

1992—No. 8

**PERMANENT BUILDING SOCIETIES ACT 1967—
REGULATION***

(Relating to relevant interests in shares of permanent building societies)

NEW SOUTH WALES



[Published in Gazette No. 5 of 10 January 1992]

HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Permanent Building Societies Act 1967, has been pleased to make the Regulation set forth hereunder.

GERALD BERESFORD PEACOCKE
Minister for Co-operatives.

The Permanent Building Societies Regulations 1967 are mended by inserting after Regulation 70 the following Regulation:

Relevant interest in 100% of society's shares permitted in certain cases

71. (1) 100% is prescribed for the purposes of section 64I (1) (a) and (c) of the Act in respect of the application of those provisions to the relevant interests that an eligible person has in the shares of 1 (and only 1) eligible society.

(2) The following are eligible persons:

GIO Life Limited.

MLC Life Limited.

(3) A society is an eligible society if

(a) it has provision in its rules that permit a person to have in accordance with this Regulation relevant interests in 100% of the fixed shares issued by the society; and

(b) it has notified the Registrar, in a form approved by the Registrar, that it consents to the particular person concerned having the relevant interests concerned; and

* Disallowed—L.A. 5.3.1992

- (c) it has provision in its rules giving the Board of the society a discretion as to the registration of the transfer of fixed shares; and
- (d) it has provision in its rules entitling persons to become members of the society if they are holders of policies of insurance in respect of which the statutory fund referred to in clause (4) (b) is maintained.

(4) This Regulation applies to the relevant interests that a person has in the shares of a society only if:

- (a) the person has notified the Registrar and the society, in a form approved by the Registrar, of the proposed relevant interest before commencing to have the relevant interest; and
- (b) the shares are held as assets of a statutory fund maintained under the Life Insurance Act 1945 of the Commonwealth; and
- (c) at least 60% of the loans made by the society are primary loans; and
- (d) at least 60% of the loans made by the society in each financial year are on the security of mortgages over land occupied or intended to be occupied by the mortgagors for residential purposes (in which regard the society may rely on a statement by a mortgagor in the loan application that the mortgagor occupies or intends to occupy the land concerned for residential purposes); and
- (e) there is no money on loan at any time from the society to the person who has the relevant interests or that person's associates (within the meaning of section 64E of the Act); and
- (f) a majority of the Board of the society are persons other than directors or employees of the person that has the relevant interests or that person's associates; and
- (g) the person who has the relevant interests furnishes to the Registrar, in a form approved by the Registrar and at times required by the Registrar, returns specifying the details of those relevant interests; and
- (h) no fixed shares of the society in which the person has a relevant interest are transferred or otherwise disposed of without the written consent of the Registrar; and
- (i) no one investment of the society exceeds 5% of the designated capital of the society (within the meaning of section 63E of the Act).

EXPLANATORY NOTE

This Regulation enables GIO Life Limited and MLC Life Limited to have a relevant interest (i.e. a controlling interest) in 100% of the fixed shares of 1 permanent building society each. Without the Regulation, each of those companies would be prevented from having a relevant interest in more than 10% of the fixed shares in a society. The societies concerned must comply with requirements set out in the Regulation as to the rules, management and activities of the society.
