

Act No. 255

PERMANENT BUILDING SOCIETIES (FURTHER AMENDMENT) BILL 1987

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to amend the Permanent Building Societies Act 1967 so as—

- (a) to provide that, with specified exceptions, the provisions of the Companies (New South Wales) Code do not apply to a permanent building society;
- (b) to provide that generally the provisions of the Securities Industry (New South Wales) Code do not apply to a permanent building society, or an officer or employee of such a society, in relation to securities of the society;
- (c) to empower the making of regulations to apply provisions of those Codes to permanent building societies; and
- (d) to make consequential amendments.

The amendments will also apply to permanent-type building societies under the Co-operation Act 1923.

Clause 1 specifies the short title of the proposed Act.

Clause 2 is a formal provision that gives effect to the Schedule of amendments.

Schedule 1 (1) inserts proposed Division 1A (proposed sections 33A–33E) into Part III of the Principal Act:

- (a) Proposed section 33A is an interpretative provision which requires references in the proposed Division to the Companies (New South Wales) Code and the Securities Industry (New South Wales) Code to be read as including relevant regulations under those Codes.
- (b) Proposed section 33B provides that, with certain specified exceptions, provisions of the Companies (New South Wales) Code do not apply to a society. The exceptions are—
 - (i) provisions applied by the Principal Act or the regulations;

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- (ii) provisions relating to the formation of and substantial shareholdings in a company; and
- (iii) provisions relating to the society as a member of a corporation or as a person having dealings with a corporation.
- (c) Proposed section 33C provides that provisions of the Securities Industry (New South Wales) Code do not apply to a society, or its officers and employees, in relation to securities of the society unless the provisions are applied by the Principal Act or the regulations.
- (d) Proposed section 33D enables regulations to be made applying provisions of those Codes to societies or making provision for any matter for which those Codes make provision.
- (e) Proposed section 33E provides that any such regulations cannot have the effect of conflicting with provisions of the Principal Act.

Schedule 1 (2) and (3) make consequential amendments to require proceedings for an offence against the regulations involving recovery of a penalty of \$10,000 or more to be taken in the Supreme Court. Such a penalty will now be able to be provided for by virtue of the adoption of provisions of the Codes under proposed section 33D which have such penalties.

Schedule 1 (4) extends the provisions of proposed sections 33A–33E to building societies mentioned in the Second Schedule to the Co-operation Act 1923 and non-terminating building societies registered under that Act.
