

CO-OPERATION ACT 1923—REGULATION

(Relating to powers of certain societies)

NEW SOUTH WALES



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HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Co-operation Act 1923, has been pleased to make the Regulation set forth hereunder.

G. B. PEACOCKE
Minister for Co-operatives.

The Co-operatives Regulations 1961 are amended:

- (a) by omitting Regulation 32 (1) (d), (1A) and (1B);
- (b) by omitting from Regulation 32 (2) the matter “and (d)”;
- (c) by inserting after Regulation 33 (4) the following clauses:

(5) A rural society or a trading society may, as incidental to its objects and for the purpose of reducing the risks arising from changes in interest rates, foreign exchange rates or the prices of commodities in which the society is permitted by its objects to deal, enter into interest rate swaps, currency swaps, interest rate options, currency options, forward interest rate agreements, forward exchange rate agreements, futures options and futures contracts.

(6) A society which is authorised by its rules to raise money by issuing, discounting or otherwise dealing with bills of exchange may give security in such manner as the society may think fit for the performance of any of its obligations (whether present or future) arising from its raising of money by any of those means. In particular, a society may give security by legal or equitable

mortgage charged on the undertaking of the society or on all or any part of the property and rights (both present and future) of the society, including its uncalled or unpaid capital, subscriptions, loan payments and other money.

EXPLANATORY NOTE

The object of this Regulation is to amend the Co-operatives Regulation 1961 to make it clear that:

- (a) rural societies and trading societies may, as incidental to their objects, enter into certain kinds of agreements (such as forward exchange rate agreements) for the purpose of risk management; and
 - (b) societies authorised by their rules to raise money by dealing with bills of exchange may give security for the performance of their obligations arising from those dealings.
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