

No. 24 of 1995.

*Savings and Loan Societies (Amendment) Act 1995.*

Certified on : 03.10.95

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No.                    of 1995.

*Savings and Loan Societies (Amendment) Act 1995.*

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

No.                    of 1995.

AN ACT

entitled

*Savings and Loan Societies (Amendment) Act 1995,*

Being an Act to amend the *Savings and Loan Societies Act* (Chapter 141),

MADE by the National Parliament.

1. COMPLIANCE WITH CONSTITUTIONAL REQUIREMENTS.

This Act, to the extent that it regulates or restricts a right or freedom referred to in Subdivision III.3.C. (*qualified rights*) of the *Constitution*, namely -

- (a) the right to freedom from arbitrary search and entry conferred by Section 45 of the *Constitution*; and
- (b) the right to privacy conferred by Section 49 of the *Constitution*; and
- (c) the right to freedom of information conferred by Section 51 of the *Constitution*,

is a law that is made for the purpose of giving effect to the public interest in public order and public welfare.

2. INTERPRETATION (AMENDMENT OF SECTION 1).

Section 1 of the Principal Act is amended -

- (a) in the definition of "bank", by repealing the words "Papua New Guinea Development Bank" and replacing them with the following:-

"Rural Development Bank of Papua New Guinea"; and

- (b) by inserting after the definition of "the Board" the following:-

"'Central Bank' means the Bank of Papua New Guinea established under the *Central Banking Act* (Chapter 138);"; and

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- (c) by inserting after the definition of "financial year" the following:-

"'Governor' means the Governor of the Central Bank appointed under Section 15 of the *Central Banking Act* (Chapter 138);"; and

- (d) by inserting after the definition of "the Loans Committee" the following:-

"'management' means the chief executive officer of a society;"; and

- (e) by repealing the definition of "officer" and replacing it with the following:-

"'officer', in relation to a society, means the chairman, deputy chairman and secretary, and any other person empowered under the rules to give directions in regard to the business of the society;"; and

- (f) in the definition of "the Registrar" by repealing the words "appointed under" and replacing them with the following:-

"in accordance with"; and

- (g) by inserting after the definition of "the Rules" the following:-

"'savings', in relation to a society, means the savings deposits of the members of the society;".

**3. REPEAL AND REPLACEMENT OF SECTION 2.**

Section 2 of the Principal Act is repealed and is replaced with the following:-

**"2. REGISTRAR AND DEPUTY REGISTRARS.**

(1) The Governor of the Central Bank shall be the Registrar of Savings and Loan Societies.

"(2) The Registrar is charged with the administration of this Act and has such powers, functions and duties as are conferred on him by this Act.

"(3) The Registrar shall have a seal of office approved by the Governor.

"(4) The Registrar may, by notice in the National Gazette, appoint an officer or officers of the Central Bank to be a Deputy Registrar or Deputy Registrars.

"(5) During the absence from duty of the Registrar by reason of illness, leave of absence or other cause, the powers and functions of the Registrar may be exercised by a Deputy Registrar.

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"(6) During the absence of both the Registrar and the Deputy Registrar or Deputy Registrars, the Governor shall appoint a person to act as Registrar and that person shall exercise the powers and functions of the Registrar under this Act."

**4. REPEAL AND REPLACEMENT OF SECTION 3.**

Section 3 of the Principal Act is repealed and is replaced with the following:-

**"3. FUNCTIONS AND POWERS OF THE REGISTRAR.**

Subject to any directions by the Governor, the functions and powers of the Registrar are to -

- (a) register groups as societies where he is satisfied that registration is advisable; and
- (b) inspect or investigate the operations of a society; and
- (c) make Rules for a society; and
- (d) appoint his representatives to the Board of Directors and Supervisory Committee of a society, where he is of the opinion that the society is carrying on business detrimental to the best interests of the members; and
- (e) suspend the operations of a society; and
- (f) suspend or remove a member or members of a Board of Directors, Supervisory Committee, Loans Committee or management of a society; and
- (g) wind-up the operations of a society; and
- (h) appoint a member or all the members of the Board of Directors and Supervisory Committee of a society; and
- (i) set guidelines for investments for savings and loans for societies; and
- (j) set lending guidelines for societies; and
- (k) require a society to submit such information as he specifies; and
- (l) appoint an Administrator to manage a society; and
- (m) direct a society to apply for a licence as a licensed financial institution in accordance with the *Banks and Financial Institutions Act* (Chapter 137); and
- (n) direct a society to do such things as he specifies; and
- (o) do all things necessary or convenient to be done for or in connection with the achievement of the objects and the performance of the functions of a society."

**5. AUDIT (AMENDMENT OF SECTION 4).**

Section 4 of the Principal Act is amended in the penalty clause by repealing the amount "K200.00" and replacing it with the following:-

"K5,000.00".

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**6. NEW SECTION 4A.**

The Principal Act is amended by inserting after Section 4 the following new section:-

**"4A. CONSEQUENCES OF AUDIT.**

(1) Where the Registrar is of the opinion that any irregularities disclosed by the inspection and audit of a society under Section 4 are serious in nature, he may suspend a part or the whole of the operations of the society.

"(2) The Registrar may, in addition to any suspension under Subsection (1), take such other action as is necessary to restore normality to the operations of the society.

"(3) Where any -  
(a) suspension effected under Subsection (1); and  
(b) action taken under Subsection (2),  
are unable to restore normality to the operations of a society, the Registrar may take such action under Sections 3A and 51 as he considers necessary."

**7. NEW SECTION 4B.**

The Principal Act is amended by inserting after Section 4A the following new section:-

**"4B. PROTECTION OF PERSONS SUPPLYING INFORMATION TO THE REGISTRAR.**

Where a member, Director, officer or staff member of a society -

(a) supplies information to the Registrar, either on his own initiative or in pursuance of a requirement by the Registrar; and

(b) the information supplied discloses, or the manner of supplying the information constitutes, a ground for disciplining the member, Director, officer or staff member supplying the information,

the Supervisory Committee, Board or management of the society shall not commence disciplinary procedures against that member, Director, officer or staff member until the completion by the Registrar of any investigation in respect of the information supplied."

**8. ANNUAL REPORTS (AMENDMENT OF SECTION 6).**

Section 6 of the Principal Act is amended by repealing the words "two calendar months" and replacing them with the following:-

"three calendar months".

**9. SAVINGS AND LOAN SOCIETIES (AMENDMENT OF SECTION 9).**

Section 9(c) of the Principal Act is repealed and is replaced with the following:-

"(c) to receive the savings of its members as contributions in the form of savings deposits;"



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**10. APPLICATION FOR REGISTRATION (AMENDMENT OF SECTION 10).**

Section 10 of the Principal Act is amended -

- (a) in Subsection (1), by repealing the words "Any 20 or more persons" and replacing them with the following:-

"A minimum of 500 persons or such other number as is determined by the Registrar"; and

- (b) in Subsection (2)(c)(ii), by repealing the word "invest" and replacing it with the following:-

"deposit".

**11. CHANGE OF NAME OF SOCIETY (AMENDMENT OF SECTION 12).**

Section 12(3) of the Principal Act is amended in the penalty clause -

- (a) by repealing the amount "K50.00" and replacing it with the following:-

"K1,000.00"; and

- (b) by repealing the amount "K10.00" and replacing it with the following:-

"K20.00".

**12. NEW SECTION 13A.**

The Principal Act is amended by inserting after Section 13 the following new section:-

**"13A. REGISTRAR MAY REQUIRE A SOCIETY TO BE LICENSED AS A FINANCIAL INSTITUTION.**

The Registrar may, where he considers it appropriate, either at the time of registration or at any time thereafter, direct a society to apply for a license as a licensed financial institution under the *Banks and Financial Institutions Act* (Chapter 137), and the society shall comply with such direction."

**13. REPEAL AND REPLACEMENT OF SECTION 14.**

Section 14 of the Principal Act is repealed and is replaced with the following:-

**"14. LIABILITY OF MEMBERS**

The liability of a member of a society is limited to the amount of outstanding loan and interest thereon less savings and interest thereon credited to the account of the member."

**14. POWERS OF SOCIETIES (AMENDMENT OF SECTION 15).**

Section 15 of the Principal Act is amended -

- (a) by repealing Paragraph (c) and replacing it with the following:-

"(c) raise money on loan, subject to the approval of the Registrar, for the objects of the society and mortgage or pledge its property as security for the loan;"; and

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(b) by inserting after Paragraph (d) the following new Paragraph:-  
"(da) invest funds in any institution, subject to the approval of the Registrar;"

**15. STANDARD RULES (AMENDMENT OF SECTION 16).**

Section 16(2) of the Principal Act is amended by repealing the word "Minister" and replacing it with the following:-

"Governor".

**16. SUPPLEMENTARY RULES (AMENDMENT OF SECTION 17).**

Section 17 of the Principal Act is amended by adding the following:-

"and such additional rules shall be binding."

**17. MEMBERSHIP (AMENDMENT OF SECTION 19).**

Section 19 of the Principal Act is amended -

(a) by repealing Subsection (2)(b) and replacing it with the following:-

"(b) a citizen;" and

(b) in Subsection (6), by repealing the words "not being less than the initial instalment prescribed by the Rules, in respect of shares subscribed for by him." and replacing them with the following:-

"not being less than the initial amount prescribed by the Rules, in respect of saving deposits made for by him."

**18. REPEAL AND REPLACEMENT OF SECTION 21.**

Section 21 of the Principal Act is repealed and is replaced with the following:-

**"21. SAVINGS.**

(1) The capital of a society shall -

(a) be unlimited in amount; and

(b) be not less than the total amount of the savings deposits of its members.

"(2) A member shall receive interest or additional interest on his savings deposits."

**19. REPEAL AND REPLACEMENT OF SECTION 22.**

Section 22 of the Principal Act is repealed and is replaced with the following:-

**"22. LIEN ON SAVINGS.**

In respect of any debt due from a member, past member or deceased member to a society or of a guarantee by a member, past member or deceased member of a loan under this Act, a society has a lien on -

(a) his savings deposits; and

(b) any interest or additional interest or accumulated funds payable to him by the society,

and may set off any sum credited or payable to him on or towards payment of the debt or satisfaction of the guarantee."

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**20. REPEAL AND REPLACEMENT OF SECTION 23.**

Section 23 of the Principal Act is repealed and is replaced with the following:-

**"23. DEATH OF MEMBER.**

Subject to this Act and to the Rules, on the death of a member, the society shall transfer his savings deposit and any money due to him by way of interest or additional interest or otherwise, under this Act -

- (a) to his nominee; or
- (a) if there is no nominee - to his legal personal representative; or
- (a) if there is no nominee or legal personal representative to his next of kin."

**21. REPEAL AND REPLACEMENT OF SECTION 24.**

Section 24 of the Principal Act is repealed and is replaced with the following:-

**"24. ANNUAL GENERAL MEETING.**

(1) The first annual general meeting of a society shall be held within one month after the registration of the society under this Act.

"(2) Subject to Subsection (1), the annual general meeting of a society shall be held within three months, or such other period as is determined by the Registrar, after the close of the financial year.

"(3) Where a society has a nation-wide membership, the full members of the Board and the Supervisory Committee elected in accordance with Section 25(2), present at the annual or special general meeting shall be a quorum and shall discuss the business of that meeting.

"(4) Subject to Subsection (2), the Registrar may extend the period within which an annual general meeting of a society is to be held, but the annual general meeting shall be held within a period of four months after the close of the financial year.

"(5) The Registrar, or the representative of the Registrar, may be present at the annual general meeting or special general meeting of a society."

**22. REPEAL AND REPLACEMENT OF SECTION 25.**

Section 25 of the Principal Act is repealed and is replaced with the following:-

**"25. ELECTION OF BOARD AND SUPERVISORY COMMITTEE.**

(1) Where a society does not have a nation-wide membership, at each annual general meeting the members shall elect -

- (a) a Board of Directors of not less than five members of the society; and
- (b) a Supervisory Committee of not less than three members of the society who are not members of the Board.

"(2) Where a society has a nation-wide membership, the members shall elect a Board of Directors and a Supervisory Committee by ballot through a competent authority appointed by the Registrar.

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"(3) Where the Registrar is of the opinion that a society is carrying on business detrimental to the best interests of the members, he may appoint his representatives to the Board of Directors and to the Supervisory Committee of that society.

"(4) All members of a Board of Directors and of a Supervisory Committee (except members appointed by the Registrar) shall -

- (a) retire from office after the expiry of three years from the date of election; and
- (b) are eligible for re-election.

"(5) Subject to this Act, members of the Board and of the Supervisory Committee of a society hold office, cease to hold office and may be removed from office, in accordance with the Rules or may be appointed to or removed from office by the Registrar."

**23. LOANS COMMITTEE (AMENDMENT OF SECTION 26).**

Section 26 of the Principal Act is amended by inserting after Subsection (1) the following new subsection:-

"(1A) Subject to Subsection (1), the Registrar may appoint members of the Loans Committee, if so requested by a society."

**24. REPEAL AND REPLACEMENT OF SECTION 27.**

Section 27 of the Principal Act is repealed and is replaced with the following:-

**"27. REMUNERATION.**

(1) Members of the Board, the Supervisory Committee or the Loans Committee may be paid an amount as meeting allowances determined by the annual or special general meeting.

"(2) Notice of intention to make a payment referred to in Subsection (1) shall be given to the Registrar who may, by written notice to the society, direct that the payment -

- (a) shall be made; or
- (b) shall not be made; or
- (c) shall be varied in the manner specified in the direction.

"(3) A society shall not make a payment in contravention of a direction under Subsection (2).

Penalty: A fine not exceeding K1000.00."

**25. POWERS OF BOARD (AMENDMENT OF SECTION 28).**

Section 28 of the Principal Act is amended -

(a) by repealing Paragraph (a) and replacing it with the following:-

"(a) determine the maximum loan that may be made to any member under this Act;"; and

(b) by repealing Paragraph (d) and replacing it with the following:-

"(d) subject to Sections 42 and 48, fix interest rates on loans and savings deposits;"; and

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(c) by repealing Paragraph (f) and replacing it with the following:-

"(f) subject to Section 48, recommend any interest rate in excess of 7% on savings deposits to the annual general meeting;" and

(d) by repealing Paragraph (h) and replacing it with the following:-

"(h) appoint, suspend or terminate management of the society; and

(i) subject to the approval of the Registrar, determine investment policy; and

(j) perform such other duties as are prescribed by this Act or the Rules."

**26. NEW SECTION 28A.**

The Principal Act is amended by inserting after Section 28 the following new section:-

**"28A. FUNCTIONS OF BOARD.**

Subject to this Act and the Rules, the Board of a society shall formulate, supervise and monitor the operations of the society and in particular shall -

(a) establish policies, systems, procedures and programmes in connection with the operations of the society; and

(b) manage savings deposits and loans of members in a proper manner; and

(c) make investments of the society's funds in a professional manner; and

(d) submit bi-annual and annual financial statements and reports to the Registrar and to the Central Bank promptly and not later than -

(i) in the case of bi-annual accounts and reports - one month;

(ii) in the case of annual accounts and reports - two months,

after the end of the period covered by the accounts and reports; and

(e) make reports to members of the society on their savings deposits and loan balances after the end of each financial year; and

(f) perform such other functions required by or consistent with this Act and the Rules."

**27. NEW SECTION 28B.**

The Principal Act is amended by inserting after Section 28A the following new section:-

**"28B. FUNCTIONS OF MANAGEMENT.**

Subject to this Act and the Rules, the Management of a society shall properly conduct the day-to-day operations of the society and in particular shall -

(a) manage the day-to-day affairs of the society; and

(b) implement the policies and directions of the Board; and

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- (c) maintain proper records of all members of the society; and
- (d) provide day-to-day services to members of the society; and
- (e) manage the investments of the society in a proper and professional manner; and
- (f) undertake cash and liquidity management of the society's funds; and
- (g) undertake effective management and recovery programmes on lending operations; and
- (h) assist and supervise staff of the society in accordance with the policies and procedures of the society; and
- (i) manage the organization and staff of the society including appointment, disciplining and termination of staff; and
- (j) provide regular returns to the Board, Supervisory Committee and the Registrar; and
- (k) provide regular reports of savings deposits and loans balances to members of the society; and
- (l) perform such other functions as are consistent with the Act and the Rules."

**28. PROCEDURES ON APPLICATIONS FOR LOANS (AMENDMENT OF SECTION 29).**

Section 29 of the Principal Act is amended -

- (a) in Subsection (1)(b)(i), by adding the following:-

"for amounts up to an amount fixed by the Registrar"; and

- (b) by repealing Subsection (3)(a) and replacing it with the following:-

"(a) not approve loans in excess of an amount fixed by the Registrar;"; and

- (c) by repealing Subsection (4) and replacing it with the following:-

"(4) The Board may delegate to the Loans Committee and management its powers and functions under this section and Section 42(2), to be exercised and performed by the Committee and management subject to the Rules and to any policy laid down by the Board, and this section applies to the Loans Committee and management as it does to the Board."

**29. REPEAL AND REPLACEMENT OF SECTION 30.**

Section 30 of the Principal Act is repealed and is replaced with the following:-

**"30. FUNCTIONS OF SUPERVISORY COMMITTEES.**

(1) The Supervisory Committee of a society is responsible for the general supervision of the operations of the society with a view to protecting the interests of the members and, in particular -

- (a) shall -

- (i) conduct and examination of the society's affairs and audit its books at least quarterly; and

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- (ii) conduct or provide for an annual audit and submit a report on the audit to the annual general meeting; and
- (b) may -
- (i) call a special meeting of the society to consider any matters arising out of the examination or audit that it thinks should be placed before the members; and
  - (ii) if, in its opinion, it is necessary to do so in the interests of the society - discipline, suspend or dismiss any officer, Director, management or member of the Loans Committee of the society and report to the annual general meeting or special general meeting of the members, giving reasons for such disciplinary action, suspension or dismissal; and
  - (iii) fill casual vacancies among its own members; and
  - (iv) review for reasonableness, the decisions and the management of the affairs of a society by the Board and management of the society; and
- (c) shall refer any dispute over a discipline, suspension or dismissal under Paragraph (b)(ii) to be dealt with under Section 60.

"(2) For the purposes of Subsection (1), the Supervisory Committee may inspect the books and records of the society and question any member, Director, officer or management of the society whom it has reason to believe can give information relating to the affairs or management of the society.

"(3) The Supervisory Committee of a society shall not be involved in the management and control of the business and operations of the society referred to under Section 28A or exercise powers under Sections 15 and 28.

"(4) The Supervisory Committee of a society shall be entitled to receive any information from the Board or management of the society to perform its functions.

"(5) Where, for any reason, the Registrar is of the opinion that a Supervisory Committee is following improper practices, he may -

- (a) suspend or dismiss a member or members of the Supervisory Committee; and
- (b) appoint a new member or members in their stead in accordance with Section 3A."

**30. MINUTES (AMENDMENT OF SECTION 32).**

Section 32 of the Principal Act is amended by adding the following new subsection:-

"(2) The Registrar may require copies of minutes referred to in Subsection (1) to be made available to him."

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**31. REPEAL AND REPLACEMENT OF SECTION 42.**

Section 42 of the Principal Act is repealed and is replaced with the following:-

**"42. LOANS.**

(1) Loans to members may be made by a society in accordance with this section and subject to directions and guidelines issued from time to time by the Registrar.

"(2) A loan may be made by a society (other than an association) only to a member of the society, and in the manner prescribed in the Rules, to assist the member for purposes as specified in the Rules and subject to any directions of the Governor and for any other purpose approved by the Registrar.

"(3) Subject to this Act, a loan under this Act shall be made on such conditions as the Board of the society making the loan determines in any particular case.

"(4) A member of the Board, the Loans Committee or the Supervisory Committee of a Society shall not be granted a loan of an amount exceeding, or that would when aggregated with any other amounts then owing by the member to the society exceed, the value of his savings deposits, except on separate resolutions by the Board, the Loans Committee and the Supervisory Committee, made at meetings at which the member is not present.

"(5) The interest rate on a loan made by a society shall not exceed 1½ per month on the unpaid balance of the loan.

"(6) A society may charge any interest in excess of 1½ per month on the unpaid balance of a loan, subject to the approval of the Registrar.

"(7) Notwithstanding Subsections (5) and (6), a society may in any case charge a minimum amount of interest of K2.00 per month.

"(8) Interest may be calculated to the nearest whole month during which a portion of the loan remains unpaid.

"(9) Any interest charged on the loan under Subsections (5) or (6), not repaid for six months after the last date of repayment, cease to accumulate any additional interest in the member's loan account but shall continue to be charged to the interest suspense account.

"(10) A society may charge a levy or fee for the administration of a loan account, subject to the approval of the Registrar.

"(11) A borrower may repay his loan in whole or in part on any day on which the office of the society is open for business.

"(12) All money due to a society by a member is a debt due from him to the society.



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"(13) Subject to Subsection (14), all monies due to a society by a member, not being repaid for 18 months after the last date of repayment, shall be provided as a bad debt of the member.

"(14) The society shall continue to recover from a member moneys referred to in Subsection (13)."

**32. REPEAL AND REPLACEMENT OF SECTION 45.**

Section 45 of the Principal Act is repealed and is replaced with the following:-

**"45. BORROWING.**

(1) With the approval of the Registrar, a society may raise money, by way of mortgage of its assets or otherwise, up to an amount not exceeding, or that would when aggregated with any other amount borrowed by the society and then outstanding not exceed 25% of the sum, at the time of borrowing, of money deposited with it under Section 46.

"(2) This section does not apply to or in relation to a loan raised by an association, and an association may raise loans under Section 15(c) only with the approval of the Registrar and subject to such conditions as he determines.

"(3) The Registrar may from time to time issue directions and guidelines on borrowing by a society, and any borrowing by a society shall be in accordance with such directions and guidelines."

**33. GENERAL RESERVE FUND (AMENDMENT OF SECTION 47).**

Section 47 of the Principal Act is amended -

(a) in Subsection (1), by repealing the words "contributions for shares, deposits" and replacing them with the following:-

"contributions for savings deposits"; and

(b) in Subsection (2), by repealing the words "a dividend" and replacing them with the following:-

"additional interest"; and

(c) in Subsection (4), by repealing Paragraph (c) and replacing it with the following:-

"(c) on deposit with a bank or licensed financial institution;"

**34. REPEAL AND REPLACEMENT OF SECTION 48.**

Section 48 of the Principal Act is repealed and is replaced with the following:-

**"48. INTEREST.**

(1) Subject to this Act and the Rules, a society may pay interest on a member's savings deposits.

"(2) Except with the approval of the Registrar, interest in excess of 7% per annum shall not be paid under this section."

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**35. ANNUAL STATEMENTS (AMENDMENT OF SECTION 50).**

Section 50 of the Principal Act is amended by adding the following new subsection:-

"(2) In addition to information required under Subsection (1), a society shall submit to the Registrar its bi-annual accounts, no later than one month after the expiry of the period to which those accounts relate, and such other accounts and information as required by the Registrar."

**36. ORDER FOR WINDING-UP (AMENDMENT OF SECTION 51).**

Section 51 of the Principal Act is amended -

(a) in Subsection (1), by adding the following new paragraphs:-

"(m) accumulated losses of a society have eroded members' savings deposits; or

(n) irregularities disclosed by the inspection and audit are serious in nature and remedial actions taken do not achieve normality of operations of a society."; and

(b) in Subsection (2)(a), by repealing the words "three weeks" and replacing them with the following:-

"four weeks".

**37. LIQUIDATOR (AMENDMENT OF SECTION 52).**

Section 52 of the Principal Act is amended by adding the following new subsections:-

"(3) The Registrar may require a liquidator to furnish to him progressive reports on the winding-up of the society.

"(4) Where the Registrar is unable to appoint a liquidator under Subsection (1), he may proceed with the winding-up of the society under Section 53."

**38. COMMENCEMENT OF WINDING-UP (AMENDMENT OF SECTION 53).**

Section 53 of the Principal Act is amended by adding the following new subsection:-

"(2) The Registrar may determine the period of winding-up of a society, but such period shall not exceed three years."

**39. LIABILITY OF PAST AND PRESENT MEMBERS ON WINDING-UP (AMENDMENT OF SECTION 54).**

Section 54 of the Principal Act is amended -

(a) by repealing Subsection (5); and

(b) in Subsection (6), by repealing the word "dividends" and replacing it with the following:-

"interest".

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**40. RETURN BY LIQUIDATOR (AMENDMENT OF SECTION 56).**

Section 56 of the Principal Act is amended in the penalty clause -

- (a) by repealing the amount "K50.00" and replacing it with the following:-

"K1,000.00"; and

- (b) by repealing the amount "K10.00" and replacing it with the following:-

"K20.00".

**41. DISSOLUTION (AMENDMENT OF SECTION 57).**

Section 57(a) of the Principal Act is amended by repealing the word "liquidator" and replacing it with the following:-

"Registrar".

**42. INSPECTION OF DOCUMENTS (AMENDMENT OF SECTION 59).**

Section 59 of the Principal Act is amended -

- (a) in Subsection (1)(c), by and repealing the word "shares" and replacing it with the following:-

"savings deposits"; and

- (b) in Subsection (2)(d), by repealing the word "shares" and replacing it with the following:

"savings deposits".

**43. DISPUTES (AMENDMENT OF SECTION 60).**

Section 60 of the Principal Act is amended -

- (a) in Paragraph (c), by inserting after the word "officer" the following:-

"Director, management or staff"; and

- (b) by adding the following new paragraph:-

"(e) between the Supervisory Committee of the society and the member, officer, Director, management or member of the Loans Committee of the society."

**44. UNAUTHORIZED SAVINGS AND LOAN SOCIETIES (AMENDMENT OF SECTION 63).**

Section 63 of the Principal Act is amended -

- (a) in Subsection (1), by repealing the penalty clause and replacing it with the following:-

"Penalty: A fine not exceeding K10,000.00  
Default penalty: A fine not exceeding K50.00 for every day during which the offence continues."; and

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- (b) in Subsection (3)(b), by repealing the words "Papua New Guinea Development Bank" and replacing them with the following:-

"Rural Development Bank of Papua New Guinea".

**45. PROHIBITION ON USE OF TITLE (AMENDMENT OF SECTION 64).**

Section 64 is amended in the penalty clause -

- (a) by repealing the amount "K50.00" and replacing it with the following:-

"K10,000.00"; and

- (b) by repealing the amount "K10.00" and replacing it with the following:-

"K100.00".

**46. DEFAULT BY SOCIETY (AMENDMENT OF SECTION 65).**

Section 65(2) of the Principal Act is amended in the penalty clause -

- (a) by repealing the amount "K50.00" and replacing it with the following:-

"K10,000.00"; and

- (b) by repealing the amount "K10.00" and replacing it with the following:-

"K100.00".

**47. OBSTRUCTION, ETC., (AMENDMENT OF SECTION 66).**

Section 66 of the Principal Act is amended in the penalty clause by repealing the amount "K50.00" and replacing it with the following:-

"K1,000.00 and, in addition, a fine not exceeding K50.00 for every day during which the offence continues."

**48. REPEAL AND REPLACEMENT OF SECTION 67.**

Section 67 of the Principal Act is repealed and is replaced with the following:-

**"67. LIABILITY OF DIRECTORS, ETC.,**

Where a society contravenes or fails to comply with a provision of this Act, each of the Directors and officers of the society shall be deemed to have contravened or failed to comply with the provision, and where contravening or failing to comply with a provision constitutes an offence against this Act, are guilty of that offence.

Penalty: A fine not exceeding K1,000.00 and, in addition, a fine not exceeding K50.00 for every day during which the offence continues."

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49. REGULATIONS (AMENDMENT OF SECTION 68).

Section 68(e) of the Principal Act is amended -

(a) by repealing the amount "K40.00" and replacing it with the following:-

"K1,000.00"; and

(b) by repealing the amount "K10.00" and replacing it with the following:-

"K50.00".

I hereby certify that the above is a fair print of the *Savings and Loans Societies (Amendment) Act 1995* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Savings and Loan Societies (Amendment) Act 1995* was made by the National Parliament on 21 June 1995 by an absolute majority in accordance with the Constitution.

Speaker of the National Parliament.

