

1992—No. 357

**FINANCIAL INSTITUTIONS (NEW SOUTH WALES) ACT
1992—REGULATION**

(Financial Institutions (New South Wales) Transitional Regulation 1992)

NEW SOUTH WALES



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HIS Excellency the Governor with the advice of the Executive Council, on the recommendation of the Minister made with the approval of the Ministerial Council for Financial Institutions, and in pursuance of the Financial Institutions (New South Wales) Act 1992, has been pleased to make the Regulation set forth hereunder.

G. B. PEACOCKE
Minister for Cooperatives,

Citation

1. This Regulation may be cited as the Financial Institutions (New South Wales) Transitional Regulation 1992.

Commencement

2. This Regulation commences on 30 June 1992.

Authority for Regulation

3. The authority for this Regulation is found in section 38 (Savings and transitional regulations) of the Financial Institutions (New South Wales) Act 1992.

Continuation of GIO Building Society exemption

4. (1) A person who has an entitlement to shares in GIO Building Society Limited is taken to have been exempted under section 199 of the

Code from compliance with any provision of Division 5 (Shareholding restrictions) of Part 5 of the Code (and of any regulation made for the purposes of that Division) in respect of that entitlement.

(2) The exemption is taken to be subject to the following conditions:

- (a) the exemption remains in force for 6 months after a standard relating to the maximum permissible shareholding in continuing building societies comes into force;
- (b) an exemption under section 199 of the Code in respect of the entitlement must have been applied for by or on behalf of the person within 2 months after that standard comes into force.

(3) In this clause, words and expressions have the same meanings as in the Code, and “the Code” means the Financial Institutions (NSW) Code.

St George Building Society—transfer to Corporations Law

5. (1) This clause applies to a pending application by St George Building Society Ltd. under the Permanent Building Societies Act 1967 (“the PBS Act”) to be registered as a company under the Corporations Law.

(2) The PBS Act (as in force immediately before its repeal) continues to apply to and in respect of the application as if that Act had not been repealed and so applies to the exclusion of the Financial Institutions (NSW) Code.

(3) An application is “pending” if it was made before the repeal of the PBS Act.

(4) This clause applies only until the application is finalised, that is until the application results in the society becoming registered as a company under the Corporations Law or the application is refused or withdrawn, whichever happens first.

TABLE OF PROVISIONS

- 1. Citation
 - 2. Commencement
 - 3. Authority for regulation
 - 4. Continuation of GIO Building Society exemption
 - 5. St George Building Society—transfer to Corporations Law
-

EXPLANATORY NOTE

This Regulation makes the following transitional provisions consequent on the enactment of the Financial Institutions (New South Wales) Act 1992:

- Clause 4 will permit GIO Life Limited to continue to hold 100% of the fixed shares in GIO Building Society Limited. Currently this is permitted by section 42A of the Government Insurance Office (Privatisation) Act 1991 which overrides provisions of the Permanent Building Societies Act 1967 that would otherwise prevent a single shareholding in the society of greater than 10%. That section is repealed by the Financial Institutions (New South Wales) Act 1992 and provisions of the new Financial Institutions (NSW) Code will then prevent a single shareholding in the society of greater than 10%. The Regulation operates by deeming an exemption to have been granted under the new Code.

The exemption remains in force for 6 months after a standard (made by the Australian Financial Institutions Commission) regulating maximum permissible shareholdings in building societies comes into force. By the end of that period, appropriate exemptions will have had to have been applied for and granted under the new Code if GIO Life Limited's 100% ownership of the building society is to be allowed to continue.

Because the shareholding restrictions in the new Code do not apply until such a standard is in force (see section 426 of the Code), this Regulation may be rendered unnecessary by appropriate exemptions being granted before the standard is in place.

- Clause 5 enables a pending application by St George Building Society to become a company under the Corporations Law to continue to be dealt with and finalised under the Permanent Building Societies Act 1967, despite the repeal of that Act.

This will mean that St George will not be subject to the provisions of the Financial Institutions (NSW) Code in respect of its transfer to the Corporations Law if the transfer is not finalised before the commencement of the Code.
