

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

*House of Representatives,
9th July, 1908.*

[AS AMENDED BY THE LEGISLATIVE COUNCIL.]

Right Hon. Sir J. G. Ward.

INCORPORATED SOCIETIES.

ANALYSIS.

<p>Title.</p> <ol style="list-style-type: none"> 1. Short Title. 2. Repeal. Saving. 3. Interpretation. 4. Incorporated societies. 5. Pecuniary gain. 6. Rules of incorporated societies. 7. Application for incorporation. 8. Registrar to register society if in order. 9. Certificate of incorporation to be conclusive evidence of registration. 10. Upon issue of certificate members to be a body corporate. 11. Separate name for each society. 12. Appeal from Registrar to Governor in Council. 13. No liability on members for obligation of society. 14. Members to have no right to property of society. 15. Contracts by society. 16. Service of summons, &c., on society. 17. Security for costs where society is plaintiff. 18. Registered office. 19. Restriction of operations of society. 	<ol style="list-style-type: none"> 20. Society not to engage in operations involving pecuniary gain. 21. Alteration of rules. 22. Register of members. 23. Society to deliver annual financial statement to Registrar. 24. Voluntary winding-up of society. 25. Winding-up of society by Supreme Court. 26. Petition to Court for winding up. 27. Division of surplus assets on winding up. 28. Dissolution by Registrar. Society may be revived after such dissolution. 29. Corporate body may become member of society. 30. Pecuniary gain received by member of such corporate body. 31. Such corporate body to be equivalent to three members of incorporated society. 32. Registrar. 33. Registrar to keep register of incorporated societies. 34. Inspection of documents. 35. Exemption from stamp duty. 36. Regulations. Schedules.
---	--

A BILL INTITULED

AN ACT to make Provision for the Incorporation of Societies which are not established for the Purpose of Pecuniary Gain. Title.

5 BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Incorporated Societies Act, 1908, and shall come into operation on the first day of January, 1909. Short Title.

10 2. (1.) The Unclassified Societies Registration Act, 1908, is hereby repealed. Repeal.

(2.) All societies registered and incorporated under the said Act or under the enactments mentioned in the First Schedule to that Act, shall be deemed to be registered and incorporated under this Act, and shall from the time of the commencement of this Act, be subject to the provisions of this Act accordingly. Saving.

(3.) All references in any Act to unclassified societies registered under the Act hereby repealed shall be construed as references to incorporated societies registered under this Act.

Interpretation.

3. In this Act, except where a contrary intention appears,—

“Prescribed” means prescribed by this Act or by regulations; 5

“Registrar” means the Registrar of Incorporated Societies under this Act;

“Regulations” means regulations made by the Governor under the authority of this Act by Order in Council gazetted:

“Society” or ~~“incorporated society”~~ means a society incorporated under this Act. 10

Struck out.

Incorporated societies.

4. Any fifteen or more persons associated for any lawful purpose, but not for pecuniary gain, may, by subscribing their names to the rules of the society and otherwise complying with the requirements of this Act in respect of registration, form an incorporated society. 15

New clause.

Incorporated societies.

4A. (1.) Any society consisting of not less than fifteen persons associated for any lawful purpose but not for pecuniary gain may, on application being made to the Registrar in accordance with this Act, become incorporated as a society under this Act. 20

(2.) No such application shall be made except with the consent of a majority of the members of the society.

Pecuniary gain.

5. Persons shall not be deemed to be associated for pecuniary gain merely by reason of any of the following circumstances, namely:— 25

(a.) That the society itself makes a pecuniary gain, unless that gain or some part thereof is divided among or received by the members or some of them:

(b.) That the members of the society are entitled to divide between them the property of the society on its dissolution: 30

(c.) That the society is established for the protection or regulation of some trade, business, industry, or calling in which the members are engaged or interested, if the society itself does not engage or take part in any such trade, business, industry, or calling, or any part or branch thereof: 35

(d.) That any member of the society derives pecuniary gain from the society by way of salary as the servant or officer of the society:

(e.) That any member of the society derives from the society any pecuniary gain to which he would be equally entitled if he were not a member of the society: 40

(f.) That the members of the society compete with each other for trophies or prizes other than money prizes.

Rules of incorporated societies.

6. The rules of a society shall state or provide for the following matters, that is to say:— 45

(a.) The name of the society, with the addition of the word “Incorporated” as the last word in that name:

(b.) The objects for which the society is established:

(c.) The modes in which persons become members of the society: 50

(d.) The modes in which persons cease to be members of the society:

(e.) The mode in which the rules of the society may be altered, added to, or rescinded :

(f.) The mode of summoning and holding general meetings of the society, and of voting thereat :

5 (g.) The appointment of officers of the society :

(h.) The control and use of the common seal of the society :

(i.) The control and investment of the funds of the society :

(j.) The powers (if any) of the society to borrow money :

10 (k.) The disposition of the property of the society in the event of the winding-up of the society :

(l.) Such other matters as the Registrar may require to be provided for in any particular instance.

(2.) The rules of the society may contain any other provisions which are not inconsistent with this Act or with law.

15 (3.) The rules of the society and any amendment of those rules shall be printed or typewritten.

7. Every application for the incorporation of a society shall be made to the Registrar in manner following :—

Application for incorporation.

20 (a.) Two copies of the rules of the society having written thereon an application for incorporation in the form in the *First* Schedule hereto or to the like effect shall be signed by ~~each subscriber, and each subscriber~~ *not less than fifteen persons being members of the society, and each subscriber to the application* shall add to his signature his description and address, and his signature shall be attested by a witness who is not a subscriber. When any body corporate is a subscriber its seal shall be affixed to the said application.

30 (b.) The two copies of the said rules so signed or sealed shall be delivered to the Registrar, together with the fee prescribed in the *Second* Schedule hereto, *and together with a statutory declaration made by an officer of the society or by a solicitor to the effect that a majority of the members of the society have consented to the application, and that the rules so signed or sealed are the rules of the society.*

35 8. The Registrar, on being satisfied that the requirements of this Act have been observed, shall thereupon do the following things :—

Registrar to register society if in order.

40 (a.) Enter the name of the said society in the register kept by him under this Act, together with such other particulars with respect to the society as he thinks fit :

(b.) Issue under his seal a certificate that the society is incorporated under this Act :

45 (c.) Register the rules of the society by sealing with his seal the said copies thereof :

(d.) Return one of those copies to the subscribers and retain the other copy.

50 9. Every certificate of incorporation issued under the seal of the Registrar shall be conclusive evidence that all statutory requirements in respect of registration and of matters precedent and incidental thereto have been complied with, and that the society is authorised to be registered and has been duly registered and incorporated under this Act.

Certificate of incorporation to be conclusive evidence of registration.

Upon issue of certificate members to be a body corporate.

10. Upon the issue of the certificate of incorporation the subscribers to the rules of the society, together with all other persons who ~~from time to time~~ are then members of the society, or who afterwards become members of the society in accordance with the rules thereof, shall, as from the date of incorporation mentioned in the certificate, be a body corporate by the name contained in the said rules, having perpetual succession and a common seal, and capable forthwith, subject to this Act and to the said rules, of exercising all the functions of a body corporate and of holding land. 5

Separate name for each society.

11. No society shall be registered under a name identical with that of any other society or body corporate already registered under this Act, or so nearly resembling the same as to be calculated to deceive, except where that existing society is in the course of being dissolved, and testifies its consent in such manner as the Registrar requires. 10

Appeal from Registrar to Governor in Council.

12. An appeal shall lie to the Governor in Council from any refusal of the Registrar to register a society or any amendment of the rules of a society, and the decision of the Governor in Council on any such appeal shall be final. 15

No liability on members for obligation of society.

13. Except when otherwise expressly provided in this Act, membership of a society shall not of itself impose on the members any liability in respect of any contract, debt, or other obligation made or incurred by the society. 20

Members to have no right to property of society.

14. Except when otherwise expressly provided by this Act or by the rules of a society, membership of a society shall not be deemed to confer upon the members any right, title, or interest, either legal or equitable, in the property of the society. 25

Contracts by society.

15. (1.) Any contract which, if made between private persons, must be by deed, shall, when made by a society, be in writing under the common seal of the society. 30

(2.) Any contract which, if made between private persons, must be in writing signed by the parties to be charged therewith, may, when made by a society, be in writing signed by any person acting on behalf of and under the express or implied authority of the society.

(3.) Any contract which, if made between private persons, might be made without writing, may, when made by a society, be made without writing by any person acting on behalf of and under the express or implied authority of the society. 35

Service of summons, &c., on society.

16. Any summons, notice, order, or other document required to be served upon a society may be served by leaving the same at the society's registered office, or by sending it through the post in a registered letter addressed to the society at that office. 40

Security for costs where society is plaintiff.

17. Where a society is the plaintiff in any action or other legal proceeding, and there appears by any credible testimony to be reason to believe that if the defendant is successful in his defence the assets of the society will be insufficient to pay his costs, any Court or Judge having jurisdiction in the matter may require sufficient security to be given for those costs, and may stay all proceedings until that security is given. 45

Registered office.

18. (1.) Every society shall have a registered office to which all communications may be addressed. 50

(2.) Notice of the situation of that office, and of any change therein, shall be given to the Registrar and recorded by him.

(3.) Until that notice is given, the society shall be deemed not to have complied with the provisions of this section as to having a registered office.

5 (4.) If any society carries on its operations without having a registered office, every ~~member~~ *officer of the society and every member of the committee or other governing body* of the society shall be liable to a fine not exceeding *one* shilling for every day during which those operations are carried on.

10 19. (1.) If any society carries on or proposes to carry on any operation which is beyond the scope of the objects of the society as defined in its rules, the Registrar may give notice in writing to the society not to carry on that operation. Restriction of operations of society.

15 (2.) If after the receipt of that notice the society fails or refuses to conform thereto, every ~~member~~ *officer of the society and every member of the committee or other governing body* of the society shall be liable to a fine not exceeding *one* pound for every day during which that failure or refusal continues, unless he proves that the failure or refusal has taken place without his authority or consent.

20 20. (1.) No society shall do any act of such a nature that if the doing thereof were one of the objects for which the society was established the members of the society would be deemed to be associated for pecuniary gain within the meaning of sections *four* and *five* hereof. Society not to engage in operations involving pecuniary gain.

25 (2.) Every society which does any such act shall be liable to a fine not exceeding *one* hundred pounds.

30 (3.) Every member who aids, abets, procures, assists, or takes part in the doing of any such act by a society shall be liable to a fine not exceeding *twenty* pounds, and all such members shall be jointly and severally liable to any creditor of the society for all debts and obligations incurred by the society in or in consequence of the doing of that act.

(4.) Every member who derives any pecuniary gain from any act done by the society in breach of this section shall be deemed to have received the same to the use of the society, and the same may be 35 recovered by the society accordingly.

21. (1.) A society may from time to time alter its rules in manner provided by the said rules, but subject to the provisions of this Act. Alteration of rules.

40 (2.) Every such alteration shall be in writing, signed *or sealed* in duplicate by at least ~~five~~ *three* members of the society, and the documents so signed *or sealed* shall be delivered to the Registrar, accompanied by a statutory declaration made by a solicitor or at least one member to the effect that the said alteration has been made in accordance with the rules of the society.

45 (3.) The Registrar, if satisfied that the alteration has been duly made, and that the rules as so altered conform in all respects to this Act, shall register the alteration in like manner as in the case of the original rules, and the said alteration shall thereupon 50 be conclusive evidence that all conditions precedent to the making of the alteration, or to the registration thereof, have been duly fulfilled.

(4.) No alteration in the objects of a society shall be registered unless the Registrar is satisfied either that the alteration is not of such a nature as to prejudicially affect any existing creditor of the society, or that all creditors who may be so affected consent to the alteration.

(5.) In the case of any alteration of the name of a society, the Registrar may, in his discretion, refuse to register the alteration until the making thereof has been publicly advertised in such manner as the Registrar thinks fit.

Register of members.

22. (1.) Every society shall keep a register of its members. 10

(2.) The register shall contain the names, addresses, and occupations of those members, and the dates at which they became members.

(3.) Every society shall from time to time, when required by the Registrar so to do, send to him a list of the names, addresses, and occupations of its members, accompanied by a statutory declaration verifying that list and made by some officer of the society. 15

Society to deliver annual financial statement to Registrar.

23. (1.) Every society shall deliver annually to the Registrar, in such form and at such time as he requires, a statement containing the following particulars:— 20

(a.) The income and expenditure of the society during the society's last financial year:

(b.) The assets and liabilities of the society at the close of the said year:

(c.) All mortgages, charges, and securities of any description affecting any of the property of the society at the close of the said year. 25

(2.) The said statement shall be accompanied by a certificate signed by some officer of the society to the effect that the statement has been submitted to and approved by the members of the society at a general meeting. 30

(3.) If any default is made by a society in the observance of the provisions of this section, every officer of the society shall be liable to a fine not exceeding *one* shilling for every day during which the default continues. 35

Voluntary winding-up of society.

24. (1.) A society may be wound up voluntarily if the society, at a general meeting of its members, passes a resolution requiring the society so to be wound up, and the resolution is confirmed at a subsequent general meeting called together for that purpose and held not earlier than thirty days after the date on which the resolution so to be confirmed was passed. 40

(2.) Subject to this Act and to any regulations made under the authority thereof, the voluntary winding-up of a society shall be governed by the same rules as the voluntary winding-up of a company under the Companies Act, 1908. 45

Winding-up of society by Supreme Court.

25. A society may be wound up by the Supreme Court under the following circumstances, that is to say:—

(a.) If the society suspends its operations for the space of a whole year; or

(b.) If the members of the society are reduced in number to less than fifteen; or 50

(c.) If the society is unable to pay its debts; or

(d.) If the society carries on any operation whereby any member thereof makes any pecuniary gain contrary to the provisions of this Act; or

(e.) If the Supreme Court or a Judge thereof is of opinion that it is just and equitable that the society should be wound up.

26. (1.) Any application to the Supreme Court for the winding-up of a society shall be by petition presented either by the society, or by a member thereof, or by a creditor thereof, or by the Registrar.

Petition to Court for winding up.

(2.) All costs incurred by the Registrar in making application for the winding-up of a society shall, unless the said Court or a Judge thereof otherwise orders, be a first charge on the assets of the society.

(3.) Subject to this Act and to any regulations made under the authority thereof, every application to the Supreme Court for the winding-up of a society, and every winding-up of a society by the said Court, shall be governed by the same rules as in the case of the winding-up of a company by the said Court under the Companies Act, 1908.

27. (1.) On the winding-up of a society all surplus assets after the payment of all costs, debts, and liabilities shall, subject to any trust affecting the same, be disposed of in manner provided by the rules of the society.

Division of surplus assets on winding up.

(2.) If the said surplus assets are subject to any trust, they shall be disposed of as the Supreme Court or a Judge thereof directs in the case of a winding-up by the said Court, or as the Registrar directs in the case of a voluntary winding-up, but an appeal shall lie from any such decision of the Registrar to the Governor in Council at the suit of any person interested. The decision of the Registrar shall be final, unless notice of appeal therefrom is delivered to the Registrar within one month after the decision has been given.

28. (1.) If at any time the Registrar is satisfied that a society is no longer carrying on its operations and has no assets, he may make under his seal a declaration that the society is dissolved as from the date of the declaration, and shall thereupon publish the declaration in the *Gazette*, and make in the register an entry of the dissolution of the society.

Dissolution by Registrar.

(2.) On the making of that entry the society shall be dissolved as from the date of the declaration.

(3.) At any time thereafter the Registrar, on being satisfied that the declaration was made in error and ought to be revoked, may revoke the same by a declaration published in the *Gazette*, and shall thereupon make an entry of that revocation in the register, and the society shall thereupon be revived from the date of the dissolution thereof as if no such dissolution had taken place.

Society may be revived after such dissolution

29. Any corporate body, whether incorporated under this Act or in any other manner, may become a member of a society incorporated under this Act, unless that corporate body would thereby exceed the powers and functions permitted to it by its own constitution: the purposes for which the society is established are ultra vires of the said corporate body.

Corporate body may become member of society.

Pecuniary gain received by member of such corporate body.

30. When any corporate body is a member of a society incorporated under this Act, any pecuniary gain received by any member of that corporate body shall be deemed for the purposes of this Act to be pecuniary gain received by a member of the society, and in respect of any such pecuniary gain every member of that corporate body shall be deemed to be a member of the society. 5

Such corporate body to be equivalent to three members of incorporated society.

31. In estimating the number of subscribers to the rules of a society under section *four or section seven* of this Act, or the number of members of a society under *section four or section twenty-five* of this Act, every corporate body which is a subscriber or member shall be taken as the equivalent of three subscribers or three members, as the case may be. 10

Registrar.

32. (1.) The Governor may from time to time appoint some person to be the Registrar of Incorporated Societies, and may make regulations, consistent with this Act, prescribing the duties and powers of the Registrar. 15

(2.) The Registrar so appointed may hold his office in conjunction with any other office which the Governor deems not incompatible therewith.

Registrar to keep register of incorporated societies.

33. (1.) The Registrar shall keep a register in which there shall be recorded all matters required by this Act or by any regulations to be recorded by the Registrar. 20

(2.) The Registrar shall keep a seal for the authentication of any documents required for the purposes of this Act.

(3.) There shall be paid to the Registrar in respect of the several matters mentioned in the *Second Schedule* hereto the several fees therein specified. 25

(4.) All fees so paid to the Registrar shall be paid by him into the Public Account and shall form part of the Consolidated Fund.

(5.) All expenses incurred in the administration of this Act shall be paid out of moneys appropriated by Parliament. 30

Inspection of documents.

34. (1.) Every person may, on payment of the prescribed fee, inspect the register or any documents lodged with the Registrar.

(2.) Any person may, on payment of the prescribed fee, require a copy of the certificate of the incorporation of any society, or a copy of or extract from the register or any document lodged with the Registrar, to be certified by the Registrar under his seal. 35

(3.) Any such copy or extract purporting to be under the seal of the Registrar shall be received in evidence in all proceedings, civil or criminal. 40

Exemption from stamp duty.

35. No document required by this Act to be delivered to the Registrar shall be liable to any stamp duty.

Regulations.

36. The Governor may, by Order in Council gazetted, make such regulations as he deems necessary for carrying into full effect the provisions of this Act.

SCHEDULES.

Schedules.

FIRST SCHEDULE.

Section 7.

APPLICATION FOR INCORPORATION.

~~WE, the several persons whose names are subscribed hereto, are desirous of being formed into an incorporated society under the Incorporated Societies Act, 1908, in accordance with the foregoing rules, and we agree to become members of the said society accordingly, being members of the above-mentioned society, hereby make application for the incorporation of the society under the foregoing rules, in accordance with the Incorporated Societies Act, 1908.~~

Dated this day of 19 .

[Signatures, addresses, and descriptions of subscribers.]

~~Witness to the above signatures:~~

SECOND SCHEDULE.

Sections 7, 33.

TABLE OF FEES PAYABLE TO THE REGISTRAR.

	£	s.	d.
Fee on application for registration	0	10	0
Fee for certificate of incorporation	0	10	0
Fee for alteration of rules	0	5	0
Fee for certification of copy or extract	0	5	0
<i>(If the copy or extract exceeds three folios of seventy-two words each, an additional fee of 6d. for every such additional folio or part thereof.)</i>			
Fee for inspection of register	0	1	0
Fee for inspection of any document	0	1	0

By Authority: JOHN MACKAY, Government Printer, Wellington.—1908.