

AUSTRALIAN CAPITAL TERRITORY

Regulations 1986 No. 1¹

Co-operative Societies Regulations² (Amendment)

I, GORDON GLEN DENTON SCHOLES, the Minister of State for Territories, hereby make the following Regulations under the *Co-operative Societies Ordinance 1939*.

Dated 23 May 1986.

G. SCHOLES

Minister of State for Territories

1. After regulation 2AB of the Co-operative Societies Regulations the following regulations are inserted:

Loan limit—building societies

“2AC. The amount prescribed for the purposes of section 14AD of the Ordinance is \$20,000.

Additional requirements

“2AD. Where a building society has a contingent liability for loss relating to any of its activities, not being a contingent liability relating to—

- (a) the sale or disposal of bills of exchange or promissory notes pending maturity of the instrument;
- (b) the sale or disposal of mortgage-backed securities pending maturity of the security;
- (c) loans approved by the society but not advanced;
- (d) agreements by the society to acquire assets; or
- (e) guarantees by the society on behalf of members secured by funds held to credit by the society,

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the requirement that the society shall maintain such additional capital as is calculated by multiplying the amount of that contingent liability by 50 per cent is, for the purposes of sub-paragraph (a) (ii) of the definition of ‘minimum amount’ in sub-section 14CG (1) of the Ordinance, prescribed as an additional requirement to be complied with by the building society in connection with the minimum amount of capital to be maintained by it.

Weighted percentage

“2AE. (1) For the purposes of the definition of ‘weighted amount’ in sub-section 14CG (1) of the Ordinance, each of the classes of assets specified in column 2 of Schedule 2 is a prescribed class of assets of a building society.

“(2) For the purposes of the definition of ‘weighted percentage’ in sub-section 14CG (1) of the Ordinance, the percentage specified in column 3 of an item in Schedule 2 is the percentage prescribed in relation to the class of assets specified in column 2 of that item.

“(3) In Schedule 2—

‘bank’ means a bank carrying on business in Australia;

‘loans’ include any accrued interest or other amounts payable in respect of the loans;

‘prescribed securities’ means—

- (a) securities issued by or giving recourse to a bank;
- (b) securities issued by or giving recourse to the Government of the Commonwealth or of a State or internal Territory; and
- (c) securities issued by or giving recourse to a public authority;

‘public authority’ means—

- (a) a corporation established for a public purpose by a law of the Commonwealth, a State or an internal Territory;
- (b) a city, county, municipal or shire council in Australia; and
- (c) a body corporate established by a law of the Commonwealth, a State or an internal Territory.”.

Heading to Schedule

2. The Schedule to the Co-operative Societies Regulations is amended by omitting—

“SCHEDULE”

and substituting—

“SCHEDULE 1”.

Schedule 2

3. The Co-operative Societies Regulations are amended by adding at the end the following Schedule:

SCHEDULE 2		Regulation 2AE
Column 1 Item	Column 2 Class of assets	Column 3 Percentage
1	Cash on hand	0.0
2	Deposits at call with a bank and investments in the short term money market	0.2
3	Deposits, not being deposits at call, with a bank where the term of the deposits is less than 2 years	0.2
4	Deposits, not being deposits at call, with a bank where the term of the deposits is not less than 2 years but is less than 5 years	1.0
5	Deposits, not being deposits at call, with a bank where the term of the deposits is not less than 5 years but is less than 10 years	5.0
6	Deposits, not being deposits at call, with a bank where the term of the deposits is not less than 10 years	10.0
7	Prescribed securities where the term of the securities is less than 2 years	0.2
8	Prescribed securities where the term of the securities is not less than 2 years but is less than 5 years	1.0
9	Prescribed securities where the term of the securities is not less than 5 years but is less than 10 years	5.0
10	Prescribed securities where the term of the securities is not less than 10 years	10.0
11	Primary loans secured by registered mortgage over freehold or leasehold land where the only building erected or to be erected on the land is a single residential unit	1.0
12	Primary loans secured by registered mortgage over freehold or leasehold land, not being loans of a kind referred to in item 11	2.0
13	Loans, not being primary loans, secured by registered mortgage over freehold or leasehold land	2.0

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14	Loans secured against members' funds where the amount of each loan is equivalent to the amount held by the society to the credit of the relevant member	1.0
15	Loans secured by the assignment of life assurance policies where the amount of each loan is equivalent to the surrender value of the relevant policy	1.0
16	Loans secured by guarantee given by a bank	1.0
17	Loans secured by mortgage over securities issued by—	1.0
	(a) the Government of the Commonwealth or of a State or internal Territory; or	
	(b) a public authority	
18	Loans made against letters of credit issued or confirmed by a bank	1.0
19	Loans, not being loans secured in a manner referred to in another item, where each of the loans is secured to a value equivalent to the amount of the loan	5.0
20	Loans made without being secured in any manner, not being loans made to a subsidiary corporation of a society	10.0
21	Shares in a subsidiary corporation of the society or loans made to or other investments in a subsidiary corporation of the society where—	10.0
	(a) the subsidiary corporation is engaged exclusively in the business of providing administrative or financial services or any other services prescribed by these Regulations for the purposes of section 37A of the Ordinance; and	
	(b) the loans or investments are not secured by mortgage over property to a value equivalent to the amounts of the loans or investments	
22	Freehold and leasehold land and buildings occupied primarily by the society or a subsidiary corporation of the society	5.0
23	Freehold and leasehold land and buildings not occupied primarily by the society or a subsidiary corporation of the society, being—	20.0
	(a) in the case of land—land that is being or is intended to be subdivided or developed by building construction for sale or lease; and	
	(b) in the case of buildings—buildings that are being or are intended to be built for sale, lease or rental	

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24	Freehold and leasehold land and buildings, not being land or buildings specified in items 22 or 23	10.0
25	Plant, equipment, vehicles, furniture and fittings and other personal property used in connection with the administration of the society	10.0
26	Prepaid expenses and accrued income on investments	0.0
27	Mortgage-backed securities issued by a corporation in which the Government of the Commonwealth or of a State or internal Territory is a member	1.0
28	Assets, not being assets included in a class of assets specified in any other item	50.0

NOTES

1. Notified in the *Commonwealth of Australia Gazette* on 28 May 1986.
2. Regulations 1945 No. 2 as amended by 1956 No. 13; 1979 Nos. 24 and 27; 1980 No. 3; 1982 Nos. 52 and 53; 1985 Nos. 8 and 18.