

LAWS OF GUYANA

NEW BUILDING SOCIETY ACT

CHAPTER 36:21

Act

12 of 1940

Amended by

| | | | |
|----|----|------|-----------|
| 3 | of | 1948 | O. 4/1974 |
| 27 | of | 1967 | |
| 4 | of | 1972 | |
| 5 | of | 2005 | |
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| 1 - 45 | ... 1/2012 |

**Index
of
Subsidiary Legislation**

This Chapter contains no subsidiary legislation.

Note

Section 20 of Act No. 12 of 2010 (New Building Society (Amendment) Act 2010) provides as follows:

20. (1) The provisions of the Principal Act amended by this Act save and except sections 32 and 35, shall be read and construed with all modifications, qualifications and adaptations that may be necessary to bring them in conformity with the Financial Institutions Act 1995, the Bank of Guyana Act 1998 and any other applicable law.

(2) Notwithstanding the provisions of subsection (1), the Society shall benefit from the exclusion of taxes on earnings, waiver of licensing fees and reserve requirements.

CHAPTER 36:21
NEW BUILDING SOCIETY ACT
ARRANGEMENT OF SECTIONS

SECTION

1. Short title.

PART I

2. Interpretation.
3. (1) Incorporation of the Society.
(2) Power to sue and hold land.

CHANGE OF NAME

4. Change of name.

OBJECT AND POWERS OF THE SOCIETY

5. Object of the Society.
6. Society deemed to be a Housing Association.
7. Powers of the Society.
8. Power of Society to make donations.

MEMBERS

9. (1) Definition of member.
(2) Infants.
10. Limited liability.

MANAGEMENT

11. Management of the Society.

GENERAL MEETINGS

12. (1) Annual and other general meetings.
(2) Special general meetings.

SECTION

- (3) Requisition to state object of meeting.
- (4) Power of requisitionists to call meeting.
- (5) Restriction on business to be transacted.
- 13. Right to attend and vote at meetings.
- 14. (1) Rules.
- (2) Power to alter, rescind or make rules.
- (3) Publication of rules in Gazette.

FINANCIAL PROVISIONS

- 15. Keeping of accounts.
- 16. Auditors.
- 17. (1) Annual account and statement and audit.
- (2) Audit of account and statement.
- (3) Auditor's certificate.
- (4) Right of member to receive copy of account.
- 18. Officers to give security.
- 19. [Repealed by Act 12 of 2010]

LEGAL PROVISIONS

- 20. (1) Determination of disputes.
- (2) Decision to be final.
- (3) Preservation of ordinary legal rights.
- 21. (1) Payment of sums not exceeding \$100,00 on intestacy of members or depositors.
- (2) Validity of payment.
- 22. (1) Execution of documents.
- (2) Authentication of documents.
- 23. (1) Service of documents on the Society.
- (2) Service of documents by the Society.
- 24. Presumption as to signatories.
- 25. Extracts to be prime facie evidence.
- 26. (1) Gifts, etc., not to be accepted by officers.
- (2) Penalty for accepting gifts.
- (3) Repayment of gifts.

DISSOLUTION

- 27. (1) Dissolution.

- (2) Contents of instrument of dissolution.
 - (3) Notice of dissolution.
28. -30 [Repealed by Act No. 12 of 2010]

MISCELLANEOUS

- 31. Chapter 89:01 not to apply to Society.
- 32. Exemption from stamp duty.

PART II

- 33. Power of Society to borrow for capital purposes.
- 34. Bond certificates.

PART III

- 35. Exemption from stamp duty.
- SCHEDULE – The New Building Society Rules.

CHAPTER 36:21

NEW BUILDING SOCIETY ACT

1953Ed.
c. 201

12 of 1940

An Act to incorporate the New Building Society, Limited, and to transfer to that Society the assets of the British Guiana Building Society, Limited.

[6TH APRIL, 1940]

Short title.

1. This Act may be cited as The New Building Society Act.

PART I

Interpretation.
[12 of 2010]

2. In this Act—

“advance share” means a share which is issued to a member when the amount thereof is advanced to a member in consideration of his giving security for the repayment of the same;

c. 85:03

“bank” has the same meaning as in section 2 of the Financial Institutions Act;

c. 85:03

“capital” in relation to the Society means assigned capital as defined in section 2 of the Financial Institutions Act, notwithstanding that the Society is not a foreign company;

“the Board” means the Board of Directors of the Society;

“financial year” means the twelve months beginning on the 1st January, inclusive, in any year;

“investing share” means a share issued to holders of Save and Prosper and \$5 Shares Accounts or other savings accounts that the Society may so create;

c. 85:03

“licensed financial institution” has the same meaning as in section 2 of the Financial Institutions Act;

“rules” means the rules set out in the Schedule or the rules for the time being of the Society;

c. 85:02

“the Bank” has the same meaning as in the Bank of Guyana Act;

“the Secretary” means the person appointed by the Board to carry out the duties of secretary of the Society and includes an acting or assistant secretary;

“the Society” means the building society hereby incorporated;

“special resolution” means a resolution passed by a majority of not less than three-fourths of such members of the Society as, being entitled so to do, vote in person or by their duly authorised representative at a general meeting of the Society of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Incorporation
of the Society.
[12 of 2010]

3. (1) The persons who have signed the petition praying for the incorporation of the Society and all persons who shall hereafter become members of the Society in accordance with this Act shall be and are hereby incorporated as a building society by the name of “The New Building Society, Limited” and by that name shall be a body corporate with such constitution, objects and powers as are contained in this Act.

Power to sue
and hold land.
c. 85:03

(2) The Society may acquire, hold, lease and dispose of land and other property in any part of the world.

c. 85:03

(3) Notwithstanding the provisions of subsection (2), the power of the Society to hold, lease and dispose of land shall be subject to the limitations as provided under section 15 (3) of the Financial Institutions Act.

CHANGE OF NAME

Change of
name.

4. (1) Subject to the provision of section 12 (1) (e) of the Financial Institutions Act, the Society may change its name by special resolution provided that the new name is not identical with that of any other company or society carrying on business in Guyana.

(2) Any change of name shall not affect any right or

obligation of the Society or of any member thereof or other person concerned.

OBJECT AND POWERS OF THE SOCIETY

Object of the Society.
[12 of 2010]

5. (1) The object for which the Society is incorporated is to raise by the subscriptions of its members or in any other manner a stock or fund for making advances to its members upon the security of immovable property by way of mortgage.

c. 85:03
c. 85:02

(2) The Society shall comply in all respects with the provisions of the Financial Institutions Act, the Bank of Guyana Act and any other law in the manner and to the extent as those laws provide.

Society deemed to be a Housing Association.

6. The Society shall be a Housing Association for the purposes of the Housing Act and may exercise and perform all the powers and functions and discharge all the duties of a Housing Association under the said Act in the same manner and to the same extent as if the Society were deemed and certified by the Act to be a Housing Association for the purposes of the said Act.

Powers of the Society.
[10 of 2010]

7. (1) The Society shall have power—

- (a) to raise funds by the issue from time to time of shares of one or more denominations, either paid up in full or to be paid by periodical or other subscriptions and with or without accumulating interest and to repay such funds when no longer required for the purposes of the Society;
- (b) to make temporary loans to its members upon the security of their deposits with the Society;

-
- (c) to impose fines and forfeitures on its members;
 - (d)
 - (i) to receive deposits or loans at interest from its members or other persons or from the Government or The Central Housing and Planning Authority or any Local Authority under the Housing Act, or from any bank, joint stock company or other corporate body;
 - (ii) for the purpose of receiving from any bank, joint stock company or other corporate body, any loan by way of overdraft or any loan raised for a merely temporary purpose for a period not exceeding twelve months, to pledge or hypothecate with such bank, joint stock company or other corporate body, notwithstanding proviso (a) to section 34(1), any of the Society's mortgage deeds, or other securities by way of security for any such loan:

Provided that the total amount so received on deposit or loan and not repaid by the Society (exclusive of any deposit or loan made by the Government or The Central Housing and Planning Authority or any Local Authority under the Housing Act, for the purpose of any housing scheme or

other scheme under the said Act) shall not at any time exceed two-thirds or such other ratio as may be specified by the Bank of the amount for the time being secured to the Society by mortgages from its members, and in calculating this amount the amount due under any mortgage or contract in respect of which payments were upwards of twelve months in arrear at the date of the Society's last preceding balance sheet, shall be disregarded;

- (e) to carry out any housing or other scheme under the Housing Act as may be approved by the Government or The Central Housing and Planning Authority or any Local Authority under the said Act, and to do all other things incidental to the carrying out of any housing or other scheme as aforesaid;
- (f) to invest any portion of the funds of the Society not immediately required for its purposes upon mortgages of immovable property to an amount not exceeding three-fourths of the value of such property exclusive of the value of any collateral security authorised by the rules, or in any bonds or securities issued or guaranteed by any government or municipal corporation within the Commonwealth, or in or upon any security in which trustees are for the time being authorised by law to invest, or in any savings bank or

deposit account at any bank in Guyana:

Provided that any restriction imposed by this Act or by the rules on the amount to be advanced upon mortgages shall not apply to any mortgages granted by the Society at the request of the Government or The Central Housing and Planning Authority or any Local Authority under the Housing Act, for the purpose of or in pursuance to any housing or other scheme under the said Act;

- (g) to do all other things incidental or conducive to the attainment of the object of the Society.

(2) The powers of the Society under this section shall be subject to the limitations provided under sections 14 and 15 of the Financial Institutions Act.

c. 85:03

Transitional provisions for certain transactions.

7A. (1) Notwithstanding section 14 (1) of the Financial Institutions Act, the Society shall, in relation to any transaction entered into prior to the commencement of this Act which violates the provisions of section 14 (1) of the Financial Institutions Act, within three months of the commencement of this Act submit in writing to the Bank a statement of each transaction and the Society's plan for terminating the transaction or otherwise bringing itself into compliance with the Financial Institutions Act.

c. 85:03

(2) The Society shall ensure compliance with section 14 (1) of the Financial Institutions Act within four years of the commencement of this Act, which period may, upon good cause shown to the Bank be extended for not more

than one year at a time, but no extensions with respect to any one transaction shall exceed, in aggregate, three years.

Power of Society to make donations.

8. Anything in this Act to the contrary notwithstanding, the Society may, in general meeting, approve of—

- (a) a gift of money being made to the Government in respect of the constitution of Guyana as a sovereign State;
- (b) the appropriation annually of a sum of money out of which the Board may make donations in such proportions as it thinks fit to such charitable institutions or organisations as the Board may determine.

MEMBERS

Definition of member.
[12 of 2010]

9. Every person who holds an investing share in the Society shall so long as that share remains in force, be a member of the Society and be bound by the rules.

Limited liability.

10. The liability of each member of the Society is limited in respect of an investing share to the amount actually paid or in arrear on such share and in respect of an advance share to the amount repayable in respect thereof under any mortgage or other security or under the rules.

MANAGEMENT

Management of the Society.
[12 of 2010]

11. (1) The policies of the business and affairs of the Society shall be vested in the Board who may exercise all powers and do all acts and things which may be exercised or done by the Society and are not by this Act or the rules expressly directed or required to be exercised or done by the

Society in general meeting, and who may make such by-laws as may be necessary provided the same are not inconsistent with this Act or the rules.

c. 85:03
c. 85:02

(2) Notwithstanding the provisions of subsection (1), the Board shall exercise its functions subject to the authority conferred on the Bank by the Financial Institutions Act, the Bank of Guyana Act and any other law with respect to the licensing, regulation, inspection or supervision of licensed financial institutions

GENERAL MEETINGS

Annual and other general meetings.
[12 of 2010]

12. (1) A general meeting of the Society shall be held once at least in every calendar year after the close of the financial year of the Society and at such other times as may be prescribed by the rules.

Special general meetings.

(2) The Board shall on the requisition of at least one-tenth of the whole number of the members of the Society, forthwith proceed to convene a special general meeting of the Society.

Requisition to state object of meeting.

(3) The requisition shall state the object of the meeting and shall be signed by the requisitionists and deposited at the office of the Society and may consist of several documents in like form, each signed by one or more requisitionists.

Power of requisitionists to call meeting.

(4) If the Board neglects within forty-two days from the date of the requisition being so deposited or refuses to convene a meeting, the requisitionists or any four or more of them may themselves convene the meeting but any meeting so convened shall not be held after three months from the date of the deposit.

Restriction on business to be transacted.

(5) No business other than that specified in the notice convening the meeting shall be considered at the

meeting.

Right to attend
and vote at
meetings.

13. Subject to this Act every member shall be entitled to attend and vote at any meeting of the Society in accordance with the rules.

Rules.
[12 of 2010]
c. 85:03
c 85:02

14. (1) The Society shall be governed and managed in accordance with this Act, the Financial Institution Act, and the Bank of Guyana Act and any other applicable law.

Power to alter,
rescind or
make rules.

(2) The Society may by special resolution alter or rescind any rule or make any additional or new rule provided that no rule so made shall be inconsistent with this Act and no rule or any alteration or revocation shall come into force until approved by the Minister.

Publication of
rules in
Gazette.

(3) All rules so made and notice of any alteration or revocation of a rule shall be published in the *Gazette* within three months after approval by the Minister.

FINANCIAL PROVISIONS

Keeping of
accounts.

15. (1) The Society shall cause to be kept proper books of account showing the financial position of the Society.

(2) The books of account shall at all times be open to inspection by any director.

Auditors.
[12 of 2010]

16. (1) The Society shall at every annual general meeting of the Society appoint an auditor or auditors to hold office until the next annual general meeting.

(2) No person other than a retiring auditor shall be appointed an auditor under subsection (1) unless, not less than fourteen days before the annual general meeting, notice of the intention to nominate such person for appointment as auditor is given to the Society by a member.

(3) Where any such notice is given to the Society, the Society shall send a copy of the notice to the retiring auditor, and give notice thereof to the members either by advertisement or in any other mode allowed by the rules not less than seven days before the annual general meeting.

(4) The Board may appoint an auditor or auditors to hold office until the expiration of any current year—

- (a) where no auditor is appointed under subsection (1);
- (b) where the Board considers it advisable to appoint an auditor in addition to the auditor or auditors appointed by the Society;
- (c) where the office of auditor has become vacant under subsection (5).

(5) The office of an auditor appointed under subsection (1) or (4) shall become vacant where the auditor—

- (a) dies; or
- (b) resigns his office; or
- (c) leaves Guyana; or
- (d) becomes from any cause unable, in the opinion of the Board, to discharge the duties of his office efficiently.

(6) Where two or more auditors have been appointed under this section, and the office of one or more of such auditors has become vacant under subsection (5), the remaining auditor or auditors (if any) shall continue and act as the auditor until the vacancy has been filled, in the same

manner and to the same extent as if there were no vacancy.

(7) An auditor appointed by the Society shall receive the remuneration fixed by the Society, and an auditor appointed by the Board shall receive the remuneration fixed by the Board.

(8) The auditor appointed by the Society shall –

- c. 85:03 (a) be qualified in accordance with section 22 of the Financial Institutions Act;
- c. 85:03 (b) perform the reviews and make the reports required by Part V of the Financial Institutions Act; and
- c. 85:03 (c) exercise, in addition to the functions conferred on him by this Act, those functions and powers provided by the Financial Institutions Act.

Annual account
and statement
and audit.

17. (1) The Secretary shall at least once in every year prepare an account of the income and expenditure of the Society and a general statement of its funds and effects, liabilities and assets showing –

- (a) the amounts due to each class of members in respect of shares;
- (b) the amounts due to depositors and creditors for loans;
- (c) the balance due or outstanding on the Society's mortgage or securities contracts (not including prospective interests) and in respect of such mortgages and contracts the number

thereof and the aggregate amount owing thereon, classified under the heads of mortgages or contracts –

- (i) not exceeding one million dollars;
- (ii) exceeding one million dollars but not exceeding three million dollars;
- (iii) exceeding three million dollars but not exceeding five million dollars;
- (iv) exceeding five million dollars but not exceeding seven million dollars;
- (v) exceeding seven million dollars but not exceeding eight million dollars;
- (vi) exceeding eight million dollars but not exceeding nine million dollars;
- (vii) exceeding nine million dollars but not exceeding ten million dollars;
- (viii) exceeding ten million dollars but not exceeding eleven million dollars;
- (ix) exceeding eleven million dollars but not exceeding twelve million dollars;
- (x) exceeding twelve million dollars,

and showing under each head the aggregate amount on mortgages and contracts on which repayments or payments are upwards of twelve months in arrear; and

- (d) the amount invested in the funds or other securities.

Audit of
account and
statement.
[12 of 2010]

(2) Every such account and statement shall be audited and attested by the auditor to whom the mortgage deeds, transports, and other securities and title deeds belonging to the Society shall be produced.

Auditor's
certificate.

(3) The auditor shall either certify that such account and statement is correct, duly vouched and in accordance with

law or specially report to the Society in what respect he finds it incorrect, unvouched or not in accordance with law and shall also certify that he has at the audit actually inspected such mortgage deeds, transports and other securities and title deeds.

Right of member to receive copy of account.

(4) Every member, depositor and creditor for loans may uplift a copy of such account and statement from any of the Society's offices and a copy thereof shall be exhibited in a conspicuous place in every office of the Society

Officers to give security.

18. The Secretary and every officer of the Society having the receipt or charge of any money or other property of the Society shall give security to the satisfaction of the Board for the due rendering of a just and true account thereof and the due payment and delivery of such money and property.

19. [Repealed by Act No 12 of 2010]

LEGAL PROVISIONS

Determination of disputes.

20.(1) Every dispute between a member or a person claiming through or under him and the Society or an officer thereof or under the rules shall be determined by arbitration in accordance with the Arbitration Act.

Decision to be final.

(2) Any decision so obtained shall be binding and conclusive on all parties and shall be final to all intents and purposes and shall not be subject to appeal.

Preservation of ordinary legal rights.

(3) Nothing in this section shall prevent the Society or any member thereof or any person claiming through or under him from obtaining in the ordinary course of law any remedy in respect of any debt due under any mortgage or other contract to which he or the Society would otherwise be by law entitled.

Payment of sums not exceeding \$100,000 on intestacy of members or depositors.
[12 of 2010]

21. (1) If any member of or depositor with the Society having in the funds thereof a sum of money not exceeding one hundred thousand dollars shall die intestate, then the amount due may be paid to the person who shall appear to the Board to be entitled under the Laws of Intestacy to receive the same, without taking out letters of administration, upon the Board receiving satisfactory evidence of death and a statutory declaration that the member or depositor died intestate and that the person claiming is so entitled..

Validity of payment.

(2) Any payment as aforesaid by the Society shall be valid and effectual with respect to any demand from any other person or next of kin or as the lawful representative of such deceased member or depositor against the Society but such next of kin or representative shall nevertheless have his lawful remedy for the amount so paid against the person who has received the same.

Execution of documents.

22. (1) Any document requiring to be formally executed by or on behalf of the Society shall be sufficiently executed if the seal of the Society is affixed thereto by the secretary in accordance with the rules.

Authentication of documents.

(2) Any power ad litem or document or proceeding requiring authentication by the Society may be signed by a director and the Secretary and need not be under its seal.

Service of documents on the Society.

23. (1) A document may be served on the Society by leaving it with the secretary at the office of the Society or by sending it by registered post addressed to the secretary thereat.

Service of documents by the Society.

(2) A document may be served on any member or depositor or other person by leaving it at his address according to the books of the Society with any person residing there or by sending it through the post as a prepaid letter

addressed to him thereat.

Presumption as to signatories.

24. Every person signing as chairman, director or secretary shall be taken so to be until the contrary is proved.

Extracts to be prime facie evidence.

25. Every copy or extract purporting to be a copy or extract from the minutes, proceedings or rules of the Society signed by the secretary or purporting to be signed by the secretary shall be held and taken to be prima facie evidence of the matters and things therein contained and shall be judicially noticed.

Gifts, etc., not to be accepted by officers. [12 of 2010]

26. (1) No director, secretary, solicitor or other officer of the Society shall in addition to any remuneration prescribed or authorised by law or the rules, receive from any person any gift, bonus, commission or benefit for or in connection with any loan made by the Society or the purchase of any shares of the Society.

Penalty for accepting gifts.

(2) Any person paying or accepting any such gift, bonus, commission or benefit shall be liable on summary conviction to a fine of fifty thousand dollars.

Repayment of gifts.

(3) Any person accepting any such gift, bonus, commission or benefit shall as and when directed by the Court by which he is convicted pay over to the Society the amount or value thereof, and in default of such payment shall be liable to be imprisoned for six months.

DISSOLUTION

Dissolution.

27. The Society may only be terminated or dissolved in accordance with the provisions of the Financial Institutions Act.

[ss. 28 to 30 (inclusive) repealed by Act No. 12 of 2010]

MISCELLANEOUS

Chapter 89:01
not to apply to
Society

31. The Companies Act shall not, save as in this Act provided, apply or affect the Society.

Exemption
from stamp
duty.

32. No rules of the Society nor any copy thereof nor any power, or warrant of attorney granted by the Society, nor any receipts given by the Society, nor any entry in any book of receipt for money deposited in the funds of the Society nor for any money received by any member, his executors, administrators, assigns or attorneys, from the funds of the Society, nor any bond certificate or share certificate or transfer of any bond or share, nor any bond or other security to be given to or on account of the Society or by any officer thereof, nor any order on any officer for payment of money to any member, nor any appointment of an agent nor any certificate or other instrument for the revocation of any such appointment, nor any other instrument, agreement or document whenever required or authorised to be given, issued, signed, made or produced in pursuance of this Act shall be subject or liable to or charged with any stamp duty or duties whatsoever, provided that this exemption shall not extend to any mortgage.

PART II

Power of
Society to
borrow for
capital
purposes.

33. For any capital purpose within the power of the Society under this Act, the Society may borrow money by the issue of bond certificates.

Bond
certificates.

34. (1) Bond certificates issued under this Act together with the interest thereon shall all rank *pari passu* as a first charge by way of floating security on the assets of the Society:

Provided that except with the consent of the Minister the amount for the time being secured by the said bond certificates shall not at any time exceed five hundred million.

(2) Bond certificates shall bear interest at such

rate not exceeding six per cent per annum as the Board may determine at the date of issue of the said certificates.

(3) Bond certificates may be redeemed in whole or in part by the Society on six months' notice.

(4) Bond certificates may be transferred in whole or in part in multiples of five thousand dollars, on payment of such fee as the Board may fix.

PART III

Society
exemption
from stamp
duty.

35. Stamp duty shall not be chargeable on any agreement, transport, transfer, assignment, certificate, receipt or other document that may have to be executed or issued by reason of this Act.

SCHEDULE

NEW BUILDING SOCIETY RULES

1. These Rules may be cited as the New Building Society Rules.

PLACE OF OFFICE

2. (1) The Chief Office of the Society shall be situated

in the City of Georgetown, in the county of Demerara.

(2) The Board may from time to time establish branch offices in such place or places as it may think fit.

(3) Notice of the situation of the Chief Office and any change thereof shall be published in the Gazette.

MEMBERSHIP

3. (1) Any person may be admitted as a member of the Society at any time on making application to the Board for an investing share in Form A in the Appendix to these Rules and on paying the entrance fee on such share as hereinafter provided or on obtaining a transfer for any such share.

(2) Any company authorised by its memorandum to hold shares in or to invest its money in other corporate bodies may be a member of the society, and the secretary of such company or the person duly appointed in that behalf is entitled to represent and vote on behalf of the company.

(3) Two or more persons may jointly hold a share or shares in the Society. In such case the person whose name stands first on the Register alone is entitled to receive communications and to vote in respect of such shares. The receipt of any one or more of the holders shall be a good discharge for any dividend, interest, profit, or bonus paid in respect of such shares.

(4) The Board may decline to register any share in more than four names and may decline to issue any shares to any person or company.

REGISTER OF MEMBERS

4. (1) A register shall be kept, in which shall be

entered the christian and surname, occupation and place of abode of every member; and as often as any member shall change his place of abode, he shall within fourteen days give notice thereof to the secretary. Upon such notice being given, the alteration shall be entered in the register by the secretary; and all notices by circular shall be deemed duly given by the secretary by putting the same in a post office at Georgetown addressed to the member according to the last entry on the register.

(2) Any female member who may marry shall give notice in writing thereof to the secretary, and of the christian and surname, place of abode, and profession or business of her husband.

(3) Upon the death of any member, his legal personal representative, or other person entitled, shall within one month afterwards, give notice thereof, in writing, to the secretary, stating the christian and surname, place of abode, and profession or business of such personal representative, or other person entitled to the shares of such deceased member.

ENTRANCE FEE

5. On admission or taking additional shares every member shall pay such entrance fee if any not exceeding twelve cents per share as the Board may appoint.

COPY OF RULES

6. On admission every member shall be furnished with a copy of the rules for which he shall pay twenty-four cents.

PASS BOOK

7. (1) Every member of the Society other than a

member holding fully paid shares shall be furnished with a pass book in which his account with the Society shall from time to time be made up.

(2) Any member losing his pass book shall immediately give notice thereof in writing to the secretary, and such member shall on request, be supplied with another, containing a copy of his account, on payment of a fine of sixty-five dollars.

(3) If any person other than the member to whom it belongs shall produce any pass book, and represent himself to be the member therein named, and shall thereupon withdraw or receive any money in respect of the account contained in the pass book, neither the Society nor any of its officers shall be held responsible for the same, unless notice in writing of the loss of the pass book shall have previously been given to the secretary.

(4) Every member shall leave his pass book at the chief office of the Society, or with one of its duly appointed agents, as often as shall be required by the Board, for the purpose of examination by the auditors, or in default thereof shall be fined sixty cents. There shall be delivered to him a receipt for his book, which he shall return on applying for the book.

SHARES

8. (1) The stock or funds of the Society shall be raised by the issue of—

- (a) fully paid up investing shares of five dollars each or of such other denomination not exceeding fifty dollars each as the Board may fix, upon which interest at such rate as the

Board may from time to time fix, shall be receivable by the member half yearly, subject nevertheless to such conditions as the Board may from time to time prescribe and to the provisions of the Rules;

- (b) subscription investing shares with accumulative interest, of \$100 each realisable by a single payment or by monthly or other subscriptions, and in periods of years according to such scale or scales as the Board may from time to time prescribe;
- (c) any other forms of investing shares and on such terms as the Board may from time to time fix.

(2) The Society shall have the right at time to pay off the whole or any part of an investing share on six months' notice.

(3) All investing shares of the Society (whether fully-paid or matured or otherwise) shall rank *pari passu* in proportion to the amount of principal and interest to which the holders of such shares are entitled.

9. (1) Each member, to whom fully paid investing shares are issued is entitled to a certificate of such shares, under the seal of the Society specifying the number, denomination, and amount thereof respectively, which certificate shall be evidence of his title thereto:

Provided that the Society shall be under no obligation to issue certificates in respect of advance shares or of any investing shares issued under rule 8(1)(c).

(2) If any certificate shall be worn out or defaced, the Board may upon production, thereof, order it to be cancelled, and may issue a new certificate in lieu thereof to the member entitled.

(3) If any certificate shall be lost or destroyed, the Board may issue a new certificate in lieu thereof, to the member entitled, upon payment by him of a fine of sixty cents and upon satisfactory evidence of the loss or destruction, or, in default thereof, upon such indemnity as they deem sufficient, being given.

TRANSFER AND TRANSMISSION OF SHARES

10. (1) Any member may transfer his investing shares to any person, approved by the Board, or to any existing member, on payment to the Society of all arrears, fines and other payments then due, and such transfer fees, if any, as the Board may determine.

(2) No transfer shall be valid unless made in Form B in the Appendix to these Rules, and a proper record of all transfers shall be made in a book to be kept for that purpose by the secretary.

11. (1) Upon any member holding investing shares becoming insolvent, or entering into any composition with his creditors, or availing himself of any proceedings for the relief of insolvent debtors or having any judgement of execution against his estate and effects, or if his shares, or any of them, shall be charged in favour of any person, by or through a Judge's order or otherwise, the trustee, assignee, execution creditor, or person obtaining such charge, shall not by reason thereof become a member of the Society, but shall be at liberty to withdraw the share or shares, or interest of such member, or to sell or transfer the same, to any other person duly admitted as a member of the Society.

(2) Such shares shall, nevertheless, be subject to all the rules and regulations of the Society, to which they would have been liable in the hands of the member originally holding the same.

(3) If the trustee of any insolvent member shall disclaim the shares of such member, under the Insolvency Act, or any amendment thereof, such shares shall immediately be taken and deemed to be absolutely extinguished.

12. If it shall appear to the Board that any member has become lunatic, or of unsound mind, or incapable of managing his affairs, and that no committee, receiver or guardian has been appointed (although the contrary may in either case be the fact), the Board may, subject to such conditions as they think fit, allow the withdrawal of the whole or any portion of the amount in the books of the Society standing to the credit of such member by the person who appears to the Board to have the care of such member or the management of his affairs and such withdrawal shall be considered a valid act of such member and be binding upon him and upon all persons claiming through or under him.

13. At any time within one month after the payment of the entrance fee by any person, the Board may decline to admit or continue such person as a member; and notice thereof shall be given in writing to such person, and the entrance fee, and any other payment made to the Society by him, shall be returned or tendered to him by the secretary. Upon such notice being given and payment or tender made to such person he shall cease to be a member of the Society.

WITHDRAWAL OF SHARES

14. Any member may withdraw the whole or any part of the moneys standing to his credit in respect of subscription investing shares on giving one month's notice in writing in the prescribed form and leaving therewith his pass book.

15. The following fees shall, if the Board deems it expedient, be paid upon the withdrawal of any shares, namely: eight cents in the dollar on the total amount of the principal and interest withdrawable, if the share be withdrawn within two years of its issue or during the first half of the term for which it shall have been originally issued, and four cents in the dollar if withdrawn after two years of its issue or during the remaining half; but the Board may, at their discretion reduce, or absolutely waive, the payment of the withdrawal fees, or may suspend the requiring of payment thereof for any period that they think proper.

16. Investing shares under the notice of withdrawal shall be paid out in rotation, according to the order of the applicants on the list kept by the secretary for that purpose; or if the Board should, in consequence of the number of applications for withdrawal, and the insufficiency of the funds in hand, think it desirable, then in such manner that each member may receive in equal proportion of the money which he has paid in, so that all such members may be simultaneously accommodated with a portion of their shares. Provided always that if there is an abnormal or excessive number of applications for withdrawal and the Society is solvent the Board may from time to time by resolution make such provisions for the payment out of satisfaction in whole or part of such withdrawals and the time or times and order of payment as in its absolute discretion it thinks fit. In case the expenses of the Society, or any losses sustained by it, exceed the amount of the Society's fund available for the same, shares under notice of withdrawal shall be chargeable with their due proportion of such excess; and this rule shall equally apply to members cancelling their shares, previously to taking an advance from the Society.

17. Subject to the foregoing provisions, the amounts payable on the withdrawal of investing shares, upon which all subscriptions due and all fines, fees and other sums, shall

have been paid, and the amounts payable on the withdrawal of investing shares, upon which a single payment in advance shall have been made in commutation of the periodical subscriptions, as hereinbefore provided, together with payment of all fines, fees and other sums due, shall be according to such tables as the Board shall from time to time decide.

18. When the funds of the Society do not permit of payment of the amount withdrawable being made immediately after the expiration of a notice to withdraw investing shares, such amount shall bear interest at such rate, as the Board shall, from time to time, determine.

ADVANCES

19. Whenever the funds of the Society are, in the opinion of the Board, sufficient for the purpose they shall be employed in making advances or loans to members as herein provided, and the order in which members become entitled to advances shall from time to time be determined by the Board.

20. Every application for an advance or loan shall be made in writing to the Secretary in such form as the Board shall from time to time prescribe.

21. On the granting of an advance or loan to an applicant such number of advance shares (or fractional tenth parts of shares) as shall be sufficient to cover the amount of the advance shall be allotted to such an applicant (hereinafter referred to as "an advanced member") who shall pay the prescribed entrance fee. One hundred dollars shall be the full value of an advance share.

22. (1) Advances for the purpose of or pursuant to any housing or other scheme under the Housing Act, shall be made upon such terms and conditions as the Board may from time to time prescribe.

(2) Other advances shall be made upon such terms and conditions as the Board may from time to time direct:

Provided always—

- (a) that subject as hereinafter provided no advance in excess of three-quarters of the value of the security offered shall be made;
- (b) that no advance in respect of such security shall exceed twenty thousand dollars;
- (c) that no advance shall be made upon property subject to a prior mortgage or mortgages unless all such prior mortgages are in favour of the Society;
- (d) that no advance shall be made for the purchase of a property with a view to a purchase-tenancy contract with a member in respect thereof unless such member deposits with the Society or has at his credit in the Society in shares or otherwise or provides additional security of not less than one-quarter of the value thereof;
- (e) that in determining the amount of any advance the value of any collateral security offered to the Society other than the following shall not be taken into account, that is to say—
 - (i) a charge upon or assignment

- of a policy of life assurance; provided that the value of the policy shall be assessed at an amount not exceeding the surrender value thereof at the time the advance is made;
- (ii) a charge upon money deposited with the Society;
 - (iii) a charge given by the member upon any stocks, funds or shares in which trustees are for the time being authorised to invest trust money;
 - (iv) a guarantee given by an insurance company or other corporate body approved by the Board;
 - (v) a guarantee which any local authority or public body may be authorised to make for the purpose of encouraging the erection or purchase of dwellings and similar buildings;
- (f) that the restriction imposed by proviso (a), shall not apply to collateral security in respect of which an advance may subject to the restriction in proviso (b), be made to the full value thereof.

23. Every advanced member shall repay his advance with interest at such rate as shall be determined from time to time by the Board by monthly instalments or otherwise as may be agreed upon, and the Board in agreement with such member shall have power from time to time to vary the terms of repayment and make further advances. The Board may from time to time at the end of any year without reducing the

rate of interest payable under the mortgages grant a rebate of interest to all advanced members or to those who are not in arrears on such terms and conditions as the Board may determine.

24. The mortgage or other security which an advanced member shall be required to execute to secure an advance shall be prepared by the Society's lawyers at the expense of the member who shall also pay any expense which may be incurred by the Society in examining, valuing or investigating the property or security offered. The mortgage or agreement shall be in such form and contain such powers, covenants, agreements, stipulations and conditions as such lawyers shall consider necessary and proper.

25. No advanced member may sell any property mortgaged to the Society or transfer any agreement unless and until the consent in writing of the Board has been obtained to the sale and the intended purchaser has become a member and has accepted a transfer of the advance shares held by such member and pays a transfer fee thereon of sixty-five dollars for the first share and sixty-five dollars share for any additional number of shares or part thereof.

26. An advanced member shall be deemed to have terminated his membership as such upon payment of all sums due on his advance shares together with all interest, fines, fees or other payments due by virtue of these rules and/or under the terms of the mortgage or other agreement.

27. A member desiring to pay off his mortgage or the sum due under any agreement may do so at any time upon giving three months' notice in the prescribed form or upon payment of interest in lieu of the notice.

SUBSCRIPTIONS

28. (1) The subscriptions of investing and advanced

members shall become due and payable at the Society's office on the first working day of each month, or of each period as the case may be.

(2) The Society shall incur no responsibility for loss of payments made through the post.

29. Every member failing to pay his monthly or other periodical contribution on an advance share within sixteen days of its becoming due shall be fined at the rate of one cent in every dollar or part of a dollar of his contribution in arrear and shall be charged two cents in the dollar or part of a dollar for every subsequent month or part of a month during which that contribution remains unpaid.

30. Any subscription or other payment received from a member may be applied in or towards satisfaction of such fines and subject thereto in or towards satisfaction of the subscriptions or other payments in arrears or due.

31. The Board may in such cases as it may think fit reduce or remit any fines.

32. When the amount of the fines due and unpaid by any member is equal to all the subscriptions he has paid, he shall forfeit his shares and cease to be a member.

PROFITS

33. (1) As at the 31st day of December in each year, the Board shall make a valuation of the assets and liabilities of the Society. If the valuation placed on the assets by the Board is less than their book value, the deficiency shall be provided for as a charge against profits in the accounts of the Society for the year.

(2) After all liabilities and contingent liabilities

have been provided for including the interest payable by the Society on loans and deposits, the profits of the Society shall, subject to the Act and these Rules, be applied in payment of interest due on investing shares in proportion to the monies paid up on the same.

(3) There shall be set aside out of the profits such sums as the Board thinks proper as a reserve fund to meet contingencies or to equalise interest or for such other purposes as the Board shall in their absolute discretion think conducive to the interest of the Society.

(4) The Board may pay out of the profits such sums as it may from time to time determine to any provident or other fund established for the benefit of the staff or in payment of any superannuation allowances or the premiums for the insurance of the lives of the staff or any one of the staff.

(5) The Board may carry forward any profit it may deem prudent not to divide.

34. Subject to rule 33, any profits of the Society may be applied in payment of bonus on the various issues of investing and advance shares at such rates and payable at such times and under such conditions as the Board may from time to time determine:

Provided that—

- (a) no distribution of bonus shall be made if the reserve fund aforementioned amounts to less than five per cent of the mortgage and purchase-tenancy assets available under section 7(d) of the Act;
- (b) if any rebate of interest has been granted to advanced members under

rule 23, no distribution of bonus shall be made on advanced shares.

LOSSES

35. If during any year the Society sustain any loss exceeding the amount of its reserve fund the excess shall be debited to the accounts of the members in respect of the shares in proportion to the amounts standing to the credit of each at the beginning of such year.

MEETINGS

36. The annual general meeting of the Society shall be held as soon as conveniently may be after the 31st December and not later than 31st March. At such meeting the audited accounts and the Directors report shall be presented to the members, and the requisite number of Directors elected to fill vacancies and the remuneration of Directors and auditors shall be determined, and any other business transacted of which due notice shall have been previously given.

37. The Board may, whenever it thinks fit, hold a half-yearly general meeting or call a special general meeting at such time and place as the Board may determine.

38. Every annual, half-yearly or special general meeting shall be summoned by advertisement to be inserted in one or more newspapers of the country at least seven days before the date of the meeting and for such period as aforesaid, a copy of the notice shall be conspicuously exhibited in the registered office of the Society.

39. (1) All questions submitted to the general meeting shall be decided by a majority of members present, and qualified to vote at such meeting taken by show of hands unless a poll be demanded by not less than ten such members present, whereupon the meeting shall appoint two scrutineers

and the poll shall be taken in such manner and either at once or at such time within two months, and place, as the Board shall determine.

(2) Every member shall have one vote provided that an investing member with less than \$100 to credit shall not be qualified to vote.

(3) For the purpose of a poll, members unable to attend any meeting or adjourned meeting may appoint proxies to record their votes.

(4) The result of the poll shall forthwith be exhibited at the registered office of the Society, and so remain for a period of one month.

(5) In the case of equality of votes the chairman shall have a casting vote.

40. A meeting may be adjourned from time to time by resolution, or removed from one place to another, and every meeting by adjournment or removal shall be deemed a continuation of the original meeting.

DIRECTORS

41. The number of Directors shall not be less than three nor more than six unless otherwise determined by a general meeting.

42. The first Directors shall be appointed by the Minister and shall include at least two of the persons named as such in the petition to the Minister praying for the incorporation of the Society.

43. (1) Subject to these Rules the Society in general meeting shall appoint the Directors of the Society and may increase or reduce the number of Directors in office.

(2) Until the deferred shares issued under the Act have been extinguished or cancelled the Minister shall have the right to nominate one-third of the Directors.

(3) If any person or company agrees to underwrite the issue of any bond certificates or to guarantee the capital or interest of any such certificates or the due redemption thereof, such person or company and if more than one then the majority of them, shall, so long as any bond certificates issued pursuant to the underwriting agreement are held by them or during the existence of any such guarantee also have the right to nominate one-third of the Directors.

44. The Board shall have power at any time and from time to time appoint any other qualified person as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed and subject to any such appointment or appointments being confirmed at the next annual general meeting.

45. Every Director shall possess a qualification in his own right of paid up investing shares of the value of not less than five hundred dollars or subscription investing shares of the ultimate value of not less than two thousand dollars.

46. Such remuneration shall be paid to the Board for their services as is determined by a general meeting of the Society and the Board shall decide how such remuneration shall be apportioned between its members.

47. (1) A Director shall cease to be such if—

- (a) he becomes insolvent or compounds with his creditors;
- (b) he be found a lunatic or becomes of

unsound mind;

- (c) he ceases to be qualified to act as a Director;
- (d) his qualification shares shall be in arrear for two months;
- (e) he is absent from four consecutive meetings of the Board without special leave of absence from the Board, and the Board shall resolve that his office is vacant.

(2) A Director is entitled to resign his office, and the Board shall have power to accept his resignation.

48. (1) The first Directors shall hold office until the third annual general meeting of the Society and thereafter the whole of the Directors shall retire from office at the annual general meeting in every second year.

(2) The retiring Directors are eligible for re-election and shall act as Directors throughout the meeting at which they retire.

49. No person not being a retiring Director or a person nominated under rule 43 shall unless recommended by the Board for election be eligible for election to the office of Director at any general meeting, unless he or some other member intending to propose him has at least seven days and not more than twenty-eight days before the meeting left at the office a notice in writing duly signed signifying his candidature for the office or the intention of such member to propose him.

50. No Director or other officer of the Society shall be removed from office during his term of office except as

expressly provided in these rules otherwise than by special resolution provided always that the Board shall have power to suspend any officer if and on such terms as the Board shall think fit.

51. All acts done at any meeting of the Board, or of a committee of the Board, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they, or any of them, were disqualified, be as valid as if there was no vacancy or every such person had been duly appointed and was qualified to be a Director.

52. A Director may at any time appoint by writing under his hand an alternate Director to act for him during his absence from the country. The appointment of an alternate Director shall not be deemed to increase the number of Directors.

53. (1) The Board shall appoint out of their body a Chairman and Vice-Chairman and in the absence of either Chairman or Vice-Chairman the Board shall appoint a Chairman for any meeting.

(2) The Chairman may exercise a casting vote when necessary.

54. (1) The Board shall meet as often as may be necessary but as far as possible a meeting shall be held at least once a month.

(2) The quorum for a Board meeting shall be fixed by the Board from time to time but until so fixed shall be two.

(3) No Director shall vote upon any question affecting his own individual interest or conduct.

OFFICERS

55. The Board shall appoint a lawyer or a firm of lawyers, a secretary and such other officers and agents and with such remuneration as may be deemed necessary or right by the Board, who shall also from time to time define what duties they are to perform in addition to those defined in the Rules.

56. (1) The lawyer shall transact all the necessary legal business of the Society and shall be paid for the same according to any scale of charges approved by the judges or in the absence thereof by the Board.

(2) The lawyer may attend all meetings of the Board and all meetings of members but he is not entitled as such to vote on any question. He shall attend all meetings at which his presence shall be required.

(3) Previous to each annual meeting the auditors shall attend and inspect the securities of the Society held in the country whether in the custody of the bankers or of any other person, and the auditors shall in their report to the members state the result of such inspection.

57. (1) The secretary shall attend all meetings of the Society and of the Board and shall perform all the duties pertaining to the office.

(2) The secretary shall keep true and correct minutes of the proceedings at every meeting and true and correct accounts of the transactions of the Society in such books as may be necessary.

(3) The secretary shall be liable to pay the amount of any loss suffered by the Society through his neglect.

58. The seal of the Society shall not be used without

the authority of the Board and shall not be affixed to any document except in the presence of two Directors or pursuant to a resolution signed by two Directors and with the attestation of the secretary or such other person or persons as the Board may appoint to seal and attest documents.

59. No payment shall be made out of the funds of the Society except by order of the Board and all such payments shall be made by cheque upon the bankers of the Society for the time being signed by two members of the Board and countersigned by the secretary or in such other manner as the Board may from time to time direct.

60. If any member fails for a period of not less than three years to leave his pass book for examination in accordance with Rule 7(4) and a letter requesting him to do so has been returned to the Society, and there is less than ten dollars at the credit of his account, the amount at credit may be transferred to the credit of the General Reserve Fund of the Society, provided that the Society shall at any time thereafter pay such amount on application to the member or other person entitled thereto.

APPENDIX

FORM A

APPLICATION FOR SHARES

.....20....

The Secretary,

The New Building Society, Limited.

Sir,

I desire to be admitted a member of your Society and hereby apply for the following shares—

| Number of shares | Description | Amount to be paid |
|------------------|---------------|-------------------|
| | Copy of Rules | Total |

I enclose the sum of \$ in payment.

(Signature).....

Name in full
.....

Address
.....

Occupation
.....

FORM B

TRANSFER OF SHARES

I,
.....
..... a member of the New Building Society, Ltd., in consideration of the sum of paid to me by of
(hereinafter referred to as "the transferee") do hereby transfer to the transferee my share(s) numbered...of and in the funds of

the said Society to hold the same unto the transferee, his executors, administrators and assigns subject to the rules and the payment prescribed thereby.

AND I, the transferee, approved by the Board do hereby agree to accept the share(s) subject to the same rules and payments.

As WITNESS our hands this day of 20

FORM C

APPLICATION FOR ADVANCE

..... 20

The Secretary,
The New Building Society, Limited.

Sir,
I hereby apply for an advance of \$..... on the security of the property hereinafter mentioned and the issue to me of the equivalent advance shares.

I submit the following particulars—

1. Name in full
- Address
- Occupation

2. Description of property offered as security.....

3. Particulars of property—
 - (a) appraised or other value.....

- (b) purchased price
- (c) number and description of buildings
- (d) monthly rental

4. Time within which advance to be repaid

.....

5. Form of security

.....

(Signature)
