

BUILDING SOCIETIES.

11° GEO. V., No. XX.

No. 20 of 1920.

AN ACT to amend the Law relating to Building Societies.

[Assented to 29th December, 1920.]

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the *Building Societies Act, 1920*, and shall come into operation on the first day of January, One thousand nine hundred and twenty-one.

Short title and commencement.

2. (1.) The Act mentioned in the First Schedule to this Act is hereby repealed.

Repeal.
First Schedule.

(2.) Such repeal shall not affect the registration of any society under the Act hereby repealed, and any society at the commencement of this Act registered under the Act hereby repealed may obtain a certificate of incorporation under this Act, and shall be deemed to be incorporated and registered under this Act, and this Act shall apply to it accordingly.

Application to existing societies.
Vict No. 2622, s. 2.
33 & 39 Vict., c. 2, s. 2.

3. In the construction of this Act, unless inconsistent with the context or subject-matter,—

Interpretation.
Ibid., s. 3.

“Committee of Management” means the managing body of any society under this Act by whatsoever name such body is designated;

- “Court” means the Supreme Court of Western Australia;
- “Investing member” means any member of a society who holds shares which participate in the profits of the society, whether such shares have been borrowed or advanced on or not;
- “Leasehold” includes any tenure of land not being freehold held for a term of not less than twenty-one years, or if for a lesser term with the right to an extension for not less than twenty-one years, or to acquire the fee simple;
- “Permanent society” means a society which has not by its rules any fixed date, or certain event or result, when it shall terminate;
- “Registrar” means the registrar for the time being of Friendly Societies, who shall for the purposes of this Act be the registrar of building societies;
- “Secretary” means the secretary, manager, managing director, or other principal executive officer of a society, by whatsoever name he may be called;
- “Terminating society” means a society which by its rules is to terminate at a fixed date, or when a certain event or result specified in its rules is arrived at.

Purposes for which societies may be established.

See 37 & 38 Vict., c. 42, s. 13.

Vict. No. 2622, s. 4.

4. (1.) Any number of persons may establish a society under this Act, either terminating or permanent, for the following objects, namely, the raising a fund by the payments, subscriptions, or contributions of its members, and the receipt of deposits and loans as hereinafter provided, and the application of such fund in assisting its members in obtaining freehold or leasehold property, or in the making of loans or advances to its members or other persons upon the security of freehold or leasehold property.

(2.) Any society under this Act shall, as far as necessary for the purpose for which it is established, have power to hold land, or any interest therein, with the right of foreclosure, and may from time to time raise funds by the issue 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 may repay such funds when no longer required for the purposes of the society:

Provided that any land to which such society may become absolutely entitled by foreclosure or by surrender, or other extinguishment of the right of redemption, shall as soon afterwards as may be conveniently practicable be sold or converted into money.

5. The persons intending to establish a society under this Act shall transmit to the registrar two copies of the rules agreed upon by them for the government of the society, signed by three of such persons and by the intended secretary; and the registrar, if satisfied that the rules contain all the provisions set forth in section nine of this Act, and that they are in conformity with this Act, shall return one copy with a certificate of registration to the intended secretary, and shall retain and register the other copy, and thereupon such society shall be deemed to be established and registered under this Act.

Establishment and registration of new societies;

Ibid., s. 17.

6. No society shall be registered under this Act by a name identical with that by which an existing society is already registered, or in the opinion of the registrar so nearly resembling the same as to be calculated to deceive, unless such existing society is in course of being terminated or dissolved, and consents to such registration.

Prohibition of identity of names of societies

Ibid. s. 17.

7. (1.) Upon the registration of any society under this Act, the registrar shall forthwith notify in the *Gazette*, in the form or to the effect of the Second Schedule to this Act, that such society is registered; and thereupon the then present members of the society, together with such other persons as may from time to time become members of the society, shall be a body corporate by the name contained in its rules, having perpetual succession and authority to have and use a common seal.

Incorporation.
Second Schedule.
Vict. No. 2622, s. 6.

(2.) Such notice shall be conclusive evidence that all the requirements of this Act in respect of registration have been complied with.

8. A certificate in the form or to the effect of the Third Schedule to this Act under the hand of the registrar (who is hereby required to give such certificate to any person applying for the same on payment of one shilling) shall be conclusive evidence, without proof of signature, that the society named in such certificate is incorporated under this Act.

Proof of incorporation.
Third Schedule.
Ibid., s. 7.

9. The rules of every society established under this Act shall set forth—

Rules to contain certain matters.
37 & 38 Vict.,
c. 42 s. 10.
57 & 58 Vict.
c. 47, s. 1.

(a) the name of the society and chief office or place of meeting for the business of the society:

- (b) the manner in which the stock or funds of the society are to be raised:
- (c) The terms upon which unadvanced subscription shares are to be issued; and the manner in which contributions are to be paid to the society and withdrawn by the members, with tables, where applicable in the opinion of the registrar, showing the amount due by the society for principal and interest separately:
- (d) The terms upon which the paid-up shares, if any, are to be issued, dealt with and withdrawn, with tables, where applicable in the opinion of the registrar, showing the amount due by the society for principal and interest separately; and whether preferential shares are to be issued, and if so, within what limits:
- (e) whether the society intends to avail itself of the borrowing powers contained in this Act, and if so within what limits not exceeding the limits prescribed by this Act:
- (f) the purposes to which the funds of the society are to be applied, and the manner in which they are to be invested:
- (g) whether or not shares may be withdrawn, and if so upon what terms, and the terms upon which mortgages may be redeemed:
- (h) The manner in which advances are to be made and repaid; the deductions, if any, for premiums, and the conditions upon which a borrower can redeem the amount due from him before the expiration of the period for which the advance was made;
- (i) The manner in which losses are to be ascertained and provided for;
- (j) The manner in which membership is to cease;
- (k) The manner of altering and rescinding the rules of the society, and of making additional rules;
- (l) The duties and powers of, and manner of appointing, remunerating, and removing the committee of management, auditors, and other officers;
- (m) The manner of calling general and special meetings of the members, the quorum necessary to constitute such meetings, and the mode of voting, and the number of votes to be given by each member at such meetings;

- (n) The mode of drawing and signing cheques, drafts, bills of exchange, promissory notes, and other negotiable instruments, for and on behalf of the society;
- (o) The security to be given by any officer of the society having the receipt or charge of any money belonging to the society;
- (p) Provision for an annual or more frequent audit of the accounts, and inspection by the auditors of the mortgages and other securities belonging to the society;
- (q) Whether disputes between the society and any of its members, or any person claiming by or through any member, under the rules, shall be settled by reference to arbitration or how otherwise;
- (r) Provision for the device, custody, and use of the seal of the society, which shall in all cases bear the registered name thereof;
- (s) Provision for the custody of the mortgage deeds and instruments and other securities belonging to the society;
- (t) The fines and forfeitures to be imposed on members of the society;
- (u) The manner in which the society, whether terminating or permanent, shall be terminated or dissolved.

10. (1.) Any society under this Act may alter or rescind any rule, or make any additional rule in the manner its rules direct, or by a vote of three-fourths of all members present at a special meeting called for the purpose.

Alteration of rules
See *ibid.*, s. 18.

(2.) Every society under this Act altering or rescinding any rule, or making an additional rule, shall forward to the registrar two copies of every resolution for rescission of a rule, and of every alteration of or addition to its rules, signed by three members and the secretary, and a statutory declaration of an officer of the society that the provisions of this section have been complied with; and if the registrar is satisfied that such alteration, addition, or rescission is in conformity with this Act, he shall register one of such copies and return the other to the secretary with a certificate of registration, and no such rescission, alteration, or addition shall be of any force or validity until so registered.

11. Every society under this Act shall supply to any person requiring the same a complete printed copy of its rules

Copy rules, &c.,
to be supplied.
Ibid., s. 17.

for the time being in force, with a copy of its certificate of registration appended thereto, and shall be entitled to charge therefor a sum not exceeding two shillings and sixpence.

Rules binding on members.
Ibid., s. 21.

12. The rules of a society under this Act shall be binding on the several members and officers of the society, and on all persons claiming on account of a member, or under the rules, all of whom shall be deemed and taken to have full notice thereof.

Change of name.
37 & 38 Vict.,
c. 42, s. 22.

13. (1.) A society under this Act may change its name by resolution of three-fourths of the members present at a meeting called for the purpose, provided that the new name is not identical with that of any society previously registered and still subsisting, or in the opinion of the registrar so nearly resembling the same as to be calculated to deceive, unless such subsisting society is in course of being terminated or dissolved, and consents to such registration.

(2.) Such change of name shall not affect any right or obligation of the society, or of any member thereof, or other person concerned.

Notice thereof.
Ibid.

14. Notice of the change of name of any society under this Act shall be sent to the registrar and registered by him, and he shall give a certificate of registration within seven days from receipt of such notice.

Minors.
Ibid., s. 38.
Vict. No. 2822, s. 14.

15. Unless otherwise provided by the rules, a person under the age of twenty-one years may be a member of any society under this Act, and may execute all instruments and give all necessary acquittances; but during his nonage he shall not be competent to vote or hold any office in the society.

Joint holders and corporations.
Vict. No. 2822, s. 15.

16. Two or more persons jointly, or any corporation or incorporated company, may hold shares in any society under this Act.

Liability of members.
Ibid., s. 18.

17. Subject to the rules of the society, the liability of any member of a society under this Act in respect of any share upon which no advance has been made, shall be limited to the amount actually paid or in arrear on such share, and in respect of any share upon which an advance has been made, shall be limited to the amount payable thereon under any mortgage or other security, or under the rules of the society.

18. Any society under this Act may employ its funds for such of the following purposes as are provided for in its rules:—

Employment of funds.
 Vict. No. 2622, s. 17.
 See 37 & 38 Vict.,
 c. 42, ss. 13, 25.

- (a) To make advances to members of the society upon security of their shares;
- (b) To make advances to members and other persons, and to corporate bodies, upon the security of freehold or leasehold property by way of mortgage;
- (c) To make advances to other building societies;
- (d) And generally to carry out such purposes as are provided for in the rules.

19. (1.) A society under this Act shall not advance money on the security of any freehold or leasehold property which is subject to a prior mortgage unless the prior mortgage is in favour of the society making the advance.

Prohibition of advances on second mortgages.
 See 57 & 58 Vict.,
 c. 47, s. 13.

(2.) If any advance is made in contravention of this section the members of the committee of management of the society who authorised the advance shall be jointly and severally liable for any loss on the advance occasioned to the society.

(3.) Provided that this section shall not prevent a society from taking from its mortgagor or any other person a second mortgage by way of collateral security:

Provided also that for a period of eight years from the commencement of this Act this section shall not apply to any society which is at the commencement of this Act authorised by its rules to make advances upon second mortgage, and any such society may, during such period, if authorised by its rules so to do, in lieu of advancing its own funds, negotiate advances by other persons to its members on the security of a first mortgage of a freehold or leasehold property, and the guarantee of the society by way of covenant in the mortgage or collateral security.

20. Any society under this Act, although not empowered by its rules to buy freehold or leasehold estate, may purchase, build, hire, or take upon lease, any building for conducting its business, and may adapt and furnish the same, and may purchase or hold upon lease any land for the purpose of erecting thereon a building to be used either wholly or partially for conducting the business of the society, and may sell, mortgage, exchange, or let any such land or building, or any land or building vested in any such society, acquired, erected, or used either wholly or partially for any of the purposes aforesaid, or any part thereof respectively.

Power to acquire and deal with business premises.
 Vict., No. 2622 s. 19.

Deposits and loans.
See 37 & 38 Vict.,
c. 42, s. 15.
Vict. No. 2622, s. 20.

21. (1.) Any society under this Act may receive deposits or loans at interest from its members or other persons, or from corporate bodies, joint stock companies, or from any other building or friendly society, to be applied to the purposes of the society:

Provided that the total amount received on deposit or loan and not repaid by any society, in the case of a permanent society shall not at any time exceed two thirds of the amount for the time being secured to the society by mortgage, or in the case of a terminating society shall not exceed such two thirds as aforesaid, or three years' income on the shares for the time being in force.

(2.) Any member or other person, corporate body, joint stock company, or other building or friendly society, depositing or lending money with or to any society under this Act, shall not be bound to see to the application thereof, or that the society has not exceeded its borrowing limit.

(3.) Any deposits with or loans to a society under this Act made before the commencement of this Act in accordance with its rules are hereby declared to be valid and binding on the society.

Power to secure
repayment of
borrowed money.
Ibid., s. 21.

22. Every society registered under this Act not expressly prohibited by its rules shall be, and from the registration of the society before the commencement of this Act under the Act hereby repealed, if the society has been so registered, shall be deemed to have been empowered to secure the repayment of any money lawfully borrowed by such society, whether by way of deposit, loan, or otherwise, by mortgage of its real and personal property or any part thereof, and any society to which the second proviso in subsection (3) of section nineteen of this Act applies may secure the repayment of the borrowed money as therein provided.

Purchaser, etc., not
bound to see to
application of
purchase money.
Ibid., s. 22.

23. No member of any society under this Act, nor any purchaser of any land from any such society, shall be obliged to inquire into the application of the consideration money mentioned in any conveyance or reconveyance, transfer, receipt or statutory release, or be answerable or accountable for the misapplication, non-application, or loss thereof.

Investment of
surplus funds.
See 37 & 38 Vict.,
c. 42, s. 25.
Vict. No. 2622, s. 23.

24. Any society under this Act may from time to time, unless its rules otherwise direct, invest any portion of its funds not immediately required for its purposes upon real or leasehold securities, or in the public funds, or in or upon any Government debentures, stock or securities of the State

or the Commonwealth, or in or upon any debentures, stock or securities, payment of the interest on which is guaranteed by the authority of Parliament, or in or upon the debentures of any municipality or other local authority within the State, or in or upon any security in which trustees are authorised by law to invest.

57 & 58 Vict.,
c. 47, s. 17.

25. Every officer of a society under this Act, having the receipt or charge of any money belonging to the society, shall give such security as the rules of the society direct, in such sum as the committee of management may require, for rendering a just and true account of all moneys received and paid by him on account of the society, and for payment of all sums of money due from him to the society, at such times as its rules appoint, or as the committee of management may require.

Officers to give
security.
37 & 38 Vict.,
c. 42, s. 23.

26. (1.) Every officer of a society under this Act, his executors or administrators, shall upon demand made or notice in writing given or left at his last or usual place of residence give to the committee of management an account of all moneys received by him from or on account of the society, to be examined and allowed or disallowed by them; and shall, on the like demand or notice, pay over all the moneys remaining in his or their hands, and deliver all securities and effects, books, papers, and property of the society in his or their hands or custody, to such person as the committee of management shall appoint.

Officers to account
and deliver up
books, etc., on
demand.
Ibid, s. 24.

(2.) In case of any neglect or refusal to deliver such account, or to pay over such moneys, or to deliver such securities and effects, books, papers, and property, in manner aforesaid, the society may sue upon the security given by such officer, or may apply to the court by motion either upon notice or *ex parte* as the court may think fit, and the court may proceed thereupon in a summary way, and make such order thereon, and as to the costs of such application, as to the court in its discretion seems just, which order shall be final and conclusive.

27. (1.) Contracts on behalf of any society under this Act may be made, varied, or discharged as follows, viz. :—

Contracts.
Vict. No. 2622, s. 26.

Any contract which, if made between private persons, would be by law required to be in writing under seal, may be made, varied, or discharged in the name and on behalf of the society in writing under the common seal of the society.

Any contract which, if made between private persons, would be by law required to be in writing and signed by the parties to be charged therewith, may be made, varied, or discharged in the name and on behalf of the society in writing signed by any person acting under the express or implied authority of the society.

Any contract which, if made between private persons, would by law be valid although made by parol, may be made, varied, or discharged without writing, in the name and on behalf of the society by any person acting under the express or implied authority of the society.

(2.) All contracts made according to the provisions herein contained shall be effectual in law, and shall be binding upon the society and all other parties thereto.

Disputes.

Vict. No. 2622, s. 27

28. Every dispute between any member of any society under this Act, or any person claiming through or under such member and the society, or any officer thereof, shall be decided in the manner directed by its rules; and the decision so made shall be binding and conclusive on all parties, and shall be final to all intents and purposes.

Termination or dissolution of society.

37 & 38 Vict., c. 42, s. 32.

See 57 & 58 Vict., c. 47, s. 8.

29. (1.) A society under this Act may terminate or be dissolved—

(a) Upon the happening of any event declared by its rules to be the termination of the society.

(b) By dissolution in manner prescribed by its rules.

(c) By winding up under and subject to Part VI. of the Companies Act, 1893.

(2.) Notice of the commencement and termination of every dissolution or winding up shall be sent to the registrar, and registered by him.

Societies may unite or transfer engagements.

37 & 38 Vict., c. 42, s. 33.

See Vict. No. 2622, s. 29.

30. (1.) Two or more societies under this Act may unite and become one society, with or without a dissolution or division of the funds of such societies, or either of them, or a society under this Act may transfer its engagements to any other society under this Act, upon such terms as shall be agreed upon by three-fourths of the investing members (holding not less than two-thirds in value of the investing shares then current) of each of such societies present at general meetings respectively convened for the purpose; but no such union or transfer shall prejudice any right of any creditor of either society:

Provided that where three-fourths of the members of two or more societies present at general meetings respectively convened for the purpose of considering any union or transfer under this section agree to the union or transfer, the agreement shall be valid if it obtains the concurrence in writing of the holders of not less than two-thirds of the whole number of shares in each society whether they are present or not.

57 & 58 Vict.,
c. 47, s. 19.

(2.) Notice of every such union or transfer shall be sent to the registrar, and registered by him.

31. (1.) When all moneys intended to be secured by any mortgage or further charge given to a society under this Act have been fully paid or discharged, the society may indorse upon or annex to such mortgage or further charge a receipt under the seal of the society, in the form specified in the Fourth Schedule to this Act, and such receipt shall vacate the mortgage or further charge and debt, and also all further charges relating to the same land dated subsequently to the mortgage or further charge on or to which such receipt may be indorsed or annexed and prior to the date of the receipt, and vest the estate of and in the property therein comprised in the person for the time being entitled to the equity of redemption, without any re-conveyance or re-assignment whatever, and so that the person for the time being entitled to the equity of redemption, in cases where he was the original mortgagor of the property, shall hold the property to the same uses and upon the same trusts so far as they have not been varied or altered as he held the property to or upon before mortgaging, and in cases where the person for the time being entitled to the equity of redemption is not the original mortgagor of the property, such person shall hold the property to the same uses and upon the same trusts as those to or upon which he held the equitable estate.

Receipt to operate
as re-conveyance.
Vict. No. 2622, s. 30.
37 & 38 Vict.,
c. 42, s. 42.

Fourth Schedule.

(2.) A society may partially discharge any mortgage, or discharge or partially discharge any further charge or collateral security, notwithstanding that all moneys intended to be secured by the mortgage have not been fully paid or discharged, if the society is satisfied with the remaining security.

32. (1.) If any member of or depositor with a society under this Act having in the funds thereof a sum of money not exceeding one hundred pounds dies intestate, or if any person entitled to the equity of redemption of any property

Administration may
be dispensed with
in certain cases.
Vict. No. 2622, s. 31.
37 & 38 Vict., c.
42, s. 29.

mortgaged to any society under this Act dies intestate, and upon sale of the mortgaged premises any money not exceeding one hundred pounds remains in the hands of the society after paying the amount due to the society and the costs and expenses of sale, then and in either of such cases such money may be paid to any person who appears to the society to be entitled to obtain letters of administration of the estate of such deceased member, depositor, or person as aforesaid, without his taking out letters of administration, upon such person giving such security, and upon such evidence, as the committee of management consider satisfactory of such death and intestacy, and that the person so claiming is entitled as aforesaid.

(2.) Whenever the society has paid any money not exceeding one hundred pounds under the provision aforesaid, the receipt of the person to whom the same has been paid shall be a valid and effectual discharge to the society for the money so paid; but nevertheless the person who has received the same shall be liable to account to the next of kin or personal representative of such deceased member, depositor, or person as aforesaid, for the amount so received.

Registrar refusing
to register to state
reasons.

Vict. No. 2622, s. 33.

33. (1.) If upon any application to have a society, or any alteration of or addition to the rules of the society, registered under this Act, the registrar refuses, or for a space of fourteen days after the transmission to him of any such original, altered, or additional rules, as aforesaid, neglects to register the same, it shall be lawful for the secretary or intended secretary of such society, by notice in writing, to require the registrar to set forth in writing under his hand the grounds of such refusal or neglect.

(2.) If the registrar does not, within seven days after service upon him of such notice in writing, set forth such grounds and deliver a copy thereof to such secretary or intended secretary upon application therefor, such secretary or intended secretary may call upon the registrar by summons before a judge of the Supreme Court to show cause why he should not furnish such grounds, and such judge may make such order thereon as he sees fit.

(3.) Upon such grounds being furnished such secretary or intended secretary may summon the registrar to appear before a judge of the Supreme Court to substantiate and uphold such grounds of refusal or neglect, by a summons issued and served upon the registrar six clear days at least before the day appointed for hearing the same.

(4.) Upon such hearing a judge of the Supreme Court may make such order thereon as the circumstances of the case may require.

(5.) Upon such summons or hearing the judge may make such order as to costs as to him may seem fit.

34. (1.) The secretary of every society under this Act shall, once in every year at least, prepare an account of all receipts and expenditure of the society during the last preceding twelve months, and a general statement of its funds and effects, liabilities, and assets, showing the amounts due to the holders of the various classes of shares respectively, to depositors and creditors for loans, and also the balance due or outstanding on their mortgage securities (not including prospective interest) and the amount invested in other securities.

Societies to make annual audits and statements of funds.
37 & 38 Vict., c. 42, s. 40.
57 & 58 Vict., c. 47, s. 2.

(2.) Every such annual account shall be in such form and shall contain such particulars as the registrar may from time to time, with the approval of the Colonial Secretary, direct, either generally or with respect to any society.

(3.) Every such account and statement shall be attested by the auditors, to whom the mortgage deeds and other securities belonging to the society shall be produced, and such account and statement shall be countersigned by the secretary.

(4.) Every auditor, in attesting such annual account or statement, shall either certify that it is correct, duly vouched, and in accordance with the law, or specially report to the society in what respects he finds it incorrect, unvouched, or not in accordance with the law, and shall also certify that he has at that audit actually inspected the mortgage deeds, or instruments and other securities belonging to the society, and shall state the number of properties with respect to which securities, deeds, or instruments have been produced and actually inspected by him.

(5.) A copy of every such annual account and statement shall be sent to the registrar within fourteen days after the annual or other general meeting at which it is presented, or within three months after the expiration of the year ending with the time up to which such account and statement is made.

(6.) Every member, depositor, and creditor for loans shall be entitled to receive from the society, if required by him, a copy of such account and statement, and a copy thereof shall be sent to the registrar within fourteen days after the annual or general meeting at which it is presented.

Qualification of
auditors.
57 & 58 Vict., c.
47, s. 3.

35. Notwithstanding anything contained in the rules of a society under this Act, one at least of the auditors of the society shall be a person who publicly carries on the business of an accountant.

Inspector of books.
Ibid., s. 4.

36. (1.) The registrar may, if he thinks fit, on the application of ten members of a society under this Act, each of whom has been a member for not less than twelve months immediately preceding the date of the application, appoint an accountant or actuary to inspect the books of the society, and to report thereon.

(2.) Provided as follows:—

(a) The applicants shall deposit with the registrar such sum as security for the costs of the proposed inspection as the registrar may require; and

(b) All expenses of and incidental to any such inspection 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 registrar may direct.

(3.) A person appointed under this section shall have power to make copies of any books of the society and to take extracts therefrom at all reasonable hours, at the registered office of the society, or at any place where the books are kept.

(4.) The registrar shall communicate the results of any such inspection to the applicants and to the society.

Power of registrar to
appoint inspector or
call special meeting.
Ibid., s. 5.

37. (1.) The registrar may, on the application of one-tenth of the whole number of members of a society under this Act, and with the consent of the Colonial Secretary, either—

(a) appoint an inspector to examine into and report on the affairs of the society; or

(b) call a special meeting of the society.

(2.) Provided as follows:—

(a) The application under this section shall be supported by such evidence as the registrar may direct for the purpose of showing that the applicants have good reason for requiring the inspection to be made or the meeting to be called, and that they are not actuated by malicious motives in their application; and

(b) Such notice of the application shall be given to the society as the registrar may direct; and

- (c) The registrar shall require the applicants to give security for the costs of the proposed inspection or meeting before the inspector is appointed or the meeting called; and
- (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 registrar may direct.

(3.) Any 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 its officers, members, agents, and servants in relation to its business, and may administer an oath accordingly. Power of inspector.

(4.) The registrar may direct at what time and place a special meeting under this section is to be held, and what matters are to be discussed and determined at the meeting, and the meeting shall have all the powers of a meeting called according to the rules of the society, and shall in all cases have power to appoint its own chairman, any rule of the society to the contrary notwithstanding. Time and place of special meeting.

(5.) The registrar may, without any application by members, but with the consent of the Colonial Secretary given on each occasion, exercise the powers given by this section in the following cases:— Power to call special meeting or appoint inspector without application, under sub-s. (1).

- (a) Where a society has, for two months after notice, failed to make any return required by this Act;
- (b) Where a society has, for two months after notice, failed to correct or complete any such return;
- (c) Where evidence is furnished by a statutory declaration of not less than three members of a society, of facts which, in the opinion of the registrar, call for investigation, or for recourse to the judgment of a meeting of the members:

Provided that the registrar shall forthwith, on receipt of such declaration, send a copy thereof to the society, and such society shall, within fourteen days from the sending of such copy, be entitled to give the registrar an explanatory statement in writing, by way of reply thereto.

Cancelling and
suspension of
registration.
Ibid, s. 6.

38. (1.) Where the registrar is satisfied that a certificate of incorporation has been obtained for a building society by fraud or by mistake, or that any such society exists for an illegal purpose, or has wilfully and after notice from the registrar violated any of the provisions of this Act, or has ceased to exist, the registrar may, by writing under his hand, with the approval of the Colonial Secretary, cancel the registration of the society, or suspend the registration thereof for any term not exceeding three months, and may with the like approval, renew such suspension from time to time for the like period.

Notice of intention
to suspend or cancel
registration.

(2.) The registrar shall, before cancelling or suspending the registration of a society under the foregoing powers, give to the society not less than two months' previous notice in writing, specifying the grounds of the proposed cancelling or suspension, and shall, as soon as practicable after the cancelling or suspension takes place, cause notice thereof to be published in the *Gazette*.

Appeal.

(3.) A society may appeal from the cancelling of its registration, or from any suspension thereof, to the Supreme Court, and thereupon the court may, if it thinks it just so to do, set aside the cancellation or suspension.

Cancellation at
request of society.

(4.) The registrar may also, if he thinks fit, at the request of any society under this Act, evidenced in such manner as he may direct, cancel the registration of the society.

Effect of
cancellation or
suspension.

(5.) A society whose registration has been cancelled or suspended shall from the time of such suspension or cancellation (but in case of suspension, only while the suspension lasts, and in any case subject to the right of appeal given by this section) absolutely cease to enjoy as such the privileges of a society under this Act, but without prejudice to any liability actually incurred by the society, and any such liability may be enforced against the society as if the cancelling or suspension had not taken place.

(6.) Any mortgage to a society whose registration has been cancelled or suspended may, on payment of the principal money and interest, be discharged by a memorandum of satisfaction under the hand, or a re-conveyance under the hand and seal, of the Colonial Treasurer, but, in the case of suspension, only while the suspension lasts.

39. (1.) On the application in writing of one-tenth of the whole number of members of any society under this Act, setting forth that the society is unable to meet the claims of its members, and that it would be for their benefit that it should be dissolved, and requesting an investigation into the affairs of the society with a view to the dissolution thereof, the registrar may investigate the affairs of the society, but shall before so doing give not less than two months' previous notice in writing to the society at its registered office or place of meeting.

Power to dissolve society after investigation.
Ibid, s. 7.

(2.) If on such investigation it appears that the society is unable to meet the claims of its members, and that it would be for their benefit that it should be dissolved, the registrar may, if he considers it expedient so to do, award that the society be dissolved, and shall direct in what manner the affairs of the society are to be wound up: .

Provided that the registrar may suspend his award for such period as he may deem necessary to enable the society to make such alterations of its rules as will in his judgment prevent the necessity of the award being made.

(3.) The registrar shall, within twenty-one days after the making of any award for dissolution under this section, cause notice thereof to be advertised in the *Gazette*.

40. Where a society under this Act is being dissolved, the provisions of this Act shall continue to apply in the case of the society as if the official liquidator or the liquidators or other persons conducting the dissolution of the society were the committee of management of the society.

Obligation of liquidators and trustees in case of dissolution.
Ibid, s. 9.

41. When a society under this Act is being dissolved or wound up, a member or other person to whom an advance has been made under any mortgage or other security or under the rules of the society, shall not be liable to pay the amount payable under the mortgage or other security or rules, except at the time or times or subject to the conditions therein expressed.

Liability of borrowers in event of dissolution.
Ibid, s. 10.

42. If a society under this Act is dissolved in manner prescribed by its rules, the liquidators, trustees, or other persons having the conduct of the dissolution shall, within twenty-eight days from the termination of the dissolution, send to the registrar an account and balance sheet signed and

Account and balance sheet to be sent to registrar on dissolution.
Ibid, s. 11.

certified by them as correct, and showing the assets and liabilities of the society at the commencement of the dissolution and the mode in which those assets and liabilities have been applied and discharged, and in default of so doing shall be liable on summary conviction to a penalty not exceeding five pounds for every day during which the default continues.

Provision as to
name and deposits.
Ibid., s. 15.

43. (1.) A society under this Act shall not use any name or title other than its registered name, and shall not accept any deposit except on the terms that not less than one month's notice may be required by the committee of management before repayment or withdrawal.

(2.) If a society contravenes this section, the society and also every member of the committee of management who is party to the contravention shall be liable on summary conviction to a penalty not exceeding ten pounds, and in case of a continuing offence to an additional penalty not exceeding ten pounds for every week during which the offence continues.

Penalties for breach
of Act.
37 & 38 Vict., c.
42, s. 43.
57 & 58 Vict., c.
47, s. 28.

44. (1.) If any society hereafter formed under this Act, or any persons representing themselves to be a society under this Act, commence business without first obtaining a certificate of incorporation under this Act, the person or persons by whom such business shall have been so commenced shall, for every day business is carried on, be liable upon summary conviction, on the complaint of the registrar, to a penalty of not more than five pounds.

(2.) If any society under this Act receives loans or deposits in excess of the limits prescribed by this Act, every member of the committee of management of such society receiving such loans or deposits on its behalf shall be personally liable for the amount so received in excess.

Offences.
37 & 38 Vict., c.
42, s. 31.
57 & 58 Vict., c.
47, s. 18.

45. (1.) If any person whomsoever, by false representation or imposition, obtains possession of any moneys, securities, books, papers, or other effects of a society under this Act, or, having the same in his possession, withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society and authorised by this Act, he shall be liable on summary conviction to a penalty of not more than twenty pounds, and to be ordered to deliver up to the society, or to any person named in the order, all such moneys, securities, books, papers, or other effects of the society, or to repay the

amount of money applied improperly, and in default of such delivery of effects, or repayment of such amount of money, or payment of such penalty to be imprisoned, with or without hard labour, for a term of not more than three months; but nothing herein contained shall prevent any such person from being prosecuted under any law now or hereafter to be in force, if a conviction has not been previously obtained against him for the same offence under the provisions of this Act.

(2.) Proceedings under this section may be taken by or at the instance of—

- (a) the society; or
- (b) any member authorised by the society, or by the committee of management thereof; or
- (c) the registrar.

46. If any society under this Act neglects or refuses—

- (a) to give any notice, send any return or document, or do or allow to be done anything which the society is by this Act required to give, send, do or allow to be done; or
- (b) to do any act or furnish any information required for the purposes of this Act by the registrar;

the society, and also every officer thereof bound by the rules thereof to fulfil the duty whereof a breach has been so committed, and if there is no such officer, then every member of the committee of management of the society, unless it appears that he was ignorant of or attempted to prevent the breach, shall for such offence be liable, on summary conviction, to a fine not exceeding twenty pounds, and in the case of a continuing offence, to an additional fine not exceeding five pounds for every week during which the offence continues.

Penalties for neglect or refusal to comply with provisions of the Acts.

57 and 58 Vict., c. 47, s. 21.

47. If any person wilfully makes, orders, or allows to be made any false statement in any document required by this Act to be sent to the registrar, or by erasure, omission, or otherwise wilfully falsifies any such document, he shall be liable on summary conviction to a fine not exceeding fifty pounds.

Penalty for false entries and falsifying documents.

Ibid s. 22.

48. No director, secretary, surveyor, or other officer of a society under this Act shall, in addition to the remuneration prescribed or authorised by the rules of the society, receive

Gifts, etc., not to be accepted by officials.
Ibid s. 23.

from any other person any gift, bonus, commission, or benefit, for or in connection with any loan made by the society; and any person paying or accepting any such gift, bonus, commission, or benefit shall be liable on summary conviction to a fine not exceeding fifty pounds, and, in default of payment, to be imprisoned with or without hard labour for any time not exceeding six months, and the person accepting any such gift, bonus, commission, or benefit shall, as and when directed by the court by whom he is convicted, pay over to the society the amount or value of such gift, bonus, commission, or benefit, and in default of such payment shall be liable to be imprisoned, with or without hard labour, for any time not exceeding six months.

Orders—how enforced.

Vict. No. 2662, s. 34.

49. All orders made by the Supreme Court or a judge under this Act may be enforced in like manner as any other judgment or order of the court of the like nature or to the like effect may be enforced.

Inspection, etc., of documents.

Ibid., s. 38.

50. Any person may inspect the documents kept by the registrar relating to societies under this Act, and may obtain a copy or extract of any such document, or any part thereof, on payment of the prescribed fee.

Printed copies of rules evidence.

Ibid., s. 39.

51. Copies of rules of any society registered under this Act or before the commencement of this Act under any Act previously in force printed for the society and certified by the secretary or any other authorised person shall be *prima facie* evidence of such rules in any court of justice or before any person having by law or by consent of parties authority to hear, receive, and examine evidence whether such rules are in force or have been rescinded or altered, and any printed document purporting to be a copy of such rules so printed and certified as aforesaid shall be deemed to be such copy so printed unless the contrary is shown.

Regulations.

Ibid., s. 40.

52. The Governor may from time to time make regulations respecting the fees to be paid for the registration, inspection, and copies or extracts of documents under this Act, and generally for carrying this Act into effect.

SCHEDULES.

FIRST SCHEDULE.

Section 2.

Date.	Title of Act.
27 Viet., No. 7	An Ordinance for the regulation of Benefit Building Societies.

SECOND SCHEDULE.

Section 7.

The Building Societies Act, 1920.

Notice is hereby given that a Building Society called "The Building Society" is duly registered under the provisions of the above Act.

Dated this day of , 192 .

Registrar of Building Societies.

THIRD SCHEDULE.

Section 8.

This is to certify that (*name of society, indicating change, if any, since incorporation*) was, on the day of , One thousand nine hundred and , duly incorporated under the provisions of the Building Societies Act, 1920.

Given under my hand, at Perth, in the State of Western Australia, this day of , 192 .

Registrar of Building Societies.

FOURTH SCHEDULE.

Section 31.

(*Name of society*) hereby acknowledges to have received the sum of in full satisfaction and discharge of all moneys owing on the security of the land comprised by the within mortgage.

Dated this day of , 192 .