the nature of the interest into which that person's shares may be converted if that person so consents.

Section 113J: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113J(1): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 113J(2): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 113J(2)(a): amended, on 1 July 1994, by section 7 of the Building Societies Amendment Act 1993 (1993 No 111).

Section 113J(2)(b): amended, on 1 July 1994, by section 7 of the Building Societies Amendment Act 1993 (1993 No 111).

Section 113J(3)(b): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

113K Employees

Notwithstanding any other provision of this Act, the following provisions shall have effect in respect of any society that becomes converted into a company pursuant to this Part on and after the conversion date—

(a) on the conversion date each employee of the society shall become an employee of the company but, for the purposes of every enactment, law, award, determination, contract, and agreement relating to the employment of each such employee, the contract of employment of that employee shall be deemed to have been unbroken and the period of service with the society shall be deemed to have been a period of service with the company:

(b) the terms and conditions of employment of each such employee shall, until varied, be identical with the terms and conditions of that employee's employment with the society immediately before the conversion date and be capable of variation in the same manner:

(c) no such employee shall be entitled to receive any payment or other benefit by reason only of that employee ceasing to be an employee of the society by virtue of the society becoming converted into a company under this Part.

Section 113K: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113L Application of Gambling Act 2003 to company ballots

(1) The Gambling Act 2003 shall not apply to any ballot which is conducted at any time before the expiry of 3 years from the conversion date by a company into which a society has become converted pursuant to this Part for the purpose of determining the entitlement for prizes of any person who, immediately before the conversion date, was a holder of any bonus balloting share in the capital of the society and which is conducted in accordance with any regulations relating to bonus ballots made under this Act.

(2) The Gambling Act 2003 shall not apply to any ballot which is conducted by a company into which a society has become converted pursuant to this Part for the purpose of determining the entitlement for loans of any person who, immediately before the conversion date, was a holder of any share in the society of a group that was to terminate at the end of a given period or on the attainment of specified results.

Section 113L: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113L heading: amended, on 1 July 2004, by section 374 of the Gambling Act 2003 (2003 No 51).

Section 113L(1): amended, on 1 July 2004, by section 374 of the Gambling Act 2003 (2003 No 51).

Section 113L(2): amended, on 1 July 2004, by section 374 of the Gambling Act 2003 (2003 No 51).

113M Prohibition on opening of new bonus balloting accounts after conversion date

No company into which a society has become converted pursuant to this Part shall permit any person to open an account with the company to which a number is given that is drawn in any ballot conducted for the purpose of determining entitlements for prizes.

Section 113M: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113N Retention of trustee investment status for 5 years from conversion

[Repealed]

Section 113N: repealed, on 1 October 1988, by section 16(1) of the Trustee Amendment Act 1988 (1988 No 119).

113O Retention of approved status for accepting deposits in home ownership or farm ownership accounts

Where a society becomes converted into a company pursuant to this Part and that society was, immediately before the conversion date, a society approved by Order in Council made under section 56D, or deemed to be so approved, as a society that may accept deposits from its members in home ownership accounts or farm ownership accounts, the company into which the society

has become converted shall be deemed to be an approved society that may accept deposits from its members or from any other person in home ownership accounts or farm ownership accounts, and the provisions of this Act and any regulations made under this Act relating to the approval of societies as societies that may accept deposits in home ownership or farm ownership accounts, and the operation of such accounts, shall apply to that company in all respects as if it were a society.

Section 113O: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113P Prohibition of bonus ballots after expiry of 3 years from conversion date

(1) No company into which a society has become converted in accordance with this Part, and no person acting on behalf of any such company, shall, at any time after the expiry of 3 years from the conversion date, conduct any ballot for the purpose of ascertaining the entitlement of any person to receive prizes.

(2) Every company that, at any time after its conversion from a society pursuant to this Part, is under a liability to any person to hold ballots for the purpose of ascertaining the entitlement of any person to receive prizes shall, before the expiry of 3 years from the conversion date, except to the extent that such liabilities may have been otherwise discharged, discharge those liabilities in accordance with regulations made under section 113Q.

(3) Every company, and every person acting on behalf of a company, commits an offence and is liable on conviction to a fine not exceeding $1,000 who—

(a) conducts any ballot in contravention of subsection (1); or

(b) fails to comply with the provisions of subsection (2).

Section 113P: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113P(3): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

113Q Regulations for purposes of this Part

The Governor-General may from time to time, by Order in Council, make regulations under section 137 for all or any of the following purposes:

(a) prescribing the procedure to be followed by a society for the purpose of becoming converted into a company pursuant to this Part:

(b) regulating ballots conducted by any company into which a society has become converted pursuant to this Part:

(c) providing for the maintenance of any fund or funds by any such company for the purpose of discharging the liabilities (whether existing, future, vested, or contingent) of any such company to any person interested in any ballots conducted by the company for the purpose of determining entitlements to prizes or loans:

(d) prescribing the procedure to be followed for the purpose of—

(i) discharging any liabilities to persons interested in ballots conducted by the company:

(ii) disposing of any funds required to be maintained by the company in accordance with regulations made under paragraph (c):

(e) prescribing offences in respect of the contravention of or non-compliance with any regulations made under this section and prescribing fines, not exceeding $1,000 in any case, in respect of any such offences:

(f) providing for such other matters as are contemplated by or necessary for giving full effect to the provisions of this Part.

Section 113Q: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

113R Taxes and duties

For the purposes of the Acts of Parliament specified in the Schedule of the Tax Administration Act 1994, and any other enactment that imposes or provides for the collection of a tax, duty, levy, rate, or other charge—

(a) any society that has become converted into a company and the company into which the society has become converted shall be deemed to be the same person; and

(b) all transactions entered into by, and acts of, the society before the conversion date 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 society.

Section 113R: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113R: amended, on 1 April 1995 (applying with respect to the tax on income derived in the 1995–96 and subsequent income years), by section YB 1 of the Income Tax Act 1994 (1994 No 164).

113S Registers

(1) The Registrar-General of Land, the Registrar of Deeds, or any other person charged with the keeping of any books or registers is not obliged solely by reason of the foregoing provisions of this Part to change the name of a society to that of a 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 conversion date by the society; and

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

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

(3) No fee shall be payable to the Registrar-General of Land under the Land Transfer Act 2017 or any regulations made under that Act for any act, matter, or thing in respect of which a fee is prescribed if the act or thing is done or the matter arises—

(a) solely by reason of the change of name of a society to that of a company pursuant to this Part; and

(b) other than at the request of the society or the company into which the society has become converted.

Section 113S: inserted, on 1 September 1987, by section 26 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 113S(1): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Section 113S(3): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Part 8
Dissolution and winding up

114 Dissolution in accordance with rules

A society may be dissolved in the manner prescribed by its rules.

Compare: 1908 No 18 s 33(1)(b); Building Societies Act 1962 s 99 (UK)

115 Dissolution by consent

(1) A society may be dissolved by an instrument of dissolution, with the consent of three-fourths of the members, holding not less than two-thirds of the number of shares in the society, testified by their signatures to the instrument of dissolution.

(2) The instrument of dissolution shall set out—

(a) the liabilities and assets of the society, in detail:

(b) the number of members, and the amount standing to their credit in the society's books:

(c) the claims of depositors and other creditors, and the provision to be made for their payment:

(d) the intended appropriation or division of the funds and property of the society:

(e) the names of 1 or more persons to be appointed as trustees for the purposes of the dissolution, and their remuneration.

(3) Alterations in the instrument of dissolution may be made with the like consent, testified in the same manner.

(4) The instrument of dissolution, and all alterations therein, shall be registered in the manner provided by this Act for the registration of rules, and shall be binding on all the members of the society.

Compare: 1908 No 18 s 33(1)(c); Building Societies Act 1962 s 100 (UK)

116 Provisions as to dissolution under last 2 preceding sections

(1) The provisions of this section shall have effect in relation to the dissolution of a society under section 114 or section 115.

(2) The provisions of this Act shall continue to apply in relation to the society as if the liquidators or other persons conducting its dissolution, or, as the case may be, the trustees appointed under the instrument of dissolution, were the board of directors of the society.

(3) Such liquidators, trustees, or other persons as aforesaid shall, within 28 days from the termination of the dissolution, send to the Registrar for registration an account and statement of financial position signed and certified by them as correct, and showing the assets and liabilities of the society at the commencement of the dissolution and the way in which those assets and liabilities have been applied and discharged; and if they fail to do so each of them shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10 for every day during which the default has continued.

(4) *[Repealed]*

(5) Except with the consent of the Registrar—

(a) no resolution, instrument of dissolution, or other proceeding for the dissolution of a society; and

(b) no alteration of an instrument of dissolution—

shall be of any effect if the purpose of the proposed dissolution is to effect or facilitate the transfer of the society's engagements to any other society.

(6) Any provision in a resolution or document that members of a society proposed to be dissolved shall accept investments in another society, whether in shares, deposits, or any other form, in or towards satisfaction of their rights in the dissolution shall be conclusive evidence of such a purpose as is mentioned in subsection (5).

Compare: Building Societies Act 1962 s 102 (UK)

Section 116(3): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 116(3): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 116(3): amended, on 1 October 1997, pursuant to section 6(1) of the Financial Reporting Amendment Act 1997 (1997 No 17).

Section 116(4): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

117 Dissolution on award of Registrar

[Repealed]

Section 117: repealed, on 1 September 1987, by section 27 of the Building Societies Amendment Act 1987 (1987 No 175).

118 Dissolution by appointment of liquidator

(1) Nothing in the foregoing provisions of this Part limits or affects this section or any other enactment that provides for the dissolution or liquidation of societies.

(2) A society may be put into liquidation by the appointment by the court as liquidator of a named person or an Official Assignee for a named district.

(3) An application for the appointment of a liquidator under subsection (2) may be made by—

(a) a member authorised by special resolution to make the application:

(b) a judgment creditor for a sum exceeding $100:

(c) the FMA in the exercise of any power conferred by this Act.

(4) Subject to the provisions of this Act and of any regulations made under this Act, a society shall be deemed for the purposes of any liquidation under this section to be a company, and the provisions of Parts 16 and 17 of the Companies Act 1993 relating to the liquidation of companies, so far as they are applicable and with the necessary modifications, shall apply accordingly.

(5) Where in the exercise of any power conferred by this Act the FMA makes an application under this section, the court may, if it thinks fit, having regard to the interests of those members of the society (if any) who were not responsible for the relevant default, and to all the other circumstances, refuse to make an order appointing a liquidator, and may make its refusal subject to any conditions.

(6) The conditions that the court may impose under subsection (5) may include conditions for ensuring—

(a) that the society be dissolved under section 114 or section 115; or

(b) that the society unite under section 32 with another society, or that it transfer its engagements to another society under section 33—

and may also include conditions for ensuring that the relevant default be made good, and that the costs of the proceedings on the application be met by the person or persons responsible for that default.

(7) In this section, the expression **the relevant default**, in relation to an application for the appointment of a liquidator, means the default that was the occasion of the application being made.

Section 118: replaced, on 1 July 1994, by section 8 of the Building Societies Amendment Act 1993 (1993 No 111).

Section 118(3)(c): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 118(5): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

119 Liability of members on dissolution or liquidation

Where a society is being dissolved or is in liquidation, a member to whom a loan or other investment has been made under a mortgage or other security, or under the rules of the society, shall not be liable to pay the amount payable thereunder except at the time or times and subject to the conditions set out in the mortgage or other security, or in the rules, as the case may be.

Section 119: replaced, on 1 July 1994, by section 8 of the Building Societies Amendment Act 1993 (1993 No 111).

120 Notice of dissolution or liquidation

(1) Notice of the commencement and of the termination of the dissolution or liquidation of a society shall be sent to the Registrar for registration.

(2) *[Repealed]*

(3) If a society fails to send any such notice, the society, and every officer of the society who is in default, commits an offence against this Act.

Section 120: replaced, on 1 July 1994, by section 8 of the Building Societies Amendment Act 1993 (1993 No 111).

Section 120(1): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 120(2): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

121 Provision as to terminating societies

In relation to a terminating society, the provisions of this Part shall have effect without prejudice to the termination of the society on the happening of any event on which the society is to terminate.

Compare: 1908 No 18 s 33(1)(a); Building Societies Act 1962 s 106 (UK)

Part 8A
Register of building societies

Part 8A: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

121A Register of building societies

(1) The Registrar must ensure that a register of building societies is kept in New Zealand.

(2) The register may be—

(a) an electronic register; or

(b) kept in any other manner that the Registrar thinks fit.

(3) The Registrar must take all reasonable steps to ensure that the information contained in the register is available to members of the public at all reasonable times.

Section 121A: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

121B Registration of documents

(1) On receipt of a document for registration under this Act, the Registrar must (unless section 121C applies or he or she is not satisfied that any registration condition is met)—

(a) register the document in the register; and

(b) give written advice of the registration to the person from whom the document was received (except in the case of an annual return or the financial statements and reports referred to in section 96(1)).

(2) Neither registration nor refusal of registration of a document by the Registrar affects, or creates a presumption as to, the validity or invalidity of the document or the correctness or otherwise of the information contained in it.

(3) In this section, a **registration condition** for a document is a matter of which the Registrar must be satisfied under this Act before registering that document.

Section 121B: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 121B(1)(b): amended, on 1 April 2014, by section 13 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

121C Registrar may require document to be registrable or otherwise comply before registration

(1) The Registrar may refuse to register a document received by the Registrar for registration under this Act if that document—

(a) is not in the prescribed form, if any; or

(b) does not comply with this Act or regulations made under this Act; or

(c) is not printed or typewritten; or

(d) if the register is an electronic register, is not in a form that enables particulars to be entered directly by electronic or other means in the register; or

(e) has not been properly completed; or

(f) contains material that is not clearly legible.

(2) If the Registrar refuses to register a document in reliance on this section, the Registrar must request either—

(a) that the document be appropriately amended or completed and submitted for registration again; or

(b) that a fresh document be submitted in its place.

Section 121C: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

121D When documents are registered

A document is **registered** when—

(a) the document itself is constituted as part of the register; or

(b) particulars of the document are entered in an electronic register.

Section 121D: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

121E Alterations to register

The Registrar may make an amendment to the register if satisfied that it is necessary—

(a) to reflect any changes in the information that is contained in the register; or

(b) to correct an obvious error in or omission from the register.

Section 121E: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

121F Inspection of register

A person may, on payment of the prescribed fee (if any), inspect—

(a) any registered document; or

(b) particulars of a registered document entered into an electronic register.

Section 121F: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

121G Obtaining certified copy or extract from register

(1) A person may, on payment of the prescribed fee (if any), require the Registrar to give or certify—

(a) a certificate of incorporation of a building society; or

(b) a copy of or extract from a registered document; or

(c) any particulars of a registered document entered into an electronic register.

(2) A process to compel the production of—

(a) a registered document; or

(b) evidence of the entry of particulars of a registered document in an electronic register—

must not issue from the court without the leave of the court and, if it does, it must have a statement attached to it that it is issued with the leave of the court.

Section 121G: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

121H Certified copy or extract is evidence

(1) A copy of or extract from a registered document that purports to be certified by the Registrar as a true copy or extract is admissible in evidence in legal proceedings to the same extent as the original document.

(2) A certificate purporting to be signed by the Registrar as to the particulars of a registered document in an electronic register or any other matters in the register is conclusive evidence, in the absence of proof to the contrary, of the entry of those particulars or those other matters.

Section 121H: inserted, on 20 September 2007, by section 6 of the Building Societies Amendment Act 2007 (2007 No 43).

Part 9
Miscellaneous provisions

122 General control of advertisements

[Repealed]

Section 122: repealed, on 1 September 1987, by section 28 of the Building Societies Amendment Act 1987 (1987 No 175).

122A Powers of inspection of Registrar

(1) The Registrar or any person authorised by the Registrar may, for the purpose of ascertaining whether a society or any officer of a society is complying or has complied with this Act, or of ascertaining whether the Registrar should exercise any of the Registrar's rights or powers under this Act, or of detecting offences against this Act,—

(a) require a society or any officer of a society to produce for inspection any registers, records, accounts, books, or papers that are kept by the society; and

(b) in any case where the Registrar or the person authorised by the Registrar considers that the aforesaid purpose cannot be achieved by inspecting only the documents specified in paragraph (a), or where such documents are not produced for inspection, require any person (including any officer employed in or in connection with any government department) to produce for inspection any registers, records, accounts, books, or papers that contain information relating to any money or other property that is or has been managed, supervised, controlled, or held in trust by or for the society; and

(c) inspect and make records of any such registers, records, accounts, books, or papers; and

(d) for the purpose of making records thereof, take possession of and remove from the premises where they are kept, for such period of

time as is reasonable in the circumstances, any such registers, records, accounts, books, or papers.

(2) Nothing in subsection (1) limits or affects the Tax Administration Act 1994 or the Data and Statistics Act 2022.

(3) Subsection (1) shall apply also in relation to any registers, records, accounts, books, or papers of a person carrying on the business of banking so far as they relate to the society's affairs.

(4) A person who has made an inspection under subsection (1) shall give, divulge, or communicate any records or information that that person has acquired in the course of the inspection to such of the following persons as may require such records or information, namely:

(a) the Registrar:

(b) a Deputy Registrar.

(5) A person who has made an inspection under subsection (1) shall, upon being directed to do so by a person for the time being holding the office of Registrar or Deputy Registrar, give, divulge, or communicate any records or information that that person has acquired in the course of the inspection to such of the following persons as that Registrar or Deputy Registrar specifies, namely:

(a) the Minister:

(b) the chief executive of the department of State that, with the authority of the Prime Minister, is for the time being responsible for the administration of this Act:

(c) any person authorised by that Registrar or Deputy Registrar to receive such records or information.

(6) The Minister or the chief executive of the department of State that, with the authority of the Prime Minister, is for the time being responsible for the administration of this Act may, by written notice to that person, require a person for the time being holding the office of Registrar or Deputy Registrar to give a direction under subsection (5); and that person shall comply with any such requirement.

(7) If any society refuses or fails to produce for inspection to the Registrar, or to any person authorised by the Registrar for the purposes of subsection (1), any document that the Registrar or authorised person has under that subsection required it to produce, the society commits an offence and shall be liable on conviction to a fine not exceeding $1,000.

(8) If any officer of a society or other person refuses or fails to produce for inspection to the Registrar, or to any person authorised by the Registrar for the purposes of subsection (1), any document within the power or control of that officer or person that the Registrar or authorised person has under that subsection required that officer or person to produce, that officer or person

commits an offence and shall be liable on conviction to a fine not exceeding $1,000.

(9) Any person who wilfully obstructs or hinders the Registrar, or any person authorised by the Registrar for the purposes of subsection (1), while the Registrar or authorised person is making an inspection, or a record, or taking possession of, or removing any documents pursuant to that subsection, commits an offence and shall be liable on conviction to a fine not exceeding $1,000.

(10) Nothing in this section limits or affects legal professional privilege.

Section 122A: inserted, on 1 September 1987, by section 29 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 122A(2): amended, on 1 September 2022, by section 107(1) of the Data and Statistics Act 2022 (2022 No 39).

Section 122A(2): amended, on 1 April 1995 (applying with respect to the tax on income derived in the 1995–96 and subsequent income years), by section YB 1 of the Income Tax Act 1994 (1994 No 164).

Section 122A(4)(b): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 122A(5)(b): replaced, on 1 October 1995, by section 10(3) of the Department of Justice (Restructuring) Act 1995 (1995 No 39).

Section 122A(6): replaced, on 1 October 1995, by section 10(3) of the Department of Justice (Restructuring) Act 1995 (1995 No 39).

Section 122A(7): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 122A(8): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 122A(9): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

122B Registrar may refuse to disclose information relating to inspection

(1) Notwithstanding anything in the Official Information Act 1982, but subject to subsections (4) and (5) of section 122A, any person who makes an inspection under section 122A(1), and any person to whom that person has, pursuant to subsection (4) or subsection (5) of section 122A or otherwise, given, divulged, or communicated any information that the first-mentioned person has acquired as a result of that inspection, may refuse to disclose any such information to any other person until the purpose for which that inspection is carried out has been satisfied.

(2) Notwithstanding anything in the Official Information Act 1982, where any person requests the Registrar or any person referred to in subsection (4)(a) or (b) or subsection (5)(a) or (b) of section 122A to disclose whether an inspection under section 122A(1) is being, or is proposed to be, or has been carried out, the Registrar or, as the case may require, that person shall not be required to disclose that information under the Official Information Act 1982 unless the disclosure of that information would not be likely to prejudice the commercial

position of any society or other person, and there is no other good reason for withholding that information under that Act.

Section 122B: inserted, on 1 September 1987, by section 29 of the Building Societies Amendment Act 1987 (1987 No 175).

122C Appeals from decisions under section 122B

(1) Any person who is aggrieved by the refusal of any person to disclose any information under section 122B may appeal to the court within 21 days after being notified of that refusal, or within such further time as the court may allow.

(2) On hearing the appeal, the court may confirm the refusal, or give such directions or make such determination in the matter as the court thinks fit.

Section 122C: inserted, on 1 September 1987, by section 29 of the Building Societies Amendment Act 1987 (1987 No 175).

122D Power of FMA to require actuary's certificate as to appropriations by ballot

(1) The FMA may at any time by notice in writing to a terminating society, being a society whose rules provide for shareholders to receive appropriations by ballot, call upon the society to supply the FMA with a certificate from an actuary, approved for the purposes of this section by the Minister, certifying that every member of a terminating group of the society, if that member's share or shares are properly paid up in accordance with the rules, has a reasonable prospect of receiving appropriations within not more than 30 years from the date of the formation of the group in which that member's share or shares were originally issued.

(2) The FMA may at any time by notice in writing to a company into which a terminating society has become converted that conducts ballots for the purpose of determining entitlement to loans call upon the company to supply the FMA with a certificate from an actuary, approved for the purposes of this section by the Minister, certifying that every person entitled to participate in any ballot conducted for that purpose, if that person complies with any terms and conditions to which that entitlement is subject, has a reasonable prospect of receiving appropriations within not more than 30 years from the date of the formation of the terminating group of the society that has become so converted in which that person's share or shares were originally issued.

(3) If the society or the company, as the case may be, fails to supply the certificate within 1 month after the date of the notice, or within such further time as the FMA may in the FMA's discretion allow, the FMA shall, by a further notice to the society or the company, call upon the society or the company so to amend its rules within 3 months after the date of the further notice as to enable such a certificate to be given.

(4) If a society or the company, as the case may be, fails to comply with a further notice under subsection (3) and to supply the certificate within the said period of 3 months, the FMA may,—

(a) in the case of a society, apply to have the society put into liquidation under the Companies Act 1993; or

(b) in the case of a company, apply to have the company put into liquidation under the Companies Act 1993.

Section 122D: inserted, on 1 September 1987, by section 29 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 122D heading: amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 122D(1): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 122D(2): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 122D(3): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 122D(4): replaced, on 1 July 1994, by section 2 of the Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16).

Section 122D(4): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 122D(4)(b): replaced, on 5 December 2013, by section 14 of the Companies Amendment Act 2013 (2013 No 111).

123 Inspections and special meetings

(1) On the application of the requisite number of members of a society, or, where no such application has been made but the FMA is of opinion that an investigation should be held into a society's affairs or that its affairs call for consideration by a meeting of the members, the FMA may—

(a) appoint an inspector to inquire into and report on the society's affairs; or

(b) call a special meeting of the society; or

(c) either on the same or on different occasions, both appoint such an inspector and call such a meeting.

(2) For the purposes of subsection (1), the requisite number of members is—

(a) 100 in the case of a society that has more than 1 000 members; and

(b) one-tenth of the whole number of members in the case of any other society.

(3) Where such an application is made by the requisite number of members, the following provisions shall apply:

(a) the application shall be supported by such evidence as the FMA may direct for the purpose of showing that the applicants have good reason for requiring an inspection or a special meeting, as the case may be,

and that they are not actuated by malicious motives in making the application:

(b) such notice of the application shall be given to the society by the applicants or 1 or more of them as the FMA may direct:

(c) the FMA shall require the applicants to give security for the costs of the proposed inspection or meeting before the inspector is appointed or the meeting is called:

(d) all expenses of and incidental to the inspection or meeting shall be defrayed by the applicants, or out of the funds of the society, or by the members or officers or former members or officers of the society, in such proportions as the FMA may direct.

(4) Before exercising its powers under subsection (1) in a case where no application is made, the FMA must—

(a) give to the society not less than 14 days' notice in writing of the action the FMA proposes to take, specifying briefly the grounds on which the FMA proposes to take it; and

(b) consider any representations with respect to the proposed action that may be made to the FMA by the society within the period of the notice or any further period that the FMA may allow, and, if the society so requests, give it an opportunity of being heard by the FMA within that period or further period.

(5) An inspector appointed under this section may require the production of all or any of the books, accounts, securities, and documents of the society, and may examine on oath any of its officers, members, agents, and servants, and may administer an oath accordingly.

(6) Despite anything in the rules of a society, if a special meeting is called under this section,—

(a) the FMA may direct at what time and place the meeting is to be held, and what matters are to be discussed and determined at the meeting, and may give any other directions as it thinks fit with respect to the calling, holding, and conduct of the meeting:

(b) the FMA may appoint a person to be chairperson at the meeting; and if the FMA does not do so the meeting may appoint its own chairperson:

(c) the meeting has all the powers of a meeting called according to the society's rules.

(6A) Nothing in this section limits any power that the FMA has under the Financial Markets Authority Act 2011 or any other enactment.

(7) If a society fails to allow an inspector appointed under this section to do anything that he or she is authorised to do thereunder, the society, and every

officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: Building Societies Act 1962 s 110 (UK)

Section 123(1): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 123(3)(a): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 123(3)(b): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 123(3)(c): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 123(3)(d): amended, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 123(4): replaced, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 123(6): replaced, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

Section 123(6A): inserted, on 1 May 2011, by section 82 of the Financial Markets Authority Act 2011 (2011 No 5).

124 Compulsory cancellation or suspension of registration

(1) Subject to the provisions of this section, the Registrar may cancel or suspend the registration of a society if he or she is satisfied—

(a) that a certificate of incorporation has been obtained for the society by fraud or mistake; or

(b) that the society exists for an illegal purpose; or

(c) that the society has, after notice from the Registrar, contravened any of the provisions of this Act; or

(d) that the society has ceased to exist.

(2) Any cancellation or suspension of registration under this section shall be effected in writing signed by the Registrar.

(3) Where the registration of a society is suspended under this section, the period of suspension shall in the first instance be a period not exceeding 3 months, but may be extended from time to time by not more than 3 months at a time.

(4) Before cancelling or suspending the registration of a society under this section, the Registrar shall give to the society not less than 2 months' notice in writing, specifying briefly the grounds of the proposed cancellation or suspension.

(5) The Registrar shall consider any representations with respect to the proposed cancellation or suspension that may be made to him or her by the society within the said period of 2 months or such further period as he or she may allow, and, if the society so requests, shall afford to it an opportunity of being heard by him or her within such period or further period as aforesaid.

(6) The Registrar shall give public notice of any cancellation or suspension, or any extension of a suspension, under this section and must register the cancellation, suspension, or extension of a suspension.

(7) Where under this section the registration of a society is cancelled, or is suspended for a period exceeding 6 months, the society may appeal to the High Court or a Judge thereof; and on any such appeal the court or Judge, if it or he or she thinks fit and just to do so, may set aside the cancellation or suspension.

Compare: Building Societies Act 1962 s 113 (UK)

Section 124(1): amended, on 13 January 2020, by section 4(1) of the Regulatory Systems (Economic Development) Amendment Act 2019 (2019 No 62).

Section 124(1)(c): amended, on 13 January 2020, by section 4(2) of the Regulatory Systems (Economic Development) Amendment Act 2019 (2019 No 62).

Section 124(3): amended, on 13 January 2020, by section 4(3) of the Regulatory Systems (Economic Development) Amendment Act 2019 (2019 No 62).

Section 124(6): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 124(7): amended, on 1 April 1980, pursuant to section 12 of the Judicature Amendment Act 1979 (1979 No 124).

125 Cancellation of registration at request of society

Without prejudice to section 124, the Registrar may, if he or she thinks fit, cancel the registration of a society at the society's request, evidenced in such manner as the Registrar may direct.

Compare: Building Societies Act 1962 s 114 (UK)

126 Effect of cancellation or suspension of registration

(1) Subject to the provisions of this section and to the right of appeal under section 124, where the registration of a society is cancelled or suspended under that section, or is cancelled under section 125, the society shall, as from the time of the cancellation or suspension and, in the case of a suspension, so long as the suspension continues, cease to enjoy the privileges of a society under this Act.

(2) This section shall have effect in relation to a society without prejudice to any liability actually incurred by it; and any such liability may be enforced against it as if the cancellation or suspension had not taken place.

Compare: Building Societies Act 1962 s 115 (UK)

127 Provisions as to shares held jointly

(1) This section shall have effect where shares in a society are held by 2 or more persons jointly; and in this section seniority of joint holders shall be determined by the order in which the names stand in the register of members and the expression **first named joint holder**, in relation to any shares so held, means such one of the joint holders as is named first in the society's books.

(2) The joint holders of any shares shall be entitled to choose the order in which they are named in the society's books.

(3) Subject to subsection (4), except where the society's rules otherwise provide, any notice or other document may be given or sent by the society to the joint holders by being given or sent to the first named joint holder.

(4) Nothing in subsection (3) shall prevent any of the joint holders from exercising the right under this Act of a member of a society to obtain from it on demand a copy of the statement of financial position.

(5) Except where the society's rules otherwise provide, the vote of the senior who tenders a vote at a meeting of the society whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.

(6) For the purposes of section 115, the shares shall be treated as being held by the first named joint holder alone; and accordingly a person who is a member of the society by reason only of being a joint holder of those shares, other than the first named joint holder, shall not be regarded as a member of the society for the purposes of that section.

(7) The first named joint holder, but none of the other joint holders, shall have the right to join in making an application under section 123; and any reference in that section to the total membership of a society shall be construed accordingly.

(8) In the register to be maintained under section 74, it shall not be necessary to enter the name and address of a person who is one of the joint holders, other than the first named joint holder, by reason only that that person is a joint holder of those shares; and if that person's name and address are entered in the register in respect of those shares the entry shall indicate that that person is a joint holder who is not the first named joint holder.

Section 127: replaced, on 1 September 1987, by section 30 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 127(4): amended, on 1 October 1997, pursuant to section 6(1) of the Financial Reporting Amendment Act 1997 (1997 No 17).

128 Land acquired by exercise of powers as mortgagee to be sold

[Repealed]

Section 128: repealed, on 1 September 1987, by section 31 of the Building Societies Amendment Act 1987 (1987 No 175).

129 Evidence of rules

(1) *[Repealed]*

(2) *[Repealed]*

(3) Any printed document purporting to be a copy of the rules of a society, and certified by the secretary or other officer of the society to be a true copy of its rules as registered, shall be received in evidence and shall, in the absence of any evidence to the contrary, be deemed to be a true copy of the rules.

Compare: 1908 No 18 s 22; Building Societies Act 1962 s 121 (UK)

Section 129 heading: amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 129(1): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 129(2): repealed, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

130 Form in which records may be kept

(1) Any register, record, or accounting record to be kept by a society may be kept either by making entries in bound books or by recording the matters in question in any other manner.

(2) Where any such register, record, or accounting record is not kept by making records in a bound book but is kept by some other means, adequate precautions shall be taken for guarding against falsification and for facilitating its discovery.

(3) Where default is made in complying with subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

Compare: Building Societies Act 1962 s 122 (UK)

Section 130(1): amended, on 1 April 2014, by section 14 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 130(2): amended, on 1 April 2014, by section 14 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

131 Exemptions from stamp duties

[Repealed]

Section 131: repealed, on 1 October 1968, by section 2 of the Stamp Duties Amendment Act 1968 (1968 No 6).

132 Offences in relation to property of societies

(1) Every person commits an offence who—

(a) by false representation or imposition obtains possession of any money, securities, books, papers, or other effects of a society; or

(b) having any of the same in his or her possession, withholds or misapplies them, or wilfully applies any part of them to purposes other than those authorised by the society's rules or by this Act.

(2) Every person who commits an offence against this section shall be liable on conviction to imprisonment for a term not exceeding 2 years or to a fine not exceeding $1,000, or to both.

(3) The court by which any person is convicted of an offence against this section may order him or her to deliver up or repay to the society any money, securities, books, papers, or other effects in respect of which he or she is so convicted.

(4) Proceedings in respect of an offence against this section may not be commenced by a member of the society, unless he or she is authorised to do so by the society or the board of directors or the Registrar.

Compare: 1908 No 18 s 32; Building Societies Act 1962 s 111 (UK)

Section 132(2): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 132(4): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

133 False statements in documents

(1) If any person wilfully makes, or orders or allows to be made, any false statement in any document to which this section applies, or by erasure, omission, or otherwise wilfully falsifies any such document, he or she commits an offence and shall be liable on conviction to imprisonment for a term not exceeding 2 years or to a fine not exceeding $1,000 or to both.

(2) This section applies—

(a) to any document sent to the Registrar under or pursuant to this Act; and

(b) to any document consisting of a statement issued by a society pursuant to subsection (1) of section 34.

Compare: 1908 No 18 s 49(1)(c); Building Societies Act 1962 s 112 (UK)

Section 133(1): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

134 Summary jurisdiction in respect of indictable offences

[Repealed]

Section 134: repealed, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

135 Time for filing charging document

(1) Despite anything to the contrary in section 25 of the Criminal Procedure Act 2011,—

(a) a charging document may be filed at any time in respect of an offence against section 29(5), 132(2), or 133(1); and

(b) the limitation period in respect of any other offence against this Act ends on the date that is 2 years after the date on which evidence, sufficient in the opinion of the Registrar to justify a prosecution for the offence, comes to the Registrar's knowledge.

(2) Nothing in subsection (1)(b) authorises the filing of a charging document in respect of an offence at a time more than 3 years after the date on which the offence was committed.

(3) Subsection (1) is subject to subsection (2).

Section 135: replaced, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

136 General penalty for offences

Every society or person who commits an offence against this Act, or against any regulations made under this Act, for which no penalty is provided elsewhere than in this section is liable on conviction to a fine not exceeding $1,000.

Section 136: amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

136A Jurisdiction of District Court

The District Court has jurisdiction in relation to—

(a) the settlement of disputes between any building society and its members where the amount involved does not exceed $350,000:

(b) the recovery of money and enforcement of claims by or against any building society not exceeding in amount or value the sum of $350,000:

(c) all other matters arising under this Act not exceeding in amount or value the sum of $350,000.

Compare: 1947 No 16 s 33

Section 136A: inserted, on 1 March 2017, by section 4 of the Building Societies Amendment Act 2016 (2016 No 55).

137 Regulations

(1) The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes:

(a) prescribing the forms of, and the particulars to be included in, applications, notices, certificates, returns, reports, or other documents made or issued under or for the purposes of this Act (and those regulations may require the inclusion in, or attachment to, forms of specified information or documents and forms to be signed by specified persons), and prescribing requirements, not inconsistent with this Act, with which those documents must comply:

(aa) *[Repealed]*

(ab) prescribing the manner in which any financial statements required under section 92 are to be published or distributed:

(ac) requiring financial statements required under section 92 to be audited by a qualified auditor:

(b) prescribing the procedure to be followed in respect of applications to and proceedings before the Registrar:

(c) prescribing fees to be paid to the Registrar in respect of the registration of rules, alterations in rules, and other documents and matters under this Act, the issue of certificates and other documents, search or inspection of the register, and the exercise by the Registrar of any of his or her functions under this Act:

(ca) regulating bonus ballots and bonus balloting shares:

(d) prescribing the procedure for the institution, hearing, and determination of appeals under this Act:

(e) providing for the keeping of records by the Registrar for the purposes of this Act:

(f) providing the procedure for the giving or service of notices and documents under this Act:

(g) providing for such matters as are contemplated by or necessary for giving full effect to the provisions of this Act and for the due administration thereof.

(2) The Registrar may refuse to perform a function or exercise a power until the prescribed fee is paid.

(3) Any fee payable to the Registrar is recoverable by the Registrar in any court of competent jurisdiction as a debt due to the Crown.

(4) Regulations under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Compare: 1908 No 18 s 51; Building Societies Act 1962 s 123 (UK)

Legislation Act 2019 requirements for secondary legislation made under this section		
Publication	PCO must publish it on the legislation website and notify it in the *Gazette*	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 137(1)(a): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 137(1)(aa): repealed, on 1 April 2014, by section 15(1) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 137(1)(ab): inserted, on 1 September 1987, by section 32 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 137(1)(ac): replaced, on 1 April 2014, by section 15(2) of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 137(1)(c): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 137(1)(ca): inserted, on 22 December 1980, by section 19 of the Building Societies Amendment Act 1980 (1980 No 92).

Section 137(2): inserted, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 137(3): inserted, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 137(4): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

137A Validation of fees used to recover costs of other Companies Office registers, etc

(1) This section applies to a fee—

(a) that—

(i) is or was payable or purportedly payable on or before 30 June 2022 under any of the Acts listed in subsection (4) or any regulations made under any of those Acts; and

(ii) was (or is or will be) used in whole or in part to recover the costs or a share of the costs of the Registrar in operating 1 or more registers under this Act or in exercising or performing any other powers, functions, and duties of the Registrar under this Act or any regulations made under this Act; or

(b) that—

(i) is or was payable or purportedly payable on or before 30 June 2022 under this Act or any regulations made under this Act; and

(ii) was (or is or will be) used in whole or in part to recover the costs or a share of the costs of 1 or more registers operated under any of the Acts listed in subsection (5) or in exercising or performing the powers, functions, and duties of a Registrar under any of those Acts or any regulations made under any of those Acts.

(2) The fee is and always has been validly imposed.

(3) Money received by the Registrar of any register maintained by the Companies Office in payment of the fee—

(a) is and always has been lawfully collected and applied; and

(b) may continue to be applied on and after 1 July 2022 to recover costs referred to in subsection (1)(a)(ii) and (b)(ii).

(4) The Acts are—

(a) the Auditor Regulation Act 2011:

(b) the Companies Act 1993:

(c) the Financial Markets Conduct Act 2013:

(d) the Financial Reporting Act 1993:

(e) the Financial Service Providers (Registration and Dispute Resolution) Act 2008:

(f) the Friendly Societies and Credit Unions Act 1982:

(g) the Incorporated Societies Act 1908:

(h) the Insolvency Practitioners Regulation Act 2019:

(i) the Limited Partnerships Act 2008:

(j) the Personal Property Securities Act 1999:

(k) the Retirement Villages Act 2003:

(l) the Securities Act 1978.

(5) The Acts are—

(a) the Auditor Regulation Act 2011:

(b) the Charitable Trusts Act 1957:

(c) the Companies Act 1993:

(d) the Financial Markets Conduct Act 2013:

(e) the Financial Reporting Act 1993:

(f) the Financial Reporting Act 2013:

(g) the Financial Service Providers (Registration and Dispute Resolution) Act 2008:

(h) the Friendly Societies and Credit Unions Act 1982:

(i) the Incorporated Societies Act 1908:

(j) the Incorporated Societies Act 2022:

(k) the Industrial and Provident Societies Act 1908:

(l) the Insolvency Practitioners Regulation Act 2019:

(m) the Limited Partnerships Act 2008:

(n) the New Zealand Business Number Act 2016:

(o) the Personal Property Securities Act 1999:

(p) the Retirement Villages Act 2003:

(q) the Securities Act 1978.

(6) In this section,—

Companies Office means the division or part of each of the following departments (formerly or currently in existence) that collected or collects fees under this Act or any of the Acts listed in subsections (4) and (5):

(a) the former Department of Justice:

(b) the former Ministry of Commerce:

(c) the former Ministry of Economic Development:

(d) the Ministry of Business, Innovation, and Employment

fee—

(a) includes any penalty or overdue fee imposed, or interest charged, in respect of an unpaid or overdue fee; and

(b) in relation to the Insolvency Practitioners Regulation Act 2019, includes a levy imposed under section 81 of that Act.

Section 137A: inserted, on 25 May 2022, by section 7 of the Companies Office Registers Funding Validation Act 2022 (2022 No 27).

138 Filing of rules of existing societies with District Registrars of Companies

(1) It shall be the duty of the Registrar, as soon as practicable after the date of the commencement of this Act, to send a copy of the rules of every society existing at that date to the District Registrar of Companies whose office is nearest to the registered office of the society, or to such other District Registrar of Companies as may be approved for the purpose after consultation with the society.

(2) For the purposes of this section the Registrar may require any such society to send to him or her not more than 2 copies of its rules.

(3) If any such society fails to comply with any such requirement the society, and every officer of the society who is in default, shall be guilty of an offence against this Act.

139 Repeals, consequential amendments, and savings

(1) The enactments specified in Schedule 6 are hereby repealed.

(2) *Amendment(s) incorporated in the Act(s).*

(3) *Amendment(s) incorporated in the Act(s).*

(4) *Amendment(s) incorporated in the Act(s).*

(5) Every reference in any enactment or document to the Registrar of Building Societies under the Building Societies Act 1908, or to any District Registrar or Assistant Registrar of Building Societies under that Act shall hereafter, unless the context otherwise requires, be read as a reference to the Registrar of Building Societies under this Act.

(6) Every reference in any enactment or document to the Deputy Registrar of Building Societies under the Building Societies Act 1908 shall hereafter, unless the context otherwise requires, be read as a reference to a Deputy Registrar of Building Societies under this Act.

(7) For the purposes and without limiting the operation of the Acts Interpretation Act 1924, a resolution passed before the commencement of this Act in accordance with any of the provisions of the Building Societies Act 1908 shall be treated as a resolution that could have been passed under the corresponding provisions of this Act if it would have fallen to be so treated if passed after the commencement of this Act as a special resolution.

(8) *[Repealed]*

(9) *[Repealed]*

Compare: Building Societies Act 1962 s 132(2) (UK)

Section 139(6): amended, on 20 September 2007, by section 7 of the Building Societies Amendment Act 2007 (2007 No 43).

Section 139(8): repealed, on 1 September 1987, by section 33 of the Building Societies Amendment Act 1987 (1987 No 175).

Section 139(9): repealed, on 1 September 1987, by section 33 of the Building Societies Amendment Act 1987 (1987 No 175).

Schedule 1AA
Transitional, savings, and related provisions

s 2A

Schedule 1AA: inserted, on 30 May 2017, by section 7 of the Regulatory Systems (Commercial Matters) Amendment Act 2017 (2017 No 12).

Part 1
Provisions relating to Regulatory Systems (Commercial Matters) Amendment Act 2017

1 Annual returns

This Act, as amended by sections 5 and 6 of the Regulatory Systems (Commercial Matters) Amendment Act 2017, applies to a society in relation to annual returns relating to its affairs for the following financial years:

(a) a financial year that commenced before, but ends on or after, the commencement of this clause:

(b) financial years that commence on or after the commencement of this clause.

Schedule 1
Standard rules for meetings

[Repealed]

s 17(7)

Schedule 1: repealed, on 1 September 1987, by section 34 of the Building Societies Amendment Act 1987 (1987 No 175).

Schedule 2
Requirements relating to founders' and directors' shares

ss 29(1), (4), 70(3)(a), 71(5)

1 In this schedule—

the relevant period of 5 years means—

(a) where the relevant shares are issued in compliance with subsection (1) of section 29, the period of 5 years beginning with the date on which a certificate is issued by the Registrar under that subsection; and

(b) where the relevant shares are issued in compliance with section 70, the period of 5 years beginning with the date of the service on the society of a notice under that section

the relevant shares means shares issued by a society in compliance with subsection (1) of section 29 or section 70.

2 Neither at the time when the relevant shares are issued, nor at any other time before the end of the relevant period of 5 years, shall the terms regarding the rate of interest, participation in profits, contribution to losses, or rights on a termination or dissolution be, either as a whole or separately, more favourable for those shares than for any other shares in the society.

3 Until the end of the relevant period of 5 years, the society shall not give effect to or recognise any transfer of the relevant shares by the person to whom they were issued, and the terms attaching to those shares shall so provide:

provided that this clause shall not prevent the society from giving effect to any transmission of those shares by operation of law.

4 Until the end of the relevant period of 5 years, and so long as the society is not terminated or dissolved, the society shall not repay the sum subscribed for the relevant shares or any part of that sum, and the terms attaching to those shares shall so provide.

5(1) If at any time before the end of the relevant period of 5 years there is a failure to comply with clauses 2 to 4 of this schedule in relation to any of the relevant shares, the Registrar may, subject to the succeeding provisions of this schedule, apply to the court for the appointment of a liquidator under Part 16 of the Companies Act 1993.

(2) Not less than 1 month before making the application, the Registrar shall send to the society notice of his or her decision, and may, if he or she thinks fit, afford to the society an opportunity of submitting, as an alternative to the liquidation of the society under the Companies Act 1993, proposals for—

(a) dissolving the society in one of the ways mentioned in sections 114 and 115 of this Act; or

(b) uniting the society under section 32 with another society, or transferring its engagements to another society under section 33;—

and the Registrar may, having regard to the proposals, postpone his or her decision to make the application.

Schedule 2 clause 5(1): amended, on 1 July 1994, by section 10(1) of the Building Societies Amendment Act 1993 (1993 No 111).

Schedule 2 clause 5(2): replaced, on 1 July 1994, by section 10(2) of the Building Societies Amendment Act 1993 (1993 No 111).

6(1) Until the end of the relevant period of 5 years, the society shall not, without the consent of the Registrar, unite with another society under section 32, or transfer its engagements to another society under section 33, unless the other society (or, in the case of a union with 2 or more societies, one of those societies) has been incorporated for more than 5 years and has assets which exceed $200,000 in value.

(2) In giving his or her consent under this clause—

(a) to a union, where any of the holders of the relevant shares will become holders of shares in the society formed on the union; or

(b) to a transfer of engagements, where any of the holders of the relevant shares will become holders of shares in the society to which the engagements are transferred—

the Registrar may attach to his or her consent conditions that are in his or her opinion equivalent to the conditions that under the foregoing provisions of this schedule attach to the relevant shares.

(3) If at any time during the remainder of the relevant period of 5 years any conditions attached by virtue of subclause (2) are broken, the Registrar may apply to the court for the appointment of a liquidator under the Companies Act 1993 of the society formed on the union, or of the society to which the engagements are transferred, as the case may be.

Compare: Building Societies Act 1962 First Schedule (UK)

Schedule 2 clause 6(3): amended, on 1 July 1994, by section 10(3) of the Building Societies Amendment Act 1993 (1993 No 111).

Schedule 3
Requirements relating to advertising

[Repealed]

s 30(3)

Schedule 3: repealed, on 1 September 1987, by section 35 of the Building Societies Amendment Act 1987 (1987 No 175).

Schedule 4
Societies authorised to accept savings bank deposits

[Repealed]

s 57(1)

Schedule 4: repealed, on 1 September 1987, by section 36 of the Building Societies Amendment Act 1987 (1987 No 175).

Schedule 5
Amendment to Part 2 of Schedule 1 of the Summary Proceedings Act 1957

s 134

Amendment(s) incorporated in the Act(s).

Schedule 6
Enactments repealed

s 139(1)

Building Societies Act 1908 (1908 No 18) (1957 Reprint, Vol 1, p 693)

Building Societies Amendment Act 1951 (1951 No 37) (1957 Reprint, Vol 1, p 718)

Building Societies Amendment Act 1955 (1955 No 97) (1957 Reprint, Vol 1, p 719)

Finance Act 1930 (No 2) (1930 No 40) (1957 Reprint, Vol 1, p 716; Vol 5, p 78)

Amendment(s) incorporated in the Act(s).

Finance Act 1932 (No 2) (1932 No 30) (1957 Reprint, Vol 1, pp 699, 717; Vol 5, p 93)

Amendment(s) incorporated in the Act(s).

Finance Act 1933 (No 2) (1933 No 41) (1957 Reprint, Vol 1, pp 697, 717; Vol 5, p 98)

Amendment(s) incorporated in the Act(s).

Finance Act (No 3) 1944 (1944 No 31) (1957 Reprint, Vol 1, p 718; Vol 5, p 132)

Amendment(s) incorporated in the Act(s).

Finance Act 1957 (1957 No 106) (1957 Reprint, Vol 1, p 719; Vol 5, p 177)

Amendment(s) incorporated in the Act(s).

National Expenditure Adjustment Act 1932 (1932 No 8) (1957 Reprint, Vol 10, pp 723, 724)

Amendment(s) incorporated in the Act(s).

Schedule 7

[Repealed]

ss 27A, 27B(2)

Schedule 7: repealed, on 1 April 1981, by section 7(1)(b) of the Building Societies Amendment Act 1980 (1980 No 92).

Building Societies Amendment Act 1980

Public Act	1980 No 92
Date of assent	22 December 1980
Commencement	see section 1(2)

An Act to amend the Building Societies Act 1965

1 Short Title and commencement

(1) This Act may be cited as the Building Societies Amendment Act 1980, and shall be read together with and deemed part of the Building Societies Act 1965 (hereinafter referred to as "the principal Act").

(2) Except as provided in sections 5(4), 7(6), and 9(2) of this Act, this Act shall come into force on the day on which it receives the Governor-General's assent.

8 Minimum subscription by founding members

(1) *Amendment(s) incorporated in the Act(s).*

(2) Nothing in subsection (1) shall apply in respect of any society properly carrying on business as such at the coming into force of that subsection.

Building Societies Amendment Act 1987

Public Act	1987 No 175
Date of assent	20 July 1987
Commencement	section 1(2)

An Act to amend the Building Societies Act 1965

1 Short Title and commencement

(1) This Act may be cited as the Building Societies Amendment Act 1987, and shall be read together with and deemed part of the Building Societies Act 1965 (hereinafter referred to as "the principal Act").

(2) This Act shall come into force on 1 September 1987.

39 Approval of societies for acceptance of deposits from members in home ownership accounts or farm ownership accounts before coming into force of this Act deemed to be approval under new section 56D

Every society which was an approved society for the purposes of section 57A of the principal Act as in force immediately before the commencement of this Act shall be deemed to be an approved society for the purposes of section 56D of the principal Act (as enacted by section 12).

42 Application of existing regulations

Any regulations made under the principal Act that are in force immediately before the commencement of this Act, not being regulations referred to in Schedule 2, shall continue in full force and effect after the commencement of this Act, with such modifications as may be necessary, except in so far as they contain any provisions that are inconsistent with the principal Act (as amended by this Act).

Building Societies Amendment Act 2007

Public Act	2007 No 43
Date of assent	19 September 2007
Commencement	see section 2

1 Title

This Act is the Building Societies Amendment Act 2007.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

3 Principal Act amended

This Act amends the Building Societies Act 1965.

9 Transitional provision for register

All documents registered under the principal Act and sent to the appropriate District Registrar of Companies before the amendments in this Act come into force form part of the register under section 121A of the principal Act as inserted by this Act.

Notes

1 General

This is a consolidation of the Building Societies Act 1965 that incorporates the amendments made to the legislation so that it shows the law as at its stated date.

2 Legal status

A consolidation is taken to correctly state, as at its stated date, the law enacted or made by the legislation consolidated and by the amendments. This presumption applies unless the contrary is shown.

Section 78 of the Legislation Act 2019 provides that this consolidation, published as an electronic version, is an official version. A printed version of legislation that is produced directly from this official electronic version is also an official version.

3 Editorial and format changes

The Parliamentary Counsel Office makes editorial and format changes to consolidations using the powers under subpart 2 of Part 3 of the Legislation Act 2019. See also PCO editorial conventions for consolidations.

4 Amendments incorporated in this consolidation

Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11): Part 3

Data and Statistics Act 2022 (2022 No 39): section 107(1)

Companies Office Registers Funding Validation Act 2022 (2022 No 27): section 7

Secondary Legislation Act 2021 (2021 No 7): section 3

Public Service Act 2020 (2020 No 40): section 135

Regulatory Systems (Economic Development) Amendment Act 2019 (2019 No 62): Part 1

Land Transfer Act 2017 (2017 No 30): section 250

Regulatory Systems (Commercial Matters) Amendment Act 2017 (2017 No 12): Part 1 subpart 1

Building Societies Amendment Act 2016 (2016 No 55)

District Court Act 2016 (2016 No 49): section 261

Companies Amendment Act 2013 (2013 No 111): section 14

Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102): sections 5–15

Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70): section 150

Criminal Procedure Act 2011 (2011 No 81): section 413

Financial Markets Authority Act 2011 (2011 No 5): section 82

Property Law Act 2007 (2007 No 91): section 364(1)

Building Societies Amendment Act 2007 (2007 No 43)

Gambling Act 2003 (2003 No 51): section 374

Personal Property Securities Act 1999 (1999 No 126): section 191(1)

Financial Reporting Amendment Act 1997 (1997 No 17): section 6(1)

Arbitration Act 1996 (1996 No 99): section 17

Department of Justice (Restructuring) Act 1995 (1995 No 39): section 10(3)

Income Tax Act 1994 (1994 No 164): section YB 1

Company Law Reform (Transitional Provisions) Act 1994 (1994 No 16): section 2

Building Societies Amendment Act 1993 (1993 No 111)

Building Societies Amendment Act 1989 (1989 No 111)

Trustee Amendment Act 1988 (1988 No 119): section 16(1)

Building Societies Amendment Act 1987 (1987 No 175)

Constitution Act 1986 (1986 No 114): section 29(2)

Building Societies Amendment Act 1982 (1982 No 169)

Income Tax Amendment Act 1981 (1981 No 33): section 12(3)

Building Societies Amendment Act 1980 (1980 No 92)

Judicature Amendment Act 1979 (1979 No 124): section 12

Reserve Bank of New Zealand Amendment Act 1973 (1973 No 16): section 14(2)

Age of Majority Act 1970 (1970 No 137): section 6

Building Societies Amendment Act 1970 (1970 No 117)

Stamp Duties Amendment Act 1968 (1968 No 6): section 2

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