

The Laws of Zambia

REPUBLIC OF ZAMBIA

THE BUILDING SOCIETIES ACT

CHAPTER 412 OF THE LAWS OF ZAMBIA

CHAPTER 412 THE BUILDING SOCIETIES ACT

THE BUILDING SOCIETIES ACT

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CHAPTER 412

BUILDING SOCIETIES

46 of 1968
67 of 1970
6 of 1991
13 of 1994

An Act to provide for the formation, registration, powers and duties, winding-up and dissolution of building societies; to provide for membership of building societies; to provide for the conducting of the business and management of building societies; to make provisions relating to advances, borrowing and investment by and in building societies; to provide for the union of building societies and the transfer of engagements by one building society to another; to provide for the powers of the Registrar of Building Societies; and to provide for matters connected with or incidental to the foregoing.

[2nd December, 1968]

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PART I

PRELIMINARY

1. This Act may be cited as the Building Societies Act.

Short title

2. (1) In this Act, unless the context otherwise requires-

"additional security", in relation to an advance made by a building society, means any security for the advance other than a mortgage of freehold or leasehold estate, whether effected by the person to whom the advance is made or by any other person;

"advance" means a sum of money advanced by a building society under Part V;

"advertisement", in relation to a building society, means an advertisement in any medium making known the activities of the society or inviting business for the society;

"alteration", in relation to the rules of a building society, includes any addition to the rules, and also includes the rescission of all or any of the rules, with or without the substitution of one or more new rules for any rules rescinded;

"annual return" has the meaning assigned to it by section *fifty-one*;

"board of directors", in relation to a building society, means the managing body of the society by whatever name called;

"borrower" means a person to whom an advance has been made by a building society under Part V;

"building society" means a society formed for the purpose of raising a stock or fund from which to make advances upon security either by way of mortgage of freehold or leasehold estate or in such manner as is permitted by this Act;

"collective advance" has the meaning assigned to it by section *sixty-three*;

"director", in relation to a building society, includes a member of the managing body of the society and any other person occupying the position of director by whatever name called;

"existing society" means any building society which, immediately prior to the commencement of this Act, is registered under the Building Societies Act, 1874, of the United Kingdom;

"financial year" has the meaning assigned to it by section *one hundred and thirty*;

"general reserve fund" means a fund established in accordance with the provisions of section *ninety-two*;

"leasehold" shall include the title obtained from a District Council under the Housing (Statutory Improvement Areas) Act;

"liquid funds", in relation to a building society, means the amount by which the aggregate of-

- (a) its cash at the bank and in hand;
- (b) the total book value or the total market value of its investments, whichever is the lesser; and
- (c) interest accrued on its investments;

exceeds the aggregate of-

- (i) the amount of its liabilities in respect of loans from, and overdrafts with, its bankers; and
- (ii) the total amount shown as "other liabilities" in its balance sheet;

"local authority" means a municipal council, township council or rural council;

"member", in relation to a building society, includes any person who for the time being holds a share (whether advanced or not) in the society;

"minimum subscription" has the meaning assigned to it by section *nineteen*;

"officer", in relation to a building society, includes a director, manager or secretary of a society and, in so far as Part IV so provides, also includes an auditor of

(2) For the purposes of any provision in this Act to the effect that an officer of a building society who is in default shall be liable to a fine or penalty, "officer who is in default" means any officer of the society who knowingly and wilfully authorises or permits the default, refusal or contravention mentioned in the Act.

(3) For the purposes of this Act, the value of the assets of a building society shall be the value at which the assets are taken into account in the latest balance sheet and not any alternative values shown in that balance sheet.

(4) For the purposes of any reference in this Act to a person holding shares in a building society up to a specified value-

- (a) any shares which are fully paid up shall be taken at their nominal value;
- (b) any shares which are partly paid up shall be taken at the amount which has been paid on them respectively;
- (c) any share held by a person to whom, as the holder of the share, the society has made an advance shall be disregarded.

(5) Any reference in this Act to contravention of any provision of this Act, or of any regulations or directions thereunder, shall include a reference to failure to comply with that provision.

(6) References in this Act to any enactment shall be construed as references to that enactment as amended by or under any other enactment.

(7) References in this Act to the Governor of the Bank of Zambia shall be construed as including the Deputy Governor while he is acting in place of the Governor.

(As amended by Act No. 6 of 1991)

PART II

FORMATION AND REGISTRATION

3. (1) Any number of persons, not being less than five, may establish a building society under this Act by-

Establishment of building society

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- (a) agreeing upon rules for the government of the society, being rules which comply with the requirements of section *eleven*; and
- (b) sending to the Registrar two copies of the rules, signed by all of those persons and by the intended secretary or other officer, together with an application for registration in the prescribed form; and
- (c) each of those persons subscribing the minimum subscription referred to in section *nineteen*; and
- (d) satisfying the Registrar that the total sum subscribed by way of shares or deposits or negotiated loans, or any combination of these, but excluding the deposit mentioned in paragraph (e), is not less than two hundred thousand kwacha and that all the subscriptions comprised in such total sum are to remain as fixed term investments with the society for a period of not less than five years; and
- (e) depositing with the Bank of Zambia cash or securities acceptable to the Governor of the Bank, or a combination of such cash and securities, to a total value of one hundred thousand kwacha, and such deposit shall be subject to the conditions set out in section *five*.

(2) Application for registration under the provisions of subsection (1) shall be accompanied by such fee as may be prescribed.

(3) If the Registrar is satisfied that the application and rules comply, with the requirements of this Act and that the provisions of subsection (1) relating to minimum subscription, total subscription and deposit have also been complied with, he shall-

- (a) enter in the register referred to in section *nine* the prescribed particulars relating to the application; and
- (b) retain and register one copy of the rules and return the other copy to the secretary or other officer of the society, together with a certificate of registration.

3A. (1) As from the date of the commencement of the Building Societies (Amendment) Act, 1970, there is hereby established a building society under the name of the Zambia National Building Society (hereinafter in this section referred to as "the Society") which shall be deemed to be a building society registered under this Act and the Registrar shall issue a certificate of registration dated the same day as that on which the Building Societies (Amendment) Act, 1970, came into force, and from that day it shall, subject to subsection (6), be subject to the provisions of this Act.

Establishment of the
Zambia National
Building Society.
Act No.
67 of 1970
Act No.
67 of 1970

(2) The Minister shall appoint-

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- (a) not less than seven persons to constitute the board of directors of the Society and shall designate one of them as chairman; and
- (b) the secretary or other officer of the Society.

(3) The board of directors shall, prior to the 31st day of January, 1971, make rules for the government of the Society, being rules which comply with the requirements of section *eleven*, and submit such rules to the Minister for approval:

Provided that such rules may subsequently be altered in the same manner as the rules of any other building society are capable of being altered under the provisions of this Act.

(4) The secretary or other officer of the Society shall forthwith after the approval of such rules, with or without modification by the Minister, lodge two copies thereof with the Registrar together with particulars of the directors and secretary or other officer.

(5) On receipt of such rules and particulars the Registrar shall-

- (a) enter in the register referred to in section *nine* the particulars of the directors and secretary or other officer and such other particulars as may be prescribed;
- (b) retain and register one copy of the rules and return the other copy to the secretary or other officer.

(6) Save as aforesaid, the provisions of section *three* shall not apply to the Society.

(As amended by Act No. 67 of 1970)

4. Notwithstanding the provisions of section *three*, the Minister, if he is satisfied that it is in the public interest so to do, may-

Minister may suspend or refuse registration

- (a) by statutory instrument suspend the registration of new building societies either indefinitely or for the period stated in the statutory instrument and during the time that such statutory instrument is in force the Registrar shall not register any new society;
- (b) in any particular case direct the Registrar that registration of a proposed new building society shall be refused.

4A. Notwithstanding any other provisions of this Act, the Minister may, if he is of the opinion that it is in the public interest so to do, cancel the registration of a building society.

Cancellation of registration

(As amended by Act No. 67 of 1970)

5. The following conditions shall apply to any deposit made with the Bank of Zambia under the provisions of paragraph (e) of subsection (1) of section *three*, that is to say:

Conditions relating to deposit with Bank of Zambia

- (a) if any cash is deposited the Governor of the Bank may invest such cash in securities in the name of the building society making the deposit and such securities shall be deemed to be securities deposited by that society;
- (b) income from a deposit shall be paid to the building society which made the deposit;
- (c) a building society may, with the approval of the Governor of the Bank, substitute for any security deposited with the Bank another security of equivalent value;
- (d) a building society shall, be entitled to obtain annually from the Bank a certificate of the deposit standing in its name;
- (e) the deposit shall be returned to the building society which made it on the production to the Governor of the Bank of a certificate by the Registrar to the effect that the sum standing at the credit of the society's general reserve fund satisfies the minimum requirements set out in subsection (5) of section *ninety-two*;
- (f) in the event of a society being wound up or dissolved, the deposit, on the authority of a certificate by the Registrar, shall be paid over to the liquidator, trustee or other person conducting the winding-up or dissolution.

6. (1) The provisions of section *three* shall not apply to an existing society.

Registration of existing societies

(2) An existing society, without application, shall be given a certificate of registration dated the same day as that on which this Act commences; and from that day it shall be subject to all the other provisions of this Act.

(3) If the rules of an existing society do not comply with section *eleven*, the society shall take the necessary steps to amend the rules and shall register the amended rules with the Registrar within a period of twelve months from the date of the society's registration under this Act.

7. From the date of its registration under this Act a building society shall be a body corporate by its registered name, having perpetual succession and a common seal.

Effect of registration

8. (1) No terminating society shall carry on business in Zambia.

Prohibition of unregistered and terminating societies

(2) No person shall carry on business in Zambia as a building society unless registered under the provisions of this Act and the name or style "building society" shall not be used except by a building society registered under this Act.

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(3) Any society which, or person who, contravenes the provisions of subsection (1) or (2) shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units and one thousand five hundred penalty units for each day during which such contravention continues.

(As amended by Act No. 13 of 1994)

9. The Registrar shall keep a register of building societies in which he shall record, in respect of all building societies registered under this Act, such particulars as may be prescribed.

Maintenance of register

10. (1) No building society shall be registered under this Act by a name which is identical with that of any other society previously registered, or which so nearly resembles the name of such other society as to be likely to deceive, unless such other society is in course of being dissolved and consents to such registration.

Name of building society

(2) The Registrar may refuse to register a building society by a name which, in his opinion, is undesirable.

(3) The name of every building society shall end with the words "building society".

(4) The common seal of a building society shall bear the registered name of the society.

(5) A building society shall not use any name other than that in which it is registered.

(6) If a building society contravenes subsection (5), the society, and every director of the society who is a party to the contravention, shall be liable to a fine not exceeding seven hundred and fifty penalty units for every week or part of a week during which the offence continues.

(As amended by Act No. 13 of 1994)

11. The rules of every building society shall set out-

Contents of rules

- (a) the name of the society and the address of its chief office or place of meeting;
- (b) the manner in which the stock or funds of the society is or are to be raised;
- (c) the manner in which a person may become a member of the society and the manner in which he may cease to be a member;
- (d) the purposes to which the funds of the society are to be applied;
- (e) provision that the society shall not, except with the approval of the Minister, make advances on the security of freehold or leasehold estate or in respect of any development, lands or buildings, situated outside the territorial limits of Zambia;
- (f) the classes of shares to be issued and the preferential and other rights and conditions attached to each class of shares;
- (g) the terms and conditions on which deposits are to be accepted and repaid;
- (h) provision that the society reserves the right to make all repayments, whether of shares, deposits, loans or otherwise, in Zambian currency;
- (i) the manner in which advances are to be made and repaid and the conditions on which a borrower can redeem the amount due from him before the end of the period for which the advance was made;
- (j) the manner in which losses are to be ascertained and provided for;
- (k) whether the society intends to borrow money, and if so, within what limits, not exceeding those prescribed by this Act;
- (l) the manner of appointing, remunerating and removing the board of directors and other officers, their powers and duties, and the manner of remunerating auditors;
- (m) the manner of calling and holding meetings, the giving of notice thereof, form of notice, quorum, voting rights, right to requisition meetings, procedure to be observed at meetings, the right to demand a poll, and the manner in which a poll is to be taken;
- (n) the manner of settling disputes, subject to the provisions of this Act;
- (o) provision for an annual or more frequent audit and the inspection by the auditors of the titles, mortgage deeds and other securities held by the society;
- (p) provision for the custody of the titles, mortgage deeds and other securities belonging to or held by the society;
- (q) provision for the device, custody and use of the society's common seal;
- (r) the fines and forfeitures, if any, to be imposed on members of the society;
- (s) the manner in which the society may be dissolved.

12. The rules of a building society are binding upon each of the members and officers of the society, and on all persons claiming on account of a member or under the rules; and all such members, officers and persons shall be deemed to have full notice of the rules.

Effect of rules

PART III

MEMBERSHIP AND COMMENCEMENT OF BUSINESS

13. (1) The rules of a building society may allow a person to become a member without holding a share in the society. Members who are not shareholders

(2) Such of the rules as concern the making of advances to members need not be expressed in terms which treat a member to whom an advance is made as being, by reason of the making of the advance, the holder of a share in the society.

14. A person under the age of twenty-one years, if the rules do not otherwise provide, may be admitted as a member of a building society, and can give all necessary receipts, but, while he is under that age, he cannot vote or hold any office in the society. Members under the age of twenty-one

15. Two or more persons may jointly own shares in a building society and in respect of such shares the following provisions shall have effect, that is to say: Joint shareholders

- (a) except where the rules of the society otherwise provide, any notice or other document may be given or sent by the society to the joint holders by being given or sent to that one of the joint holders who is named first in the books of the society (hereinafter in this section called "the first named holder");
- (b) for the purposes of voting rights, shares which are jointly owned shall be treated as held by the first named holder alone;
- (c) for the purposes of any sections of this Act which refer to the consent of the members, or of a proportion of the members, of a society, shares which are jointly owned shall be treated as held by the first named holder alone and the other joint holders shall not be regarded as members of the society for such purposes;
- (d) any references in this Act to total membership of a building society shall be construed as if the first named holder (but none of the other joint holders) is a member of the society;
- (e) the entry in the register of members to be kept under section *twenty* of the name and address of a person who is one of the joint holders (other than the first named holder) of shares shall indicate that he is a joint holder who is not the first named holder;
- (f) the joint holders of shares shall be entitled to choose the order in which they are named in the books of the society.

16. (1) The liability of a member of a building society in respect of a share on which no advance has been made shall be limited to the amount actually paid, or in arrear, on the share. Liability of members

(2) The liability of a member of a building society in respect of a share on 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.

(3) The liability of a member of a building society to whom an advance is made under rules made in pursuance of section *thirteen* shall be no greater than it would be if the rules treated him as being, by reason of the making of the advance, the holder of a share in the society.

17. (1) Except in the case of existing societies no building society, and no persons representing themselves to be a building society, shall commence business without having first obtained a certificate of registration under this Act.

Business not to be commenced before registration

(2) All persons who commence business in contravention of subsection (1) shall be guilty of an offence and liable on conviction to a fine not exceeding seven hundred and fifty penalty units for every day on which business is carried on without a certificate of registration having been obtained.

(As amended by Act No. 13 of 1994)

18. Except with the prior approval of the Minister, a building society shall not make advances on the security of freehold or leasehold estate, or in respect of any development, lands or buildings, situated outside the territorial limits of Zambia.

Building society not to make advances outside Zambia

19. (1) The minimum subscription referred to in paragraph (c) of subsection (1) of section *three* is a holding of shares in the building society to the value of ten thousand kwacha for which a sum of ten thousand kwacha has been paid by the holder in cash; and the shares shall have the following conditions attached to their issue, that is to say:

Minimum subscription by founding members

- (a) the terms regarding rate of interest, participation in profits, contributions to losses, or rights on a termination or dissolution shall not be more favourable than for any other shares in the society;
- (b) the shares shall not be capable of being transferred from the person to whom they were issued (except by operation of law) until a period of five years has elapsed from the date of the society's registration;
- (c) the society shall not repay the sum subscribed for the shares, or any part thereof, until a period of five years has elapsed from the date of the society's registration, unless the society is dissolved before the end of that period.

(2) If a building society contravenes any of the conditions requiring to be attached to shares issued by the society in accordance with the provisions of subsection (1), the society shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units; and, in addition, every officer of the society who is in default shall also be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units or to imprisonment for a term not exceeding twelve months, or to both.

(3) The Registrar may petition the High Court for the winding-up of a building society which has been convicted of an offence under the provisions of subsection (2).

(As amended by Act No. 13 of 1994)

PART IV

MANAGEMENT

20. Every building society shall keep the following books:

- (a) a register of members;
- (b) minute books for recording proceedings of general meetings and directors' meetings;
- (c) a record of advances made by the society; and
- (d) such books of account as may be necessary to enable the society to comply with the provisions of section *thirty-two*.

Books and records to be kept by building society

21. A building society shall supply to any person who requires it a complete copy of its rules with a copy of the society's certificate of registration annexed to it and shall be entitled to charge a sum not exceeding four fee units for each such copy of its rules; and if a building society fails to comply with this section the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

Building society to supply copies of rules

(As amended by Act No. 13 of 1994)

Directors and Other Officers

22. (1) A building society shall have a board of directors consisting of not less than three and not more than ten persons.

Number of directors

(2) If an existing society on the commencement of this Act has a board of directors exceeding ten in number, the society shall be permitted to retain all its directors, but if any director retires (other than by rotation), or dies, or resigns, or is removed from the board, another director shall not be appointed in his place if the number of directors remaining on the board exceeds ten in number.

23. (1) The remuneration payable to the chairman and directors of a building society shall be paid only out of the surplus of the society for the financial year to which the remuneration relates and shall be limited to the following sums or such other sums as the Minister may from time to time prescribe:

Remuneration of directors

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- (a) if the total assets of the society do not exceed ten million kwacha, the maximum sum payable in any one year to each director shall be one thousand kwacha and to the chairman of the board of directors one thousand five hundred kwacha;
- (b) if the total assets of the society exceed ten million kwacha but do not exceed twenty million kwacha, the maximum sum payable in any one year to each director shall be one thousand five hundred kwacha and to the chairman of the board of directors two thousand five hundred kwacha;
- (c) if the total assets of the society exceed twenty million kwacha, the maximum sum payable in any one year to each director shall be two thousand kwacha and to the chairman of the board of directors three thousand five hundred kwacha.

(2) In calculating the remuneration paid to a director of a building society, for the purposes of this section there shall be excluded-

- (a) any salary, bonus or other emoluments paid to a director in respect of his employment as an executive officer of the society; and
- (b) the reimbursement to a director by the society of expenses properly incurred by him while engaged in the business of the society or in attending its meetings.

24. (1) The directors of a building society shall be elected in such manner and, subject to subsection (2), shall hold office for such period as may be prescribed by the society's rules.

Election of directors

(2) A building society's rules shall make provision for at least two of the society's directors to retire annually and they shall be eligible for re-election without nomination.

(3) Whenever a casual vacancy occurs a person may be appointed by the remaining directors to fill the vacancy until the next annual general meeting.

(4) Vacancies in the board of directors shall be filled in such manner as may be prescribed by the society's rules.

(5) No person shall become a director of a building society until after he has given his consent in writing to his being elected or appointed as such.

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(6) A director of a building society may, if the rules of the society so permit, appoint an alternate director to act in his stead during any period or periods when he is unable to act and may revoke such appointment at any time. The appointment or revocation must be in writing and be lodged at the society's chief office in the manner prescribed by the rules. An alternate director shall not be counted in determining the total number of directors of a building society for the purposes of section *twenty-two*.

25. The acts of a director of a building society shall be valid notwithstanding any defect that may afterwards be discovered in his election or appointment or qualification; but any acts which occur after the date of discovery of such defect shall not be valid.

Validity of acts of director

26. (1) The following persons shall be disqualified from being a director of a building society:

Persons disqualified from being a director

- (a) a person who is not a member of the society;
 - (b) a member who does not hold the minimum share qualification, if any, prescribed in the society's rules as a qualification for holding office as a director;
 - (c) a body corporate;
 - (d) a minor or any other person under legal disability;
 - (e) any person who at any time has been adjudged bankrupt by a competent court, whether in Zambia or elsewhere, or who, whether in Zambia or elsewhere, has made an arrangement or composition with his creditors;
 - (f) any person who has at any time been convicted, whether in Zambia or elsewhere, of theft, any offence involving an element of fraud, forgery, uttering a forged document, perjury, or any offence of a like nature, by whatever name called, and has been sentenced therefore to a term of imprisonment or to a fine exceeding one thousand five hundred penalty units
 - (g) any person who has been removed by a competent court, whether in Zambia or elsewhere, from an office of trust on account of misconduct or breach of that trust;
 - (h) a person who is not a resident in Zambia.
- (2) For the purposes of this section, a person shall not be treated as a resident in Zambia who is in Zambia for some temporary purpose only and not with any view or intent of establishing his residence therein.

(As amended by Act No. 13 of 1994)

27. (1) Subject to the provisions of this section, it shall be the duty of a director of a building society who has an interest, pecuniary or otherwise, direct or indirect, in a contract or proposed contract with the society or in the granting of an advance by the society to declare the nature of his interest to the board of directors of the society in accordance with this section.

Disclosure of interest
by directors

(2) In the case of a proposed contract or a proposed advance, the declaration required by this section to be made by a director shall be made at the meeting of the directors at which the question of entering into the contract or granting the advance is first taken into consideration, or, if the director was not at the date of that meeting interested in the proposed contract or advance, at the next meeting of the directors held after he becomes so interested.

(3) Where a director becomes interested in a contract with the building society after it is made, the declaration required by this section shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice given at a meeting of the directors of a building society by a director to the effect that he is a member of a specified company or firm, and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, is a sufficient declaration of interest in relation to any contract made after that date with that company or firm.

(5) A director need not make a declaration or give a notice under this section by attending in person at a meeting of the directors, if he takes reasonable steps to ensure that the declaration or notice is brought up and read at the meeting.

(6) A director who has made a declaration of interest in accordance with the provisions of this section shall be prohibited from voting on any resolution concerning the matter in respect of which he has declared his interest.

(7) A director who fails to comply with the provisions of this section shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units

(As amended by Act No. 13 of 1994)

28. (1) Whenever a person becomes or ceases to be a director or manager or secretary of a building society, the society shall within one month of its having notice of the event give notice to the Registrar, stating the full name and address of that person, particulars of the office which he has taken or relinquished and the date of his appointment or relinquishment of office.

Notification of changes
in holders of certain
offices

(2) If a building society fails to comply with this section, the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units

(As amended by Act No. 13 of 1994)

29. (1) No director, secretary, or other officer of a building society, or surveyor or solicitor who is an officer of a building society, shall, in addition to the remuneration prescribed or authorised by the rules of the society, accept from any other person any commission for or in connection with any loan made by the society.

Officers not to accept commissions in connection with loans

(2) If an officer of a building society accepts a commission in contravention of subsection (1)-

- (a) both he and the person who paid the commission shall each be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding six months, or to both; and
- (b) the court which convicts the officer in question of an offence under paragraph (a) shall by order direct the convicted officer to pay over to the society of which he is an officer the amount or value of the commission accepted by him for or in connection with the loan made by the society; and
- (c) if, having been convicted of an offence under paragraph (a), the convicted officer fails to pay over to the society the amount or value of the commission as and when directed to do so by the court which convicted him, he shall be guilty of an offence under this paragraph and liable on conviction to imprisonment for a term not exceeding six months.

(3) Where a charge upon a policy of life assurance is given as additional security for an advance made by a building society, or a building society makes an additional advance to enable payment to be made of a premium on a policy of insurance, or any policy of insurance is taken out in order to comply with the terms on which an advance is made by a building society, and the policy is effected through the building society or the society nominates a person by whom the policy is to be issued, it shall be unlawful for a director or other officer of the society, in connection with the effecting of the policy, to receive any commission from the person by or through whom the policy is issued unless such director or other officer receives such commission as nominee for and on behalf of the society and forthwith pays it to the society.

(4) A person who pays and a person who accepts commission in contravention of the provisions of subsection (3) shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding six months, or to both.

(5) In this section, "commission" includes any gift, bonus or benefit in cash or in kind.

(As amended by Act No. 13 of 1994)

30. (1) Every officer of a building society who has the receipt or charge of any money belonging to the society shall, before entering upon the execution of his office, give security in such sum and in such manner as the directors of the society may require, conditioned 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 the society's rules appoint or as the society may require.

Officers to give security and to account

(2) Every such officer of a building society as is mentioned in subsection (1) shall, on demand, or if required to do so by notice in writing given or left at his last or usual address, render an account as may be required by the directors of the society, to be examined and allowed or disallowed by them, and, on like demand, he shall pay over all the moneys remaining in his hands and deliver all securities and effects, books, papers and property of the society in his hands or custody to such person as the society may appoint.

(3) The duty imposed by subsection (2) on an officer of a building society shall, after his death, be taken to be imposed on his personal representatives.

(4) In the case of any neglect or refusal to comply with the preceding provisions of this section, the building society may apply to the High Court to make such order as appears to it to be just and such order shall be final and conclusive.

31. Any provision, whether contained in the rules of a building society or in any contract with a building society, or otherwise, for exempting any director or other officer of a building society, or any person employed by a building society as auditor, from, or indemnifying him against, any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the society, shall be void.

Officers not to be exempted from liability

Accounts and Audit

32. (1) Every building society shall cause to be kept such proper books of account with respect to its transactions and its assets and liabilities as are necessary to give a true and fair view of the state of affairs of the building society and to explain its transactions.

Keeping of books of account

(2) Every building society shall establish and maintain a system to ensure the safe custody of all documents of title belonging to the building society, and of the deeds relating to the property mortgaged to the society; and such system shall require that, on each occasion on which any document of title or deed is released from the custody of the officers of the society, the consent is obtained of the board of directors of the society, or of a person authorised by the board of directors of the society to give such consent.

(3) Subject to the following provisions of this Part, any director of a building society who fails to take all reasonable steps to secure compliance by the society with the requirements of subsection (1) or (2), or who by his own wilful act is the cause of any default by the society thereunder, shall in respect of each offence be liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

33. (1) The directors of every building society shall lay before the society at the annual general meeting an income and expenditure account and a revenue appropriation account for the last financial year ending before the date of the annual general meeting and a balance sheet as at the end of that financial year.

Annual accounts and
balance sheet

(2) Subject to the following provisions of this Part, if a director of a building society fails to take all reasonable steps to comply with subsection (1), he shall, in respect of each offence, be liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

34. (1) Every balance sheet of a building society shall give a true and fair view of the state of affairs of the society as at the end of its financial year and every income and expenditure account and revenue appropriation account of a building society shall give a true and fair view of the income and expenditure of the society for the financial year.

Contents and form of
accounts

(2) The Registrar shall have power, with the consent of the Minister, to make regulations as to the form of a building society's balance sheet and income and expenditure account and revenue appropriation account and the particulars to be included therein; and such regulations may require the inclusion in the balance sheet and income and expenditure account and revenue appropriation account of corresponding particulars for a preceding financial year of the society.

(3) The requirements of regulations under subsection (2) shall be without prejudice to the general requirements of subsection (1) or of any other requirements of this Act.

(4) Subject to section *thirty-five*, if, in relation to a balance sheet or income and expenditure account and revenue appropriation account laid before a building society at its annual general meeting, a director of the society fails to take all reasonable steps to secure compliance with the provisions of this section and of any regulations made thereunder, he shall, in respect of each offence, be liable on conviction to a fine not exceeding seven thousand five hundred penalty units

(5) The power to make regulations under this section shall be exercisable by statutory instrument.

(As amended by Act No. 13 of 1994)

35. (1) In any proceedings against a person in respect of-

Supplementary provisions as to offences under sections 32, 33 and 34

- (a) an offence under section *thirty-two* consisting of a failure to take reasonable steps to secure compliance by a building society with the requirements of that section; or
- (b) an offence under section *thirty-three* or *thirty-four*;

it shall be a defence to prove that he had reasonable grounds to believe, and did believe, that a competent and reliable person was charged with the duty of seeing that the relevant requirements or provisions were complied with and was in a position to discharge that duty.

(2) A person shall not be sentenced to imprisonment for any such offence as is mentioned in paragraph (a) or (b) of subsection (1) unless, in the opinion of the court dealing with the case, the offence was committed wilfully.

(3) In this section, "the relevant requirements or provisions"-

- (a) in relation to section *thirty-two*, means the requirements of that section;
- (b) in relation to section *thirty-three*, means the provisions of that section; and
- (c) in relation to section *thirty-four*, means the provisions of that section and any regulations made thereunder.

36. Every balance sheet of a building society shall be signed on behalf of the board of directors of the society by two of the directors and by the manager or secretary of the society and, if a balance sheet has not been signed in the manner prescribed by this section and a copy of it is issued, circulated or published, the building society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

Signing of balance sheet

(As amended by Act No. 13 of 1994)

37. (1) The income and expenditure account and revenue appropriation account shall be approved by the board of directors of a building society before the balance sheet is signed on their behalf.

Account and auditors' report to be annexed to balance sheet

(2) The income and expenditure account and revenue appropriation account shall be annexed to the balance sheet and the auditors' report shall be attached to it.

(3) If any copy of a balance sheet is issued, circulated or published without having annexed to it a copy of the income and expenditure account and revenue appropriation account or without having attached to it a copy of the auditors' report, the building society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

38. (1) The directors of a building society shall prepare and submit at the annual general meeting a report on the state of affairs of the society and such report shall include a statement setting out for the financial year last ending before the annual general meeting at which the report is submitted-

Directors' report

- (a) the total amount advanced by the society during the financial year;
- (b) the number and total amount of ordinary advances made by the society during the financial year;
- (c) the number and total amount of special advances made by the society during the financial year;
- (d) the number and total amount of collective advances made by the society during the financial year;
- (e) the total amount of money received during the financial year by way of investments in and loans to the society from members, depositors and others;
- (f) the total amount of money paid out during the financial year by the society by way of repayment of shares or repayment of sums lent to the society by depositors and others.

(2) The directors' report shall be attached to the balance sheet and, if any copy of a balance sheet is issued, circulated or published without having attached to it a copy of the directors' report, the building society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

39. (1) A copy of every balance sheet, including every document required by law to be annexed to it, which is to be laid before a building society at the annual general meeting, together with a copy of the auditors' report and the directors' report, shall, not more than fourteen days after the date of the meeting, be sent to the Registrar.

Right to receive copies of balance sheet and auditors' and directors' reports

The Laws of Zambia

(2) Any member of, or investor with, a building society shall be entitled, on demand and without charge, to be furnished with a copy of the last balance sheet of the society, including every document required by law to be annexed to it, together with a copy of the auditors' report and of the directors' report.

(3) If default is made in complying with subsection (1), or if, when any person makes a demand for any documents with which he is by virtue of subsection (2) entitled to be furnished, default is made in complying with the demand within twenty-one days after the demand is made, the building society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

40. (1) Every building society shall at each annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting.

Appointment of auditors

(2) The auditor or auditors shall be a person or persons approved for that purpose by the Registrar.

(3) The directors of the building society may fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act.

(4) A person holding office as auditor of a building society shall, by virtue of holding that office, be an officer of the society unless the rules of the society otherwise provide.

41. (1) None of the following persons shall be appointed as auditor of a building society:

Disqualifications for appointment as auditor

- (a) an officer or servant of the society;
- (b) a person who is a partner of or who is in the employment of or who employs an officer or servant of the society;
- (c) a body corporate;
- (d) a person who is an officer or servant of a body corporate which is an officer of the society.

(2) References in subsection (1) to an officer or servant shall be construed as not including an auditor.

(3) Subsection (1) shall have effect notwithstanding anything in the rules of any building society.

(4) Any person who, or any body corporate which, acts as auditor of a building society in contravention of the provisions of subsection (1) shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

42. (1) The auditors of a building society shall make a report to the members on the accounts examined by them, and on every balance sheet and every income and expenditure account and revenue appropriation account laid before the society at the annual general meeting during their tenure of office, and the report shall be read at the annual general meeting and shall be open to inspection by any member.

Auditors' report and right of access to books and documents and to attend and be heard

(2) The report shall state whether the balance sheet and income and expenditure account and revenue appropriation account are properly drawn up in accordance with the requirements of this Act and any regulations which may be made thereunder and whether, in the opinion of the auditors, they give a fair and true view of the state of the building society's affairs as at the end of its financial year and of the income and expenditure of the society during that year.

(3) The auditors of a building society shall have a right of access at all times to the books, accounts, records and vouchers of the society and to all other documents relating to its affairs, including the deeds relating to property mortgaged to the society, and shall be entitled to require from the officers of the society such information and explanations as they may think necessary for the proper performance of the duties of the auditors.

(4) If the auditors of a building society fail to obtain from the society and its officers all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report.

(5) The auditors of a building society shall be entitled to receive notice of and to attend all general meeting of the society, and to be heard at any such meeting which they attend on any part of the business of the meeting which concerns them as auditors.

Meetings and Returns

43. (1) Every building society shall in the first four months of each financial year hold a meeting as its annual general meeting in addition to any other meetings held in that year and the annual general meeting shall be described as such in the notice calling it.

Annual general meeting

(2) If in any financial year a building society defaults in holding an annual general meeting, the Registrar may call, or direct the calling of, an annual general meeting in that financial year and give such ancillary or consequential directions as he thinks expedient, including directions modifying or supplementing the operation of the rules of the society in relation to the calling, holding and conducting of the meeting.

(3) If default is made in holding an annual general meeting of a building society in accordance with the provisions of subsection (1), or in complying with any directions of the Registrar given under the provisions of subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

44. The board of directors of a building society shall call such other general meetings as may be required by the rules of the society, or as they may consider desirable, and shall notwithstanding anything contained in the rules of the society, call a general meeting on the application in writing of not less than one-tenth of the total number of members of the society or of not less than one hundred members in the case of a society having more than one thousand members.

Other meetings

45. (1) Any provision contained in the rules of a building society shall be void in so far as it provides for the calling of a meeting of the society (other than an adjourned meeting) by a shorter period of notice than fourteen days.

Length and manner of notice

(2) Except in so far as the rules of a building society make other provision in that behalf (not being a provision rendered void by the provisions of subsection (1)) a meeting of a building society (other than an adjourned meeting) may be called by fourteen days' notice.

(3) Where notice of a meeting is given in accordance with the provisions of subsection (2), the notice shall be taken for the purposes of this Act or any other Act to have been duly given according to the rules of the building society.

(4) Notice of a meeting of a building society shall not be given to members of the society more than fifty-six days before the date of the meeting.

(5) Notice of a meeting shall be given by a building society either-

- (a) by sending it by post to the registered address of each member entitled to notice and by exhibiting a copy of the notice in a conspicuous position at the chief office of the society and also at all its branch offices; or

- (b) by advertising the notice of the meeting twice in such national newspaper or newspapers circulating in the district in which the society's chief office is situated, as may be selected by the board of directors of the society, and by exhibiting a copy of the notice in a conspicuous position at the chief office of the society and at all its branch offices.

(6) If notice of a meeting is given by advertisement in the manner described in paragraph (b) of subsection (5), the notice shall be deemed to have been served on the day on which the last advertisement appears. If notice is given by post, it shall be deemed to have been served on the day on which the notice would be delivered in the ordinary course of the post.

46. (1) Notwithstanding the provisions of section *forty-five*, written notice of any meeting of a building society which specifies the intention to propose a resolution as a special resolution at the meeting shall be sent by post to the registered address of every member qualified to vote on a special resolution at the meeting.

Persons entitled to notice

(2) Subject to the provisions of section *forty-five* and of subsection (1), notice of any meeting of a building society shall be given to all members of the society who were members at the end of the last financial year before the date of the meeting and who at the end of such financial year held, and at the date of service of the notice continued to hold, paid-up shares in the society to the value of three thousand penalty units or more.

(3) The accidental omission to give notice of a meeting to, or non-receipt of notice by, any person entitled to receive notice of the meeting shall not invalidate the proceedings at the meeting.

(As amended by Act No. 13 of 1994)

47. (1) Any member of a building society who is entitled to attend and vote at a meeting of the society shall be entitled to attend and vote at a meeting of the society shall be entitled to appoint another person (whether a member or not) as his proxy to attend and (subject to the provisions of subsection (2)) to vote instead of him.

Proxies

(2) Unless the rules of the building society otherwise provide, a proxy is not entitled to vote except on a poll.

(3) In every notice calling a meeting of a building society there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him, and that a proxy need not also be a member.

(4) If default is made in complying with the provisions of subsection (3) in respect of any meeting, every officer of the building society who is in default shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(5) Any provision in the rules of a building society shall be void in so far as it would have the effect of requiring the instrument appointing a proxy to be received by the society or any other person more than forty-eight hours before a meeting or adjourned meeting in order that the appointment may be effective at the meeting or adjourned meeting.

(As amended by Act No. 13 of 1994)

48. (1) Any provision contained in the rules of a building society shall be void in so far as it would have the effect either- Right to demand a poll

- (a) of excluding the right to demand a poll at a meeting of the society of any question other than the election of a chairman of the meeting or the adjournment of the meeting; or
- (b) of making ineffective a demand for a poll on any such question which is made by not less than ten members having the right to vote at the meeting.

(2) The instrument appointing a proxy to vote at a meeting of a building society shall be taken also to confer authority to demand or join in demanding a poll; and, for the purposes of subsection (1), a demand by a person as proxy of a member shall be the same as a demand by the member.

49. (1) A resolution of a building society shall be a special resolution when it has been passed by not less than two-thirds of the number of votes lawfully cast, in person or by proxy, on a poll on the resolution, at a meeting of the society of which notice specifying the intention to move the resolution as a special resolution has been duly given. Special resolutions

(2) For the purposes of this section-

- (a) notice of a meeting shall be taken to be duly given if the notice is given in the manner provided by this Act and by the rules of the building society;
- (b) a meeting of a building society shall be taken to be duly held if it is held in the manner provided by the rules of the society.

(3) Notwithstanding anything in the rules of a building society, the business which may be dealt with at the annual general meeting, or at any other meeting, shall include any resolution to be passed as a special resolution.

50. (1) If at least five members of a building society apply in writing to the society and give notice of their intention to move a special resolution at a meeting of the society, it shall be the duty of the society to include in the notice of the next meeting of the society to be held more than fifty-six days after receipt of the application a notice specifying the intention to move that resolution as a special resolution at the meeting. Notice of members' special resolutions

(2) If a building society fails to comply with an application made under subsection (1), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(3) In this section "special resolution" means a resolution which will not be effective unless it is passed as a special resolution.

(As amended by Act No. 13 of 1994)

51. (1) Every building society in each financial year shall make to the Registrar a return (in this Act referred to as "the annual return") relating to the affairs of the society for the previous financial year not later than twenty-eight days after the date on which it holds or ought to hold its annual general meeting in accordance with the provisions of subsection (1) of section *forty-three*.

Annual return

(2) The annual return shall be signed by two of the directors and by the manager or secretary of the building society.

(3) The annual return shall be in such form and shall contain such information as the Registrar shall prescribe by statutory instrument.

(4) If a building society fails to comply with any of the provisions of this section, or of regulations made thereunder, the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

52. (1) For each financial year for which an annual return is made by a building society, the society shall cause to be prepared, and sent to the Registrar together with the annual return, a return with respect to-

Additional annual return of certain transactions

- (a) every property which, during that financial year, has been sold by the society in the exercise of its powers as mortgagee; and
- (b) every mortgage which has been transferred by the society during that financial year.

(2) If a building society fails to comply with the provisions of subsection (1), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

53. The auditors of a building society shall make a report on the annual return, stating whether the annual return is in agreement with the books of account and records of the society, and whether, in their opinion, it gives a true and fair view of the matters contained in it; and the auditors' report shall be annexed to the annual return which is sent to the Registrar.

Auditors' report on annual return

Determination of Disputes

54. (1) The provisions of sections *fifty-five* to *fifty-nine* shall have effect with respect to any dispute between a building society and a member of the society in his capacity as a member thereof, or a representative of such a member in his capacity as a member of the society, in respect of any matter except the construction or effect of a mortgage deed, loan agreement or of any other contract contained in any document other than the rules of the society but (except in so far as the rules of a building society otherwise expressly provide) shall not have effect with respect to any other dispute.

General provisions as to disputes

(2) Any reference in the rules of a building society to disputes (except in so far as the rules otherwise expressly provide) shall be construed as referring only to the disputes mentioned in subsection (1).

(3) Nothing in sections *fifty-five* to *fifty-nine* shall prevent a building society, or any member of, or person claiming through or under a member of, a building society, from obtaining in the ordinary course of law any remedy in respect of any mortgage deed, loan agreement, or other contract, other than the rules of the society, to which he or the society would otherwise be entitled by law.

55. (1) The provisions of this section shall apply where the rules of a building society direct that disputes are to be referred to arbitration.

Determination of disputes by arbitration

(2) Arbitrators shall be appointed in the manner provided by the rules, or, if the rules make no such provision, at the first general meeting of the building society.

(3) In the case of a dispute, such number of the arbitrators (not being less than three) as may be prescribed by the rules of the society shall be chosen by ballot to determine it.

(4) The names of the arbitrators shall be duly entered in the minute book of the society.

(5) If an arbitrator dies, or refuses or neglects to act, the society at a general meeting shall appoint another to act in his place.

(6) The award made by the arbitrators, or by the majority of them, shall determine the dispute.

(7) If either party to a dispute refuses or neglects to comply with the award of the arbitrators within such time as may be limited by the award, a subordinate court presided over by a senior resident magistrate, on the application of any person concerned, shall enforce compliance with the award on proof of its having been made and of that party's refusal or neglect to comply with it.

56. Where the parties to a dispute agree to refer it to the Registrar, or where the rules of a building society direct disputes to be so referred, the dispute shall be referred accordingly, and the reference shall be deemed to be a reference to arbitration, the award of the Registrar having the same effect as that of arbitrators under section *fifty-five*.

Determination of disputes by Registrar

57. A subordinate court presided over by a senior resident magistrate may hear and determine a dispute-

Determination of disputes by court

- (a) where the rules of a building society direct disputes to be referred to a court; or
- (b) if it appears to the court, upon the petition of any person concerned, that application has been made by either party to the dispute to the other party for the purpose of having the dispute settled by arbitration under the rules of the building society, and that either such application has not been complied with within forty days or the arbitrators have refused or neglected for a period of twenty-one days to make an award.

58. Subject to the provisions of section *fifty-nine*, every determination of a dispute by arbitration, or by the Registrar, or by the subordinate court shall be final and conclusive and binding on all parties, and shall not be subject to appeal; and no proceedings on, or determination of, any such dispute shall be removed into, or restrained by injunction granted by, any court, or any other court, as the case may be.

Effect of determination

59. The arbitrators, or the Registrar, or the subordinate court, as the case may be, to whom a dispute is referred under section *fifty-five*, *fifty-six* or *fifty-seven* may, at the request of either party, state a case for the opinion of the High Court on any question of law.

Statement of case for High Court

PART V

ADVANCES

60. A building society may make advances out of its funds and such advances shall be ordinary, special or collective advances as defined in sections *sixty-one*, *sixty-two* and *sixty-three*.

Building society may make advances

61. An ordinary advance is an advance of a sum not exceeding one hundred and twenty thousand kwacha, or such other sum as the Minister may from time to time prescribe, made by a building society on the security of a mortgage of freehold or leasehold estate. Ordinary advance

(As amended by Act No. 6 of 1991)

62. (1) A special advance is an advance made by a building society on the security of a mortgage of freehold or leasehold estate, being an advance of one of the following descriptions, that is to say: Special advance

- (a) an advance of a sum exceeding one hundred and twenty thousand kwacha, or such other sum as the Minister may from time to time prescribe; or
- (b) an advance of any amount to a person who, after the advance is made to him, is indebted to the society in an amount exceeding one hundred and twenty thousand kwacha or such other sum as the Minister may from time to time prescribe.

(2) An advance made jointly to two or more persons shall be deemed to be a special advance if an advance of the same amount under like conditions to any one of these persons would be a special advance.

(3) (a) A building society shall not make a special advance except with the approval of the Registrar, and every application for approval shall be in the prescribed form and shall be accompanied by a schedule showing the totals of ordinary, special and collective advances already made in the financial year in which the application is submitted and the percentage which the total of balances of special advances remaining outstanding bears to total mortgage assets at the date of the last published accounts of the society.

(b) In this subsection, "mortgage assets" means the total of the sums owing to the society by its borrowers.

(As amended by Acts No. 6 of 1991)

63. (1) A collective advance is an advance which satisfies the following conditions, that is to say: Collective advance

- (a) it shall be an advance of a sum approved by the Minister made by a building society to the Government, or to such Government or quasi-Government body, or to such local authority, corporation, board or corporate body as the Minister shall approve; and
- (b) the advance shall be for the purpose of enabling the borrower to purchase or build residential accommodation for sale or rental; and

- (c) the advance shall be evidenced by a loan agreement, which shall contain a description of the property or development in respect of which the advance is made and set out the amount of the advance, the rate of interest, the amount and frequency of the repayments, and such other provisions as the parties to the agreement may consider appropriate; and
- (d) the repayment of the advance, and all interest payable thereon, shall be guaranteed by the Government.

(2) The approval of the Minister to a collective advance shall be signified by a docket on the loan agreement, signed by or on behalf of the Minister, and any approval given in such manner shall have the effect, without any further document or process, of binding the Government in a guarantee of repayment of the advance referred to in the loan agreement and of all interest payable thereon.

(3) (a) The Registrar shall keep in the prescribed form a register of collective advance loan agreements.

(b) A building society which has made a collective advance shall, within fourteen days after the date of the docket on the loan agreement evidencing the advance, present to the Registrar for registration a certified true copy of the said agreement and the Registrar shall enter in the register such particulars thereof as may be prescribed.

(c) Upon completion of the repayments provided for in the loan agreement, the building society shall, in the prescribed form, notify the Registrar of such repayment and the Registrar shall thereupon cause the registration in respect of such loan agreement to be cancelled.

(d) The registration of a loan agreement under this subsection shall not be deemed to create or be evidence of any charge upon lands.

64. The terms of every advance made by a building society, except where the repayment of the advance and the interest thereon is guaranteed by the Government, shall provide for the repayment of the total capital amount within a period of not more than thirty years; but a society's board of directors shall have power to extend the repayment period in any case where it considers such an extension to be desirable or expedient.

Repayment of advances

(As amended by Act No. 37 of 1973)

65. (1) Subject to the provisions of sections *sixty-six* and *sixty-seven*, an ordinary or special advance made by a building society, where no additional security is taken by the society, shall not exceed, in the case of an ordinary advance, a sum equal to eighty per centum of the value of the lands and buildings included in the mortgage and, in the case of a special advance, seventy-five per centum of such value:

Amount of advances

Provided that where a building society exercises its right of foreclosure or its power of sale in respect of lands or buildings mortgaged to it, the society may make an advance to the purchaser of such lands or buildings in an amount not exceeding the amount owing to the society at the date of exercising its right, or eighty per centum of the value of the lands or buildings, whichever is the greater.

(2) A building society, in conjunction with an ordinary or special advance, may make an additional advance against additional security of the type specified in the First Schedule, and such additional advance shall not exceed fifteen per centum of the value of the lands and buildings included in the mortgage or one hundred per centum of the value of the additional security, whichever is the less.

(3) Where a charge upon a policy of life assurance is taken as additional security for an advance, the value of the policy shall be assessed at an amount not exceeding the surrender value thereof at the time when the advance is made.

66. (1) A building society may make a collective advance up to one hundred per centum of the value of the development, or of the lands and buildings referred to in the loan agreement evidencing the advance.

Advances to full value
in certain cases

(2) A building society may make an ordinary or special advance up to one hundred per centum of the value of the lands and buildings included in the mortgage securing the advance if either-

- (a) the repayment of the advance, or of the excess advance, and the interest thereon, is guaranteed by the Government; or
- (b) the repayment of the advance, or of the excess advance, and the interest thereon, is undertaken or guaranteed by a company or commercial bank whose guarantee is acceptable to the board of directors of the society.

(3) In this section, "excess advance" means the amount by which the sum advanced exceeds the maximum advance permitted by section *sixty-five*.

67. (1) If a building society, in the exercise of its powers as mortgagee, proposes to sell any freehold or leasehold estate mortgaged to the society, and to make to the purchaser an advance upon the security of that estate which will constitute a special advance, then provided that the society, on an application to the Registrar, satisfies him-

Special advance to
purchaser of
mortgaged property

- (a) that the person or body corporate entitled to redeem the mortgage is indebted to the society (taking into account the advance secured by the mortgage and all other debt, of any description whether immediately repayable or not) in an amount exceeding fifty thousand kwacha or such other sum as may be prescribed under section *sixty-two*; and

- (b) that the amount of the mortgage debt which, at the time of the application, has not been repaid to the society, together with any arrears of interest in respect of the advance secured by the mortgage, exceeds the amount of the advance which the society proposes to make to the purchaser of the freehold or leasehold estate;

the Registrar may, if he thinks fit, grant to the society permission in writing to make the special advance to which the application relates.

(2) Any special advance for which permission is granted under this section shall be left out of account for the purposes of subsection (3) of section *sixty-two*.

68. Notwithstanding the provisions of section *sixty-five*, a building society, for the purpose of protecting or maintaining the security held by it for the repayment of an advance, may make further advances in respect of-

Further advances for certain purposes

- (a) premiums on insurance policies designed to provide further security for the repayment of an advance;
- (b) rates, taxes, general insurances and outgoings on the lands and buildings;
- (c) the maintenance and repair of the lands and buildings;

and such further advances shall be a charge on the lands and buildings and shall form part of the moneys secured by the mortgage.

69. (1) A building society shall not advance money on the security of a mortgage of any freehold or leasehold estate which is subject to a prior mortgage unless the prior mortgage is in favour of the society; nor shall a building society advance money on the security of a contributory mortgage.

Restrictions on second and contributory mortgages

(2) The reference in subsection (1) to a prior mortgage shall be construed as not referring to any charge over land acquired by a local authority under a written law or under any instrument made under a written law, being a charge which takes effect by virtue of the written law or instrument.

(3) If a building society makes an advance in contravention of this section, the directors of the society who authorised the advance, knowing it to be an improper advance, shall be jointly and severally liable for any loss incurred by the society in respect of the advance.

70. (1) For the purpose of facilitating the repayment to a building society of an ordinary or special advance, the society shall have power to make to the borrower, by way of addition to the advance, a further advance of the whole or part of such sum as may be necessary to enable payment to be made of a single premium payable in respect of an appropriate policy of life assurance.

Advance for single premium life policy

(2) A policy of life assurance, for the purposes of subsection (1), is an appropriate policy if-

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- (a) it is a policy of life assurance on the life of the borrower or the spouse or son or daughter of the borrower; and
- (b) it provides, in the event of the death, before the advance has been repaid, of the person on whose life the policy is effected, for payment of a sum not exceeding the amount sufficient to defray the sums which are, at and after the time of the death, payable to the society in respect of the advance, as increased by the additional advance made by the society under the power conferred by this section.

(3) A sum added to an advance in pursuance of the power conferred by this section shall be treated as not forming part of the advance for the purpose of determining whether the advance is beyond the powers of the society on the grounds that the amount of the advance is excessive.

71. (1) The directors of every building society shall have the duty of satisfying themselves that the arrangements made for assessing the adequacy of the security to be taken in respect of advances to be made by the society are such as may reasonably be expected to ensure that-

Valuation for purposes
of advance

- (a) the adequacy of any security to be so taken will be assessed either by the directors of the society or by a director or other officer of the society who is competent to make the assessment; and
- (b) there will be made available to every person who has to assess the adequacy of any security to be so taken an appropriate report as to the value of any freehold or leasehold estate or development comprised in the security and as to any matter likely to affect the value thereof.

(2) The reference in paragraph (b) of subsection (1) to an appropriate report is a reference to a written report prepared and signed by a competent and prudent person who is experienced in the matters relevant to the determination of the value of the estate or development and, for the purposes of that paragraph, is not disqualified by virtue of the following provisions of this section for reporting on that estate or development.

(3) Any person who has a direct pecuniary interest (other than the payment of his salary or fees for professional services) in the granting of an advance and any director, manager, secretary or other officer of a building society, except a valuer employed by the society for the express purpose of making valuations in accordance with the requirements of this section, shall, for the purposes of paragraph (b) of subsection (1), be disqualified for reporting on any freehold or leasehold estate or development comprised in security to be taken by the society in respect of any advance.

(4) No person who is disqualified by virtue of the provisions of subsection (3) for making a valuation shall make such valuation and any society which employs such a person, and the person so employed, shall each be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units.

(5) Every valuer shall make a personal inspection of the estate or development which is offered as security for an advance, and, in the case of uncompleted buildings, shall also examine the plans and specifications.

(6) The valuer shall record his valuation and the date of his inspection on the prescribed form and shall sign it.

(7) If a building society makes an offer of advance on the security of a building or development to be completed, and such advance is to be paid by instalments during the progress of construction of the building or development, the valuer shall make a personal inspection of the building or development prior to the payment of each instalment and the amount of such instalment shall be related to the appropriate percentage of his valuation at such inspection.

(8) A building society shall, on payment to it of a reasonable fee, supply a copy of the report referred to in paragraph (b) of subsection (1) to the person to whom the advance is intended to be made but such copy shall not disclose the name of the valuer who prepared the report.

(As amended by Act No. 13 of 1994)

72. (1) Every building society shall, in the record of advances to be kept under section *twenty*, cause entries to be made showing, with respect to every advance made by the society from the date of its registration under this Act-

Record of advances

- (a) the value placed upon the estate or development in the report thereon made under the provisions of paragraph (b) of subsection (1) of section *seventy-one* and the name of the person by whom the report was made; and
- (b) particulars of any additional security taken by the society.

(2) If any building society fails to comply with the provisions of subsection (1), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

73. If a building society makes an ordinary advance, a special advance or an additional advance and takes any security for such advance from a third party, then, before any contract requiring the borrower to repay the advance is entered into, the society shall give a notice to the borrower in the prescribed form:

Security taken from third party

Provided that this section shall not apply to such an advance made to an individual where the only security taken for the advance from a third party is a guarantee given by an individual, not being a guarantee secured by a charge on any property.

74. Notwithstanding the duty imposed on directors of a building society by section *seventy-one*, no advance or offer of advance made by a society shall be construed as warranting to the borrower or, in the case of an offer of advance, to the person to whom the offer is made that the purchase price of the estate or development taken in security, or proposed to be taken in security, is reasonable.

Offer of advance not to imply warranty

75. A building society shall not cause or permit applicants for advances to ballot for precedence, or in any way make the granting of an advance depend upon any chance or lot.

Prohibition against balloting for advances

76. (1) If a building society becomes absolutely entitled by foreclosure or by release or other extinguishment of a right of redemption to any freehold or leasehold estate mortgaged to it, such estate shall, as soon as may be conveniently practicable, be sold and converted into money:

Provisions as to sale of mortgaged properties

Provided that the Registrar, on the application of a building society, may authorise the society to retain any freehold or leasehold estate which has so fallen into its possession, and to use such estate for the purposes of its business which, where the rules of the society permit, shall include the provision of housing accommodation for members of the society's staff.

(2) In exercising its power of sale of any estate mortgaged to it, a building society shall take reasonable care to ensure that the price at which the estate is sold is the best price which can reasonably be obtained, and any agreement which relieves or attempts to relieve the society of the obligations imposed by this subsection shall be of no effect.

(3) Within twenty-eight days from the completion of a sale, the building society shall send by registered post to the mortgagor at his last known address a notice containing such particulars relating to the sale as may be prescribed.

(4) Nothing in subsection (3) shall affect the operation of any rule of law relating to the duty of a mortgagee to account to a mortgagor.

(5) If a building society contravenes the provisions of subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units.

(6) A person who purchases an estate from a building society for full value and in good faith shall not be concerned as to whether or not the society has complied with the provisions of this section, and any contract of sale entered into between the society and such purchaser shall not be affected by any failure on the part of the society to comply with such provisions.

(As amended by Act No. 13 of 1994)

77. (1) Where a building society has sold a freehold or leasehold estate as mortgagee and, after paying all expenses of the sale and the sum due to the society under its mortgage, there is a balance payable to the mortgagor and the mortgagor cannot be found, the society shall place such balance on deposit with the society in the name of the mortgagor.

Disposal of surplus when mortgagor cannot be found

(2) If, after a period of three years has elapsed from the date of the sale, the mortgagor has not claimed the sum deposited in accordance with the provisions of subsection (1), the society may insert an advertisement in a newspaper circulating in the district in which the estate which was sold is situated calling on the mortgagor to claim the sum deposited within three months from the date of the advertisement and stating that failing his so doing it will be forfeited to the society.

(3) If, after the expiry of three months from the date of the advertisement referred to in subsection (2), the mortgagor has not claimed the sum deposited, such sum shall become part of the general funds of the society and, notwithstanding the provisions of any law or practice to the contrary, no action shall be brought by the mortgagor to recover such sum and the mortgagor shall cease to have any right thereto.

78. (1) When all moneys intended to be secured by a mortgage given to a building society have been fully paid or discharged, the society may endorse on or annex to the mortgage one or other of the following, that is to say:

Discharge of mortgages

- (a) a receipt under the society's seal in the form set out in the Second Schedule and countersigned by at least two persons acting under the authority of the society's board of directors and in accordance with the rules of the society;
- (b) a reconveyance of the mortgaged property to the mortgagor;
- (c) a reconveyance of the mortgaged property to such person of full age, and on such trusts, if any, as the mortgagor may direct.

(2) Where in pursuance of subsection (1) such a receipt as is therein mentioned is endorsed on or annexed to a mortgage, the receipt shall operate and be a discharge within the meaning and for all the purposes of section *sixty-seven* of the Lands and Deeds Registry Act.

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PART VI

BORROWING POWERS

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79. Subject to the provisions of this Act, a building society may borrow money and accordingly may receive deposits or loans, at interest, to be applied for the business of the society.

Power to borrow

80. (1) The maximum amount which a building society may repay to any single investor or lender in any one month of moneys invested with or borrowed by the society, whether such moneys are in the form of shares, deposits or loans, other than bank overdrafts, or in a combination of these, shall be up to two per centum of its total assets or such amounts as the Minister may prescribe.

Limit of repayments to investors and lenders

(2) In this section, "total assets" means the total of the monetary values placed against the items appearing as assets in the society's balance sheet at the close of the last preceding financial year.

(As amended by Act No. 6 of 1991)

81. (1) The total amount which a building society may receive in deposits, loans and bank overdrafts, shall not, at any time, exceed the total sum due by the society to shareholders, after deduction therefrom of the total amount of all other liabilities, provisions and reserves of the society.

Limit of deposits

(2) In this section, the terms "other liabilities", "provisions" and "reserves" have the same meanings as those which are normally attributed to them when used in the balance sheet of a building society.

82. If a building society borrows money in excess of the limits prescribed by this Act, the directors of the society receiving such moneys on its behalf shall be personally liable, jointly and severally, for the amount of the excess.

Liability for borrowing in excess of powers

83. (1) A building society shall not accept a deposit or loan except on terms enabling the society to require notice (not being less than one month's notice) before repayment or withdrawal.

Minimum notice of withdrawal

(2) If a building society contravenes the provisions of subsection (1), the society, and every director of the society who is a party to the contravention, shall be guilty of an offence and liable on conviction to a fine not exceeding one thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

84. Where it appears to the Minister that a building society is in financial difficulties, he may authorise any building society to lend money to the first mentioned society and the building society shall have power to do so accordingly.

Assistance by one building society to another

85. Any person under the age of twenty-one years may deposit money in a building society and shall be capable of giving a full acquittance to the society in respect of the payment to him of any sum due in respect of the principal of, or interest on, sums lent by him to the society.

Depositor under the age of twenty-one

86. (1) Where any member of, or depositor with, a building society dies intestate having a sum of money in the funds of the society and letters of administration to his estate have not been exhibited to the society within a period of three years from the date of death, the society may hand over such sum of money to the Administrator-General who shall hold it upon the trusts upon which an administrator of the estate would have held it and whose acknowledgment shall be a sufficient discharge to the society for the money so paid; and the society shall not be concerned with the ultimate disposal of such money by the Administrator-General.

Members or depositors dying interstate

(2) For the purposes of this section, letters of administration shall include an order appointing an administrator made under the Local Courts Act.

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87. (1) Notwithstanding the provisions of any other law, a trustee may invest any trust funds in his hands, whether at the time in a state of investment or not, in deposits with and loans to a building society designated for that purpose by the Minister by statutory instrument, but the Minister shall not designate a society under this section unless and until it satisfies the following conditions, that is to say:

Trustee status for certain investments in building societies

- (a) the total assets of the society are not less than four million kwacha; and
- (b) the society (or, in the case of a reconstituted society, or where there has been a union of societies or a transfer of engagements, its predecessor or constituents) shall have paid interest and dividends at not less than the rates at which they have advertised for funds for a period of at least five years prior to the date of designation; and
- (c) the liquid funds of the society are not less than ten per centum, or such higher percentage, as may by statutory instrument be prescribed from time to time by the Governor of the Bank of Zambia for the purposes of this section, of the total amount of the assets of the society, reduced by any amount by which the total book value of the society's investments exceeds their total market value; and
- (d) the sum standing at the credit of the general reserve fund of the society shall satisfy the minimum requirements set out in subsection (5) of section *ninety-two*.

(2) A building society which has been designated under the provisions of this section and which subsequently ceases to satisfy the conditions set out in subsection (1) shall not cease to be a designated society unless and until its designation under this section is revoked by the Minister by statutory instrument.

88. (1) In or upon every deposit book or acknowledgment or security of any kind which is given by a building society for a deposit or loan, the whole of the following provisions of this Act shall be set out in writing, that is to say, subsections (1) and (2) of section *sixteen*, sections *seventy-nine*, *eighty-one* and this subsection; and there shall also be set out in writing a reference to section *eighty*.

Provisions of Act to be inserted in certain documents

(2) If a building society makes default in complying with the provisions of subsection (1), the person by whom the default is made shall be guilty of an offence and liable on conviction to a fine not exceeding three hundred penalty units.

(As amended by Act No. 13 of 1994)

PART VII

INVESTMENT AND BANKING OF SURPLUS FUNDS

89. (1) A building society may invest any of its surplus funds in-

Authorised investment

- (a) establishing and managing unit trust schemes;
- (b) establishing and managing pension schemes; and
- (c) establishing subsidiary companies.

(2) A building society shall not invest any part of the surplus funds in projects other than those set out in subsection (1) except as authorised by an order made by the minister under this section.

(3) the Minister may vary or revoke an order made under this section provided that a society which at the time when an order comes into operation, has funds invested in what, by virtue of such order, has ceased to be an authorised investment, may, with the approval of the Registrar retain such investment and the Registrar shall give his approval to such retention for so long as he is satisfied that the realisation of the investment would not be detrimental to the interest of the society.

(4) In this Part, "surplus funds" in relation to a building society, means funds of the society which are not immediately required for its purposes.

(5) The power to make orders under this section shall be exercisable by statutory instrument.

(As amended by Act No. 6 of 1991)

90. (1) In so far as any surplus funds of a building society are not invested in accordance with the provisions of section *eighty-nine* and are not kept in cash in the custody of officers of the society, the society shall keep them on current account with, or otherwise on loan to, a bank which is for the time being authorised under this section to hold funds of building societies. Authorised banks

(2) For the purposes of subsection (1), the Minister shall make an order, designating the banks with which building societies are authorised to keep money; and the Minister may vary or revoke an order made under this section, provided that where a bank ceases to be an authorised bank and any funds of a building society on loan to that bank thereupon cease to be kept in the manner permitted by subsection (1), the society shall take all practicable steps to call in and realise the loan within the period of three months from the time when the bank ceased to be so authorised, or, if that is not possible, as soon after the end of that period as possible.

(3) The power to make orders under this section shall be exercisable by statutory instrument.

91. If a building society contravenes any of the provisions of sections *eighty-nine* and *ninety*, the society shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units and every officer of the society who is in default shall also be guilty of an offence and liable to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding two years, or to both. Offences under Part VII

(As amended by Act No. 13 of 1994)

92. (1) Every building society shall establish a fund to be known as the general reserve fund, appropriations to which shall be made only out of the realised surpluses of the society. General reserve fund

(2) No dividend, bonus or donation shall be paid out of the general reserve fund.

(3) Moneys standing to the credit of the general reserve fund shall be invested in authorised investments or in advances.

(4) A society may charge against the general reserve fund any net loss remaining to the society in any year after applying to such loss any undistributed surpluses brought forward from previous years.

(5) Within a period of five years in the case of an existing society, and ten years in the case of any other building society, in each case from the date of the society's registration under this Act, the sum at credit of a building society's general reserve fund, when added to any provision against depreciation of or losses on investments and reduced by the aggregate of-

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- (a) any amount by which the total book value of the society's investments exceeds their total market value; and
- (b) any amount recommended by the society's directors for distribution as interest, dividend or bonus, and not provided for in the society's annual accounts;

shall not be less than two and one-half per centum of the total amount of the society's assets reduced by the aggregate of-

- (i) any amount by which the total book value of the society's investments exceeds their total market value; and
- (ii) the total amount of any reserves set aside by the society for a particular purpose, other than any reserve against depreciation of or losses on investments.

(6) In the event of a building society failing to comply with the provisions of subsection (5) within the period prescribed therein, the Registrar shall have the power to cancel or suspend the society's registration, or give such other directions to the society as he may think fit.

(7) The general reserve fund to be established by a building society under this section shall be in addition to the liquid funds referred to in section *ninety-three*.

93. (1) Subject to the provisions of subsection (8), the Governor of the Bank of Zambia shall by statutory instrument direct, from time to time, the minimum amount of liquid funds to be maintained by building societies and every building society shall be bound by such direction, which shall be expressed in terms of a percentage of the total amount of a society's assets reduced by any amount by which the total book value of the society's investments exceeds their total market value.

Provisions as to
liquidity

(2) Every building society shall make a monthly return in the prescribed form to the Governor of the Bank of Zambia to enable him to give directions in accordance with the provisions of subsection (1).

(3) A direction given under this section shall specify the date from which it is to take effect which shall not be earlier than three months from the date of publication of the *Gazette* in which it appears.

(4) A direction given under this section may be varied or revoked by a subsequent direction given in like manner.

(5) A direction given under this section shall not increase by more than two and one-half per centum the percentage of liquid funds to be maintained by building societies prevailing at the date of publication of the direction.

(6) Liquid funds shall be held by building societies in any or all of the following:

- (a) notes and coin which are legal tender in Zambia;
- (b) balances and money at call with registered discount houses, registered acceptance houses, or registered commercial banks;
- (c) treasury bills issued by the Government;
- (d) local registered securities issued or guaranteed by the Government of which not more than fifty per centum may be in securities of a final maturity date of more than six years;
- (e) such other assets as the Governor of the Bank of Zambia may, with the consent of the Minister, from time to time prescribe by statutory instrument.

(7) If a building society fails to make the return provided for in subsection (2), or wilfully and without a valid reason acceptable to the Registrar fails to comply with a direction given under this section, or wilfully and without a valid reason acceptable to the Registrar fails to hold its liquid funds as provided in subsection (6), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units.

(8) (a) Subject to subsection (5), the Minister may, after consultation with the Governor of the Bank of Zambia, give directions to the Governor as to the exercise of the power conferred upon him by subsection (1) and the Governor shall comply with any such direction.

(b) Any direction given by the Minister under paragraph (a) shall be in writing.

(As amended by Act No. 13 of 1994)

94. No building society shall pay any dividend or interest on any of its shares otherwise than out of surpluses earned by the society during the financial year to which the dividend or interest relates, and undistributed surpluses.

Restriction of payment
of dividends

PART VIII

CHANGE OF NAME, ETC.

95. (1) A building society may change its name by special resolution.

Change of name

(2) Notice of any such change shall be sent to the Registrar within fourteen days from the passing of the special resolution and shall be registered by him, and he shall give a certificate of registration:

Provided that a building society shall not be registered under this section in a name which, in the opinion of the Registrar, is undesirable.

(3) A change of name by a building society in accordance with the provisions of this section shall not affect the rights and obligations of the society or of any of its members or of any other person concerned.

(4) If a building society fails to send to the Registrar a notice which it is required to send under subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

96. A building society which changes the situation of its registered office or its postal address shall, within fourteen days after such change, send to the Registrar notice thereof and the Registrar shall register such change.

Notification of change of address

97. (1) A building society may alter its rules by special resolution.

Alteration of rules

(2) Where a building society by special resolution alters its rules, it shall, within fourteen days from the passing of the special resolution, send to the Registrar two copies of the alteration (or, in the case of the rescission of a rule, two copies of the resolution) signed by three members and the secretary, and a statutory declaration by an officer of the society that the resolution has been passed as a special resolution.

(3) Where copies are sent to the Registrar in accordance with subsection (2), and the Registrar finds that the alteration is in conformity with this Act, he shall return one of the copies to the secretary or other officer of the society with a certificate of registration and shall retain and register the other copy.

(4) Any provision in the rules of a building society that the rules may be altered without passing a special resolution shall be void.

(5) If a building society fails to comply with the provisions of subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

PART IX

UNIONS OF SOCIETIES AND TRANSFERS OF ENGAGEMENTS

98. (1) Two or more building societies may unite and become one society, with or without a dissolution or division of the funds of any one or more of those societies, if- Union of building societies

- (a) the terms of the union are approved by a special resolution of each of the societies; and
- (b) the union obtains the consent in writing of the holders of not less than two-thirds of the whole number of shares in each society, whether they are present at the meeting or not.

(2) Notice of any union of building societies shall be sent to the Registrar and, upon completion of the union, the societies united shall be deemed to be dissolved and their registrations cancelled and the Registrar shall thereupon register the new society.

(3) If a building society fails to send to the Registrar the notice referred to in subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

99. (1) A building society may by special resolution transfer its engagements to another building society which undertakes to fulfil those engagements; and a building society may- Transfer of engagements

- (a) by special resolution; or
- (b) with the consent of the Registrar, by resolution of a general meeting or of its board of directors;

undertake to fulfil the engagements of another building society.

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(2) Notice of the transfer shall be sent to the Registrar by the building society transferring its engagements.

(3) A transfer of engagements between building societies under this section shall not have effect unless-

- (a) the holders of not less than two-thirds of the whole number of shares in each of the societies have consented in writing to the transfer; and
- (b) notice of the transfer has been registered.

(4) If a building society fails to send to the Registrar the notice referred to in subsection (2), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

100. (1) A building society desiring to unite with another society, or to transfer its engagements to another society, or to undertake to fulfil the engagements of another society, and which has not obtained the consent in writing of the holders of two-thirds of the whole number of the society's shares may make an application to the Registrar to confirm the union or transfer.

Registrar may approve union or transfer

(2) Where such an application is made the society shall cause notice of the application to be published as directed by the Registrar, and, after hearing the society making the application and any other persons whom the Registrar considers entitled to be heard, the Registrar, notwithstanding the provisions of sections *ninety-eight* and *ninety-nine*, may confirm the union or transfer of engagements accordingly.

100A. (1) Notwithstanding the provisions of sections *ninety-nine* and *one hundred*, a building society may by resolution of its board of directors transfer its engagements to the Zambia National Building Society.

Transfer of engagements by board of directors

(2) Notice of such transfer shall be sent to the Registrar who may confirm and register such transfer.

(As amended by Act No. 67 of 1970)

101. The registration by the Registrar in accordance with the provisions of the previous sections of this Part of notice of the union or transfer of engagements of a building society shall operate, by virtue of this section and without further assurance, as an effectual conveyance, transfer and assignment, as at the date of the registration, of the funds, property and assets of the uniting societies to the united society, or of the funds, property and assets of the transferring society to the society undertaking its engagements, as may be provided by the instrument of union or transfer of engagements, as the case may be.

Registration of transfers, etc., to operate as a conveyance

102. A union of building societies or a transfer of engagements from one society to another shall not affect the rights of any creditor of any building society concerned in the union or transfer.

Creditors not to be prejudiced by union or transfer

PART X

NOMINATION, POWERS AND CONTROL OF REGISTRAR

103. The Minister shall nominate a public officer to be the Registrar of Building Societies to perform the duties and exercise the powers imposed and conferred upon the Registrar by this Act.

Nomination of Registrar

104. The Registrar shall not, nor shall any person acting under the authority of the Registrar, be personally liable for, or in respect of, any act or matter done in good faith in the exercise of the powers conferred by this Act.

Indemnity of Registrar and other persons

105. (1) The Registrar may, at any time, by notice in writing, require a building society, or any person who is or has been an officer of a building society, to produce to the Registrar such books, accounts, deeds and other documents relating to the business of the society, and to furnish him with such other information relating thereto, as he considers necessary to enable him properly to discharge the duties imposed and to exercise the powers conferred upon him by this Act; and any such notice may require that information to be furnished in accordance with the notice shall be set out in a statutory declaration.

Power to require production of books, etc.

(2) If any building society or person fails to comply with the requirements of a notice under subsection (1), the society, and every officer of the society who is in default, and such person, as the case may be, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

106. (1) The Registrar, either on his own initiative or, if he thinks fit, on the application of any member, shareholder, depositor or creditor of a building society, may appoint an inspector to look into and report on the affairs of the society.

Powers of inspection

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(2) Such inspector shall have power to require production of all or any of the books of account, records, securities and documents of the society, and may take extracts therefrom, and may examine on oath its officers, agents and others and, for such purposes, shall have power to administer an oath.

(3) Any person who makes application for an inspection under the provisions of subsection (1) may be required by the Registrar to give security for the costs of the inspection.

(4) The inspector appointed under the provisions of subsection (1) shall send to the Registrar a report on the result of his inspection, and the Registrar shall send a copy of such report to the society and the person (if any) who made the application for the appointment of the inspector, together with a note of the action (if any) which he intends to take on the report.

(5) The Registrar may make such order as he thinks fit as to recovery of the costs of the inspection.

(6) Any person who, in the course of an examination into the affairs of a building society under this section, knowingly gives false testimony under oath touching upon any matter which is material to such examination, shall be guilty of an offence under this Act, and, on conviction, liable to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding twelve months, or to both.

(As amended by Act No. 13 of 1994)

107. (1) The Registrar, on his own initiative, may call a meeting of a building society if he thinks that such a meeting is desirable in the interests of the members of, or depositors in, the society, and he may direct at what time and place the meeting is to be held and what matters are to be discussed and determined at the meeting.

Power to call a meeting

(2) A meeting called under subsection (1) shall have all the powers of a meeting called under the rules of the society, and shall have power to appoint its own chairman notwithstanding any rule to the contrary, and no provision in the rules of the society for a quorum shall apply to such a meeting.

108. (1) If the Minister, on the advice of the Registrar, considers it expedient in the interests of investors and depositors to suspend borrowing by, or subscription for shares in, a building society, he may, by order, prohibit the society-

Power to suspend borrowing and subscription for shares

- (a) from accepting the deposit of, or otherwise borrowing, any money; or
- (b) from accepting any payment representing the whole or any part of the amount due by way of subscription for a share in the society, other than a payment which fell due before the making of the order.

(2) Notwithstanding that an order may have been made under this section, a building society may borrow money from a bank or a finance company or from a director or other officer of the society provided that the consent of the Registrar has first been obtained.

(3) At least twenty-one days before an order is made under this section, the Registrar shall give the building society concerned, and each of its directors, written notice that he proposes to advise the Minister to make such an order; and the notice shall set out the considerations which have led him to conclude that it is expedient to do so, and, before advising the Minister, the Registrar shall consider any representations which may be made to him by the building society within a period of fourteen days after the service of the notice and, if the society so requests, shall afford it an opportunity of being heard by him within that period.

(4) Any order made by the Minister under this section may be revoked by a subsequent order.

(5) If a building society contravenes the provisions of any order made under this section, it shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units, and every officer of the society who is in default shall also be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding twelve months, or to both.

(6) The power to make orders under this section shall be exercisable by statutory instrument.

(As amended by Act No. 13 of 1994)

109. (1) If the Registrar considers it expedient to do so in the interests of persons who may invest in, or deposit money with, a building society, he may serve on the society a written direction requiring the society-

Power to control advertising

- (a) to prohibit the issue by the society of advertisements of all descriptions; or
- (b) to prohibit the issue by the society of advertisements of any description specified in the direction; or
- (c) to prohibit the issue by the society of any advertisements which are, or are substantially repetitions of, an advertisement which has been issued and which is specified in the direction; or

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- (d) require the society to take all practicable steps to withdraw any advertisement, or any description of advertisement, specified in the direction which is on display in any place;

or the direction may contain two or more such prohibitions or requirements as are mentioned in this subsection.

(2) Before serving a direction under this section, the Registrar shall give the building society concerned, and each of its directors, written notice that he proposes to make the direction, and such notice shall set out the considerations which have led him to conclude that it is expedient to do so, and he shall consider any representations which may be made to him by the society within seven days from the date of service of the notice; and, if the society so requests, he shall afford it an opportunity of being heard by him within that period.

(3) Any direction under this section may be varied or revoked at any time by a subsequent direction thereunder.

(4) If a building society contravenes a direction under this section, it shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units, and every officer of the society who is in default shall also be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding six months, or to both.

(As amended by Act No. 13 of 1994)

PART XI

WINDING-UP AND DISSOLUTION

110. A building society may be dissolved in the manner prescribed by its rules.

Dissolution in accordance with rules

111. (1) A building society may be dissolved by an instrument of dissolution with the consent (testified by their signature of that instrument) of the members holding not less than two-thirds of the number of shares in the society.

Dissolution by consent

(2) An instrument of dissolution under this section shall set out-

- (a) the liabilities and assets of the society in detail;
- (b) the number of members and the amount standing to their credit in the books of the society;

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- (c) the claims of depositors and other creditors and the provision to be made for their payment;
- (d) the intended appropriation or division of the funds and property of the society;
- (e) the names of one or more persons to be appointed as trustees for the purposes of the dissolution, and their remuneration.

(3) An instrument of dissolution made with consent given and testified as mentioned in subsection (1) may be altered with like consent, testified in the like manner.

(4) Every instrument of dissolution under this section, and every alteration of such an instrument, shall be registered in the manner provided by section *three* for the registration of the rules of a building society; and every such instrument or alteration shall be binding upon all members of the building society.

112. (1) On the application in writing of at least one hundred members of a building society having a total membership of more than one thousand, or, in the case of any other building society, of one-tenth of the whole number of members of the society, stating 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 its being dissolved, the Registrar may investigate the affairs of the society.

Dissolution on award
of Registrar

(2) Before commencing an investigation under this section, the Registrar shall give not less than one month's written notice to the building society at its registered chief office or place of meeting.

(3) If on such investigation it appears that the building 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 shall so advise the Minister who-

- (a) if he considers it expedient to do so, may, by statutory order, direct that the society be dissolved, and shall in that case direct in what manner the affairs of the society are to be wound up; or
- (b) may suspend such order for such period as he thinks fit to enable the society to make such alterations of its rules as, in the judgment of the Minister, will make such an order unnecessary.

(4) Where an order for dissolution is made under this section, the Registrar, within twenty-one days of the making thereof, shall cause notice of the order to be advertised in one or more newspapers circulating in the place in which the registered office or place of meeting of the building society is situated.

113. (1) When a building society is being dissolved in accordance with the provisions of section *one hundred and ten* or *one hundred and eleven*, the provisions of this Act shall continue to apply in relation to the society as if the liquidators or other persons conducting the dissolution of the society, or the trustees appointed under the instrument of dissolution, as the case may be, were the board of directors of the society.

Provisions applicable to dissolution under sections 110 and 111

(2) Within twenty-eight days from the date of termination of the dissolution the liquidators, trustees or other persons having the conduct of the dissolution shall send to the Registrar an account and balance sheet signed and certified by them as correct and showing the assets and liabilities of the society at the commencement of the dissolution, and the way in which those assets and liabilities have been applied and discharged; and if they fail to do so they shall each be guilty of an offence and liable on conviction to a fine not exceeding three hundred penalty units for every day during which the default continues.

(3) Except with the consent of the Registrar, no resolution, instrument or dissolution or other proceeding for the dissolution of a building society under section *one hundred and ten* or *one hundred and eleven*, and no alteration of an instrument of dissolution under section *one hundred and eleven*, shall be of any effect if the purpose of the proposed dissolution or alteration is to effect or facilitate the transfer of the society's engagements to any other society.

(4) Any provision in a resolution or document that members of a building society proposed to be dissolved shall accept investments in another society (whether in shares, deposits or any other form) in or towards satisfaction of their rights in the dissolution shall be conclusive evidence of such a purpose as is mentioned in subsection (3).

(As amended by Act No. 13 of 1994)

114. The High Court on the petition of-

Winding-up by or under the supervision of the High Court

- (a) the Registrar in the exercise of any power conferred by this Act; or
- (b) any member of a building society authorised by all members present and voting at a meeting especially called for the purpose to present the same on behalf of the society; or
- (c) any creditor holding an unsatisfied judgment or decree for a sum in excess of two hundred kwacha;

may order that a building society be dissolved, either voluntarily under the supervision of the Court, or by the Court, and the provisions of the law for the time being in force in regard to the winding-up of a company shall apply to the dissolution of a building society under this section, with such adaptations or modifications as may be ordered by the Court.

115. Where a building society is being wound up or dissolved, a member to whom an advance has been made under a mortgage or other security, or under the rules of the society, shall not be liable to pay the amount payable thereunder except at the time or times and subject to the conditions set out in the mortgage or other security, or in the rules, as the case may be.

Liability of members on winding-up or dissolution

116. (1) Notice of the commencement and of the termination of the winding-up or dissolution of a building society shall be sent to the Registrar and registered by him.

Notice of winding-up or dissolution

(2) If a building society fails to send to the Registrar a notice which it is required to send to him under subsection (1), the society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

(As amended by Act No. 13 of 1994)

PART XII

MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

117. (1) A building society, so far as is necessary for the purpose for which it is established, shall have power to hold land.

Powers in relation to land

(2) Subject to the provisions of subsection (6), a building society may purchase, build, hire or take on lease a building for conducting its business and may adapt and furnish it.

(3) Subject to the provisions of subsection (6), a building society may purchase or hold on lease any land for the purpose only of erecting on it a building for conducting the business of the society.

(4) A building society may sell, exchange or let the whole or part of any such building or land as is mentioned in subsection (2) or (3).

(5) For the purposes of subsections (2) and (3), the business of a building society, where its rules permit, shall include the provision of housing accommodation for officers of the society and members of its staff.

(6) In exercising the powers conferred by subsections (2) and (3), a building society shall not, except with the approval of the Registrar, incur an expenditure exceeding one hundred thousand kwacha in respect of any single transaction.

(7) A building society may from time to time purchase freehold or leasehold land, develop such land, construct houses thereon and sell such houses:

Provided that-

- (i) no land shall be purchased for the purpose of constructing houses thereon, or development thereof undertaken, by or on behalf of a building society, unless estimates of costs and comprehensive details of the proposed development have been submitted by the building society to the Minister, and the Minister has signified his approval thereto in writing;
- (ii) the expenditure incurred by a building society on the purchase and development of such land shall at no time be in excess of one-third of the aggregate amount in the building society's general reserve fund and the unappropriated surplus earned during the year immediately preceding the financial year in which such land is purchased.

(As amended by Act no 31 of 1973 and Act No. 13 of 1994)

118. (1) Any person who by false representation or imposition obtains possession of any moneys, securities, books, papers or other effects of a building society or who, having the same in his possession, withholds or misapplies them, or wilfully applies any part of them to purposes other than authorised purposes, shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding two years, or to both.

Offences in relation to property of building societies

(2) The court by or before which a person is convicted of an offence under this section may order him to deliver up or repay to the building society any moneys, securities, books, papers or other effects in respect of which he is convicted of that offence.

(3) Proceedings in respect of an offence under this section may be instituted by the building society, or by the Registrar, or by any person authorised by the society or its board of directors or by the Registrar.

(4) In this section, "authorised purposes", in relation to a building society, means purposes authorised by this Act or by the rules of the society.

(As amended by Act No. 13 of 1994)

119. (1) Any person who wilfully makes, or orders or allows to be made, any false statement in a document to which this section applies, or by erasure, omission, alteration, addition or otherwise, wilfully falsifies any such document, shall be guilty of an offence and liable on conviction to a fine not exceeding fifteen thousand penalty units or to imprisonment for a term not exceeding two years, or to both.

False statements in documents

(2) This section applies to any document sent to the Registrar under or in pursuance of this Act.

(As amended by Act No. 13 of 1994)

120. (1) Where the Registrar is satisfied with respect to a building society-

Compulsory
cancellation or
suspension of
registration

- (a) that a certificate of registration has been obtained for the society by fraud or mistake; or
- (b) that the society exists for an illegal purpose; or
- (c) that the society has wilfully, and after notice from the Registrar, violated any of the provisions of this Act; or
- (d) that the society has ceased to conduct business as a building society; or
- (e) that the society has made advances on securities situated outside the territorial limits of Zambia in contravention of the provisions of section *eighteen*; or
- (f) that the society has ceased to exist;

the Registrar, with the approval of the Minister, may cancel or suspend the registration of the society.

(2) Any cancellation or suspension of registration under this section shall be effected in writing and signed by the Registrar.

(3) Where the registration of a building society is suspended under this section, the period of suspension shall in the first instance be a period not exceeding three months, but may, with the approval of the Minister, be extended from time to time by not more than three months at a time.

(4) Before cancelling or suspending the registration of a building society under this section, the Registrar shall give to the society not less than one month's previous notice in writing, specifying briefly the grounds of the proposed cancellation or suspension.

(5) As soon as practicable after the cancellation or suspension of the registration of a building society under this section takes effect, the Registrar shall cause notice thereof to be published in the *Gazette*, and in at least one newspaper circulating in the district in which the registered chief office or place of meeting of the building society is situated.

(6) Where the registration of a building society is cancelled under this section or is suspended under this section for a period exceeding six months, the society may appeal to the High Court and, on any such appeal, the High Court, if it thinks it just to do so, may set aside the cancellation or suspension.

121. Without prejudice to section *one hundred and twenty*, the Registrar, if he thinks fit, may cancel the registration of a building society at the society's request, evidenced in such manner as the Registrar may direct.

Cancellation of registration at request of building society

122. (1) Where the registration of a building society is cancelled or suspended under section *one hundred and twenty* or *one hundred and twenty-one*, the society from the time of the cancellation or suspension (but in the case of a suspension, only so long as the suspension continues) shall cease to enjoy the privileges of a building society.

Effect of cancellation or suspension of registration

(2) Subsection (1) shall have effect subject to the right of appeal under subsection (6) of section *one hundred and twenty*.

(3) Subsection (1) shall have effect in relation to a building society without prejudice to any liability actually incurred by the society; and any such liability may be enforced against the society as if the cancellation or suspension had not taken place.

123. *Obsolete.*

124. The Registrar shall cause to be made an abstract and report of the annual returns of building societies and of the proceedings of his office under this Act and the Minister shall lay the abstract and report before Parliament.

Annual report of Registrar

125. (1) Any document purporting to have been signed by the Registrar and to be a certificate of registration or other document relating to a building society shall be received in evidence and, in the absence of any evidence to the contrary, shall be deemed to have been signed by the Registrar.

Provisions as to evidence

(2) Any printed document purporting to be a copy of the rules of a building society, and certified by the secretary or other officer of the society to be a true copy of its rules as registered, shall be received in evidence and, in the absence of any evidence to the contrary, shall be deemed to be a true copy of its rules.

126. (1) Any register, record or book of account to be kept by a building society may be kept either by making entries in bound books or by recording the matters in question in any other manner.

Form in which records may be kept

(2) Where any such register, record or book of account is not kept by making entries in a bound book but by some other means, adequate precautions shall be taken for guarding against falsification and facilitating its discovery; and where default is made in complying with this subsection, the building society, and every officer of the society who is in default, shall be guilty of an offence and liable on conviction to a fine not exceeding seven thousand five hundred penalty units

(As amended by Act No. 13 of 1994)

127. Except where some other person or authority is so authorised by this Act, the Minister may, by statutory instrument, make regulations prescribing anything requiring to be prescribed under this Act and, for the better carrying into effect of the provisions of this Act but without prejudice to the generality of the foregoing, such regulations may provide for the procedure in the office of the Registrar, the hours during which that office is to be open for business, the forms to be used and the fees to be paid in respect of any matter which is required or permitted to be done under the provisions of this Act.

Regulations

128. Before prescribing the form of any return which building societies are required to make under this Act, the Registrar shall first circulate to all building societies registered under this Act a draft of the form which he intends to prescribe and he shall give due consideration to any representations which may be made to him by individual building societies or by their association within one month of the date of such circulation.

Registrar to consider representations by building societies

129. Rules of court may be made under this Act for regulating proceedings before any court, and applications and appeals thereto, under the provisions of this Act and for the fees to be paid in respect thereof.

Rules of court

130. (1) Subject to the provisions of subsection (2), in this Act, "financial year" means a period of twelve months ending with the 31st March.

Financial year of building societies

(2) A building society whose financial year does not end with the 31st March shall alter its financial year by making up its accounts for one period of more than six months and not more than eighteen months ending with the 31st March, and, in relation to a building society exercising the power conferred by this subsection, references in this Act to a financial year of the society shall include references to that period.

(3) Where a mortgage deed in favour of a building society provides for the calculation of interest annually on the outstanding balance owing to the society at the commencement of each year, the society, notwithstanding anything to the contrary contained in the mortgage deed, may alter the calculation of interest to coincide with the financial year of the society.

(As amended by Act No. 37 of 1973)

131. No advance made by a building society and no security for an advance made by a building society shall be invalidated by reason only of the fact that the society, or any officer of the society, has, in connection with such advance, contravened or failed to comply with any provision of this Act.

Non-compliance not to invalidate advance

132. (1) If any share certificate, deposit book, receipt, or any statement, or other record of payment issued by a building society is lost or destroyed, the society, upon such evidence and subject to such terms and conditions as the directors think fit, may issue a certified copy of such certificate, pass book, receipt, statement or record.

Lost or destroyed share certificate, etc.

(2) Such certified copy shall thereafter for all purposes take the place of the certificate, pass book, receipt, statement or record so lost or destroyed and be the sole evidence thereof.

133. On payment of the prescribed fees, any person may inspect at the office of the Registrar the documents relating to any building society which are required to be lodged with the Registrar in terms of this Act or may obtain from the Registrar a copy or extract of any such document, or part of any such document.

Inspection of documents by public

134. If a building society contravenes or fails to comply with the provisions of any section of this Act, it shall be guilty of an offence and, where no specific penalty is provided by the section, the society, and every officer of the society who is in default, shall be liable on conviction to a fine not exceeding seven thousand five hundred penalty units.

General penalty

(As amended by Act No. 13 of 1994)

135. (1) The following Acts of the Parliament of the United Kingdom shall cease to have effect in the Republic:

Repeals

- (a) The Building Societies Act, 1874;
- (b) The Building Societies Act, 1875;
- (c) The Building Societies Act, 1877;
- (d) The Building Societies Act, 1884;
- (e) The Building Societies Act, 1894.

(2) Paragraph (b) of subsection (1) of section 2 and paragraph (b) of subsection (1) of section 4 of the Friendly Societies Act, 1896, of the Parliament of the United Kingdom shall cease to have effect in the Republic.

(3) The Building Societies (Disengagement Provisions) Act, Chapter 213 of the 1964 Edition of the Laws, and the Building Societies (Special Provisions) Act, Chapter 215 of the 1962 Edition of the Laws, are repealed.

136. (1) All deposits with and loans to an existing society and all advances made or agreed to be made by an existing society prior to the commencement of this Act, provided they are valid under any enactment repealed by this Act, shall not be invalidated because they do not comply with the provisions of this Act, but the society shall use its best endeavours to bring all such transactions within the provisions of this Act in so far as it is practicable to do so at the earliest opportunity.

(2) Until the forms which the Registrar is to prescribe have been so prescribed and dates fixed for their being brought into use, a building society may use the forms which are in use immediately prior to the commencement of this Act.

(3) In so far as any order, regulation, rule, application, decision, reference, appeal or payment made, consent, approval or direction given, certificate issued, notice or copy served, register kept, resolution passed, requirement imposed or other thing done under an enactment repealed by this Act could have been made, given, issued, served, kept, passed, imposed or done under a corresponding provision of this Act, it shall not be invalidated by the repeal effected by section *one hundred and thirty-five* but shall have effect as if made, given, issued, served, kept, passed, imposed or done under that corresponding provision.

(4) Any reference in an enactment or document (whether expressed or implied) to an enactment repealed by this Act shall, except where the context otherwise requires, be construed as, or as including, a reference to the corresponding provisions of this Act.

(5) Where a period of time specified in an enactment repealed by this Act is current at the commencement of this Act, this Act shall have effect as if the corresponding provision thereof had been in force when the period began to run.

(6) Without prejudice to subsection (3), any references in this Act (whether expressed or implied) to a thing done, or falling to be done, or omitted to be done, or to an event which has occurred, under or for the purpose of or by reference to, a provision of this Act, shall, except where the context otherwise requires, be construed as including a reference to the corresponding thing done, or falling to be done, or omitted to be done, or to the corresponding event which occurred, as the case may be, under or for the purposes of or by reference to, the corresponding provision of the enactments repealed by this Act.

(7) Where an offence for the continuance of which a penalty was provided has been committed under an enactment repealed by this Act, proceedings may be taken under this Act in respect of the continuance of the offence after the commencement of this Act in the same manner as if the offence had been committed under the corresponding provision of this Act.

The Laws of Zambia
FIRST SCHEDULE

(Section 65)

PERMITTED CLASSES OF ADDITIONAL SECURITY

- (1) A charge upon a policy of life assurance.
- (2) A charge upon any stocks, shares or securities for the time being authorised by law in Zambia for the investment of trust moneys.
- (3) A charge upon money deposited with the building society or any bank registered under the Banking Act.
- (4) A guarantee given by the Government or by a public authority, bank or commercial company whose guarantee is acceptable to the board of directors of the society.
- (5) A guarantee accepted by the building society, with the written consent of the borrower, and supported by a charge upon money deposited with the society or upon any such investments as are mentioned in paragraph (2).
- (6) A guarantee given by an insurance company to which the Insurance Act applies.

The Laws of Zambia

SECOND SCHEDULE

(Section 78)

FORM OF RECEIPT TO BE ENDORSED ON MORTGAGE

.....Building Society hereby acknowledges to have received all moneys intended to be secured by the within written deed.

In witness whereof the seal of the Society is hereto affixed this..... day of by order of the Board of Directors in the presence of:

(Signea) A.B.

(Designation)

SEAL

(Signea) C.D.

(Designation)

SUBSIDIARY LEGISLATION

BUILDING SOCIETIES

SECTION 87-THE BUILDING SOCIETIES ACT (DESIGNATION OF TRUSTEE STATUS) ORDER

*Statutory Instrument
149 of 1969*

Order by the Minister

1. This Order may be cited as the Building Societies Act (Designation of Trustee Status) Order. Title

2. The registered building societies named in the Schedule have been designated with effect from the dates shown in the Schedule, as building societies with whom a trustee may invest any trust funds in his hands, whether at the time in a state of investment or not, in deposits with and loans to a building society designated for that purpose by the Minister. Designation of trustee status

The Laws of Zambia

SCHEDULE

(Paragraph 2)

BUILDING SOCIETIES DESIGNATED WITH TRUSTEE STATUS

<i>Name of Building Society</i>	<i>Registered Address</i>	<i>Effective date of Designation</i>
First Permanent (1962) Building Society.	Permanent House Cairo Road, P.O. Box 420, Lusaka.	2nd December, 1968.
Security Building Society.	Century House, Edinburgh Square, P.O. Box 147, Lusaka.	2nd December, 1968.
Zambia Mutual Building Society.	Mutual House, St. David's Road, P.O. Box 901, Ndola.	12th December, 1968.

The Laws of Zambia

SECTION 90-THE BUILDING SOCIETIES ACT (AUTHORISED BANKS) ORDER

Order by the Minister

Statutory Instrument

2 of 1969

141 of 1971

122 of 1982

144 of 1982

1. This Order may be cited as the Building Societies Act (Authorised Banks) Order. Title

2. The Minister has designated the banks shown in the First and Second Schedules as the banks with which building societies are authorised to keep money. Designation of authorised banks

The Laws of Zambia

SCHEDULE

(Paragraph 2)

REGISTERED ACCEPTING HOUSE

1. Merchant Bank (Zambia) Limited
2. Barclays Bank of Zambia Limited
3. Standard Chartered Bank Zambia Limited
4. Zambia National Commercial Bank Limited
5. Grindlays Bank International (Zambia) Limited

SECTION 89-THE BUILDING SOCIETIES (AUTHORISED INVESTMENTS) ORDER

Statutory Instrument
33 of 1988

Order by the Minister

1. This Order may be cited as the Building Societies (Authorised Investments) Order. Title
2. The Minister has authorised Zambia National Building Society to invest any part of its surplus funds in Zambia Housing Development Fund Limited. Authorised investments

SECTION 93-THE BUILDING SOCIETIES (HOLDING OF LIQUID FUNDS) (ASSETS PRESCRIPTION) ORDER

Statutory Instrument
211 of 1973

Order by the Governor of the Bank of Zambia

1. This Order may be cited as the Building Societies (Holding of Liquid Funds) (Assets Prescription) Order. Title
2. It is hereby prescribed, with the consent of the Minister, that liquid funds may be held by the Zambia National Building Society in the capital stock of the Development Bank of Zambia. Prescription of assets in which liquid funds may be held

The Laws of Zambia

SECTION 80-THE BUILDING SOCIETIES (LIMIT OF REPAYMENTS TO INVESTORS AND
LENDERS) ORDER

Statutory Instrument
134 of 1972
58 of 1979

Order by the Minister

1. This Order may be cited as the Building Societies (Limit of Repayments to Investors and Lenders) Order. Title

2. The maximum amount which the building society named in the first column of the Schedule hereto with the address specified in the second column thereof may repay to any single investor or lender in any one month of moneys invested with or borrowed by the said society whether such moneys are in the form of shares, deposits or loans (but not bank overdrafts), or in a combination of these, shall not exceed the amount specified in the third column of the said Schedule. Limit of repayments

The Laws of Zambia

SCHEDULE

<i>Name of Building Society</i>	<i>Registered Address</i>	<i>Limit of Repayments</i>
Zambia National Building Society	Permanent House Cairo Road P.O. Box 420 Lusaka	K300,000

(As amended by Statutory Instrument No. 58 of 1979)

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SECTION 93-THE BUILDING SOCIETIES (HOLDING OF LIQUID FUNDS) (ASSETS
PRESCRIPTION) ORDER

Statutory Instrument
44 of 1974

Order by the Governor of the Bank of Zambia.

1. This Order may be cited as the Building Societies (Holding of Liquid Funds) (Assets Prescription) Order. Title

2. It is hereby prescribed, with the consent of the Minister, that liquid funds may be held by the Zambia National Building Society in the capital stock or shares of the Development Bank of Zambia. Prescription of assets in which liquid funds may be held

SECTION 89-THE BUILDING SOCIETIES (INVESTMENT OF SURPLUS FUNDS)
(AUTHORISATION) ORDER

Statutory Instrument
144 of 1974
60 of 1975
161 of 1975
107 of 1979
167 of 1979

1. This Order may be cited as the Building Societies (Investment of Surplus Funds) (Authorisation) Order. Title

2. The Zambia National Building Society is hereby authorised to invest any part of its surplus funds in acquiring the real property specified in the Schedule hereto. Authorised investments

The Laws of Zambia

SCHEDULE

(Paragraph 2)

1. Plots Nos 3 and 3A, Cairo Road, Lusaka; Plots Nos 20, 21, 22 and R/E of Plot No. 23, Cha Cha Cha Road, Lusaka.

2. Construction of houses in:

Chipata

Kasama

Mansa

Mongu

Solwezi

SECTION 127-THE BUILDING SOCIETIES REGULATIONS

Statutory Instrument
331 of 1969

Regulations by the Minister

1. These Regulations may be cited as the Building Societies Regulations.

Title

2. In these Regulations, unless the context otherwise requires-

Interpretation

"directors' expenses", where it occurs in the income and expenditure and appropriation account, includes any sums paid to or for a director in respect of expenses and the amount or estimated money value, as the case may be, of any other benefits received by the director and the contributions paid in respect of him, as a director, under any pension scheme;

"provision" means any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability the amount of which cannot be determined with substantial accuracy;

"reserve" does not include any provision, but includes any amount written off or retained as a provision which, in the opinion of the directors, is in excess of that which is reasonably necessary for the purpose;

"Zambian citizen" means-

(a) in relation to an individual, an individual who is a citizen of Zambia;

(b) in relation to an unincorporated association of persons, an association which is composed exclusively of persons who are citizens of Zambia;

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- (c) in relation to a body corporate, a body corporate which is incorporated under the laws of Zambia and-
 - (i) is certified under the hand of the Minister to be controlled by the State; or
 - (ii) whose membership is composed exclusively of persons who are citizens of Zambia, and all of whose directors are citizens of Zambia, and which is not controlled, by any means, directly or indirectly, outside Zambia or by persons who are not citizens of Zambia or who are associated in the capital structure thereof with persons who are not citizens of Zambia;

"Zambian controlled", in relation to any association of persons whether or not incorporated, means an association in which Zambian citizens are associated with other persons therein, if the Zambian citizens can override such other persons;

"non-Zambian" means not a Zambian citizen and not Zambian controlled.

- 3.** The notice required to be sent by a building society to a mortgagor under subsection (3) of section *seventy-six* of the Act shall set out the following particulars:

Notice of sale of mortgaged property

 - (a) the date of the mortgage;
 - (b) the address or description of the property sold;
 - (c) the name and address of the purchaser;
 - (d) the sum for which the property was sold;
 - (e) whether the sale was by public auction or private treaty;
 - (f) the date of completion of the sale.

- 4.** Except as provided in these Regulations, every certificate issued under the Act and every application, notice and other document made or sent to the Registrar in pursuance of the Act such as is referred to in the headings of the forms contained in the First Schedule shall contain the particulars set out in, and be in the form of, the appropriate form contained in the said Schedule, which form may be varied as the circumstances require.

Prescribed forms

- 5.** In the annual return (Form BS.4), in the annexure to the annual return (Form BS.4/A) and in every statement or report annexed thereto-

Annual return and annexure to annual return

 - (a) every form, schedule and other statement shall be typewritten or printed on paper of foolscap size (approximately 33 centimetres by 20 centimetres);
 - (b) where appropriate, the word "Nil" shall be inserted against any heading or against the whole of any section;
 - (c) the auditors shall not be required to deal with the matters-
 - (i) on page No. 1 of the annual return;

- (ii) on schedules No. 4 (b) to 7 inclusive of the annual return.

6. (1) For the purposes of subsection (2) of section *thirty-four* of the Act, the income and expenditure and appropriation account and balance sheet of a building society shall contain the particulars and be in the form set out in the Second Schedule, except that any heading contained therein may be omitted if the entries in respect of such heading would be "Nil" and provided that the said account and balance sheet may contain such other particulars as the building society thinks fit.

Annual accounts

(2) There shall be included against every heading-

- (a) in the income and expenditure and appropriation account, the corresponding amount for the immediately preceding financial year;
- (b) in the balance sheet, the corresponding amount at the end of the immediately preceding financial year.

7. (1) There shall, if not otherwise shown, be stated by way of notes to the income and expenditure and appropriation account, both in the annual accounts and in the annual return, every material respect in which any items shown therein are affected-

Notes to annual accounts and return

- (a) by transactions of an exceptional or non-recurrent nature; or
- (b) by any change in the basis of accounting.

(2) There shall, if not otherwise shown, be stated by way of notes to the balance sheet, both in the annual accounts and in the annual return, details-

- (a) of the market value of each class of investment;
- (b) of any charges on the building society's assets and of any moneys owing by the society in respect of deposits, loans and overdrafts which are wholly or partially secured;
- (c) of any contingent liability not provided for, if material;
- (d) of any contracts for capital expenditure not provided for, if material;
- (e) of any increases or decreases in the reserves or provisions, giving the sources from which the increases have been derived and how the amounts of any decreases have been applied;

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(i) of commitments for advances not yet made.

8. The fees set out in the Third Schedule shall be payable in advance to the Registrar. Prescribed fees

9. The Registrar may dispense with the fee for inspection and copies of documents in cases where he may consider it in the public interest so to do and may, if he thinks fit, reduce or dispense with the fee for an award in a dispute. Power to dispense with certain fees

10. The Registrar may, on the application of any building society, grant to the society an extension of time for compliance by it with these Regulations or with any specified provisions thereof, if he is satisfied that it would be a hardship to the society to comply therewith. Extension of time for compliance

The Laws of Zambia
FIRST SCHEDULE

(Regulation 4)

PRESCRIBED FORMS

<i>Form</i>	<i>Title</i>	<i>Building Societies Act Section</i>
BS.1	Application for a certificate of registration on the establishment of a building society. .	3
BS.2	Certificate of registration of a building society.	3 and 6
BS.3	Notice of change of directors, manager or secretary.	28
BS.4	Annual return.	51
BS.4/A	Annexure to annual return (properties sold, mortgages transferred).	52
BS.5	Submission of a dispute.	56
BS.6	Application for approval of a special advance.	62
BS.7	Certificate of valuation.	71
BS.8	Notice to prospective borrower where security is to be taken from third party.	73
BS.9	Monthly return to Bank of Zambia.	93
BS.10	Notice of change of name.	95
BS.11	Certificate of registration of change of name.	95
BS.12	Notice of change of address.	96
BS.13	Certificate of registration of change of address.	96
BS.14	Application to register an alteration of rules (being a substitution of an entire set of rules).	97
BS.14/A	Application to register an alteration of rules (not being a substitution of an entire set of rules).	97
BS.14/B	Statutory declaration to accompany application to register an alteration of rules.	97
BS.15	Certificate of registration of alteration of rules.	97
BS.16	Notice of union of societies.	98
BS.17	Notice of transfer of engagements.	99
BS.18	Application for confirmation of union or transfer of engagements.	100
BS.19	Notice of application for confirmation of union or transfer of engagements.	100
BS.20	Instrument of dissolution.	111
BS.21	Certificate of registration of instrument of dissolution.	111
BS.22	Application for approval to incur expenditure on real assets exceeding K100,000 in respect of any single transaction.	117
BS.23	Application for inspection of a building society's documents.	133

THE BUILDING SOCIETIES ACT

(Section 3)

APPLICATION FOR A CERTIFICATE OF REGISTRATION ON THE ESTABLISHMENT OF A BUILDING SOCIETY

To: THE REGISTRAR OF BUILDING SOCIETIES

1. We, the undersigned, whose names, addresses and subcription shares are:

	<i>Name</i>	<i>Address</i>	<i>Subscription Shares K</i>
1.			
2.			
3.			
4.			
5.			

Intended Secretary

hereby apply for a Certificate of Registration to be granted in respect of a society intended to be established under the Building Societies Act to be called. Building Society.

2. Pursuant to sections 3 (1) (a) and 3 (1) (b) of the said Act, we herewith transmit two printed copies of the rules agreed upon by us for the government of the society, each copy of which is signed by us and by the intended secretary.

The matters required to be provided for in the rules of a building society by section 11 of the said Act are provided for in the rules transmitted herewith as follows:

<i>Matters required to be provided for in the Rules</i>	<i>Number of Rule</i>
---------------------------------------------------------	-----------------------

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- (a) the name of the society and the address of its chief office or place of meeting;
- (b) the manner in which the stock or funds of the society is or are to be raised;
- (c) the manner in which a person may become a member of the society and the manner in which he may cease to be a member;
- (d) the purposes to which the funds of the society are to be applied;
- (e) provision that the society shall not, except with the approval of the Minister, make advances on the security of freehold or leasehold estate or in respect of any development, lands or buildings, situated outside the territorial limits of Zambia;
- (f) the classes of shares to be issued and the preferential and other rights and conditions attached to each class of shares;
- (g) the terms and conditions on which deposits are to be accepted and repaid;
- (h) provision that the society reserves the right to make all repayments, whether of shares, deposits, loans or otherwise, in Zambian currency;
- (i) the manner in which advances are to be made and repaid and the conditions on which a borrower can redeem the amount due from him before the end of the period for which the advance was made;
- (j) the manner in which losses are to be ascertained and provided for;
- (k) whether the society intends to borrow money and if so, within what limits, not exceeding those prescribed by the Building Societies Act;
- (l) the manner of appointing, remunerating and removing the board of directors and other officers, their powers and duties, and the manner of remunerating auditors;
- (m) the manner of calling and holding meetings, the giving of notice thereof, form of notice, quorum, voting rights, right to requisition meetings, procedure to be observed at meetings, the right to demand a poll, and the manner in which a poll is to be taken;
- (n) the manner of settling disputes, subject to the provisions of the Building Societies Act;
- (o) provision for an annual or more frequent audit and the inspection by the auditors of the titles, mortgage deeds and other securities held by the society;
- (p) provision for the custody of the titles, mortgage deeds and other securities belonging to or held by the society;
- (q) provision for the device, custody and use of the society's common seal;
- (r) the fines and forfeitures, if any, to be imposed on members of the society;
- (s) the manner in which the society may be dissolved.

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3. Pursuant to section 3 (1) (c) of the said Act, we hereby declare that we have subscribed for the shares enumerated in paragraph 1 above in the amounts severally shown, and that we have paid fully in cash the said sums into an account in the name of.....Building Society (in formation) with theBank. On receipt of the Certificate of Registration, the said shares will be allotted to us and the conditions, as stated in section 19 (1) of the said Act, shall attach to the issue of those shares.

4. Pursuant to section 3 (1) (d) of the said Act, we hereby declare that the total sum subscribed as fixed-term investments with the Society for a period of not less than five years by way of

- | | | |
|---------------------------------------------------------|----|---|
| (a) Shares (including the amounts shown in paragraph 1) | (K |) |
| (b) Deposits | (K |) |
| (c) Negotiated loans | (K |) |

amounts to K..... (.....kwacha), and that these amounts, which are in addition to the deposit required to be made to the Bank of Zambia, have been paid fully in cash into an account in the name of

.....Building Society (in formation) with theBank.

On receipt of the Certificate of Registration, the said shares, deposits and negotiated loans will be allotted in full. In support we enclose a certificate from the

.....Bank for the amount standing to the credit of..... Building Society (in formation) as well as other documentary evidence justifying the difference.

5. Pursuant to section 3 (1) (e) of the said Act, we enclose a certificate from the Governor of the Bank of Zambia stating that we have deposited with the Bank of Zambia cash and securities acceptable to him to a total value of K100,000 and that such deposit shall on registration of the Society be subject to the conditions set out in section 5 of the said Act.

6. Pursuant to section 3 (2) of the said Act, we enclose cash/cheque amounting to K.....in respect of the prescribed fee.

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Signatures:

- 1.
- 2.
- 3.
- 4.
- 5.

Intended
Secretary

Address for reply

.....

.....

Date.....

THE BUILDING SOCIETIES ACT

(Sections 3 and 6)

CERTIFICATE OF REGISTRATION OF A BUILDING SOCIETY

Registration No.:.....

This is to certify that.....

Building Society, whose Chief Office is situated at.....

.....

has this.....day of.....,19..... been

registered under the Building Societies Act.

.....
Registrar of Building Societies

THE BUILDING SOCIETIES ACT

(Section 28)

NOTICE OF CHANGE OF DIRECTORS, MANAGER OR SECRETARY

.....Building Society

Registration No.

To: THE REGISTRAR OF BUILDING SOCIETIES

Notice is hereby given of:

(a) the appointment to office of the undermentioned persons:

<i>Name (in full)</i>	<i>Address</i>	<i>Office to which appointea</i>	<i>Date of appointment</i>
---------------------------	----------------	--------------------------------------	--------------------------------

(b) the relinquishment of office of the undermentioned persons:

<i>Name (in full)</i>	<i>Address</i>	<i>Office relinquishea</i>	<i>Date of relinquishment</i>
---------------------------	----------------	--------------------------------	-----------------------------------

Date.....

.....
Secretary

THE BUILDING SOCIETIES ACT

(Section 51)

ANNUAL RETURN FOR THE YEAR ENDED.....

(To be submitted to the Registrar in duplicate within 28 days of the Annual General Meeting)

Name of Society:.....

Registered Office:.....

Date of Incorporation:.....

Date on which the Annual General Meeting was held:.....

Number of branch offices staffed by employees of the Society:.....

DIRECTORS, MANAGER AND SECRETARY

		Name	Address	Nationality
Directors	}			
Manager				
Secretary				

SHARES ACCOUNT No. 1

	K	K
Due to shareholders at beginning of year		
<i>Add:</i>		
Subscriptions		
Interest, dividend and bonus		
Other credits -		
-		
-		
<i>Deduct:</i>		
Withdrawals (including interest, dividend and bonus paid out)		
Other debits -		
-		
-		
Due to shareholders at end of year (<i>Schedule 1</i>)		

BS.4 (continued)

DEPOSITS AND LOANS ACCOUNT No. 2

(a) OTHER THAN BANKS

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	K	K
Due to creditors for deposits and loans at beginning of year		
<i>Add:</i>		
Receipts from depositors		
Interest to depositors		
Other credits -		
-		
-		
<i>Deduct:</i>		
Withdrawals (including interest paid out)		
Other debits -		
-		
-		
Due to creditors for deposits and loans at end of year (<i>Schedule 2</i>)		

(b) BANKS

	K	K
Due to Banks on loans and overdrafts at beginning of year		
<i>Add:</i>		
Additions during the year		
Interest		
Other credits -		
-		
-		
<i>Deduct:</i>		
Repayments (including interest paid out)		
Other debits -		
-		
-		
Due to Banks on loans and overdrafts at end of year		

BS.4 (*continued*)

INVESTMENTS ACCOUNT No.3

	K	K
Book value and accrued interest at beginning of year		
<i>Add:</i>		
Cost of investment made:		
Government securities		
Local Authority securities		
Other quoted securities		
Short-term money market deposits		
Bank deposits or loans deposits		
Other investments		
Sub-Total		
Surplus on realisation of investments		
Interest and dividends receivable		
Other debits -		
-		
-		
<i>Deduct:</i>		
Proceeds from investments realised:		
Government securities		
Local Authority securities		
Other quoted securities		
Short-term money market deposits		
Bank deposits or loans		
Other investments		

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	Sub-Total		
Loss on realisation of investments			
Interest and dividends received			
Other credits -			
Book value and accrued interest at end of year			
Less: Provision for loss on realisation			
Net value of investments (<i>Schedule 3</i>)			

BS.4 (*continued*)

ADVANCES ACCOUNT No. 4

	K	K
Due on advances at beginning of year		
<i>Add:</i>		
Advances made on mortgages (<i>Schedule 5</i>)		
Collective advances made		
Interest charged		
Insurance premiums charged		
Other debits -		
-		
-		
-		
-		
<i>Deduct:</i>		
Repayments of advances and interest received		
Insurance premiums received		
Loss on realisation of mortgages		
Other credits -		
-		
-		
-		
-		
Due on advances at end of year		
Less: Provision for anticipated loss		
Net value of advances (<i>Schedule 4</i>)		

BS.4 (*continued*)

INCOME AND EXPENDITURE AND APPROPRIATION ACCOUNT No. 5

Last Year	K
K	K

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INCOME

Interest/Dividends
 on advances on mortgages
 on collective advances
 on Government securities
 on other quoted securities
 on short-term money market deposits
 on bank deposits or loans
 on other investments
 Valuation fees and expenses
 Other fees, commissions and fines
 Rents and other income from letting property owned by the
 Society
 Surplus on realisation of mortgages
 Surplus on realisation of investments
 Surplus on realisation of assets
 Other income -
 -
 -

TOTAL INCOME

Last Year
K

EXPENDITURE

Management expenses-
 Directors' fees
 Directors' expenses
 Staff costs and expenses
 Auditors' fees and expenses
 Office accommodation and expenses
 Advertising
 Commission and agency fees
 Other management expenses-
 -
 -

SUB-TOTAL *carried forward*

K

BS.4 (continued)

INCOME AND EXPENDITURE AND APPROPRIATION ACCOUNT No. 5
(continued)

Last Year
K

SUB-TOTAL *brought forward*

Valuation fees and expenses
 Interest--
 on deposits and loans other than Banks
 on loans or overdrafts from Banks
 Depreciation on land and buildings owned by the
 Society
 Depreciation on other fixed assets
 Loss on realisation of mortgages
 Loss on realisation of investments
 Loss on realisation of assets
 Other expenditure -
 -
 -

TOTAL EXPENDITURE

K

Last Year

APPROPRIATION

Surplus for the year-excess of income over expenditure
Add:
 Unappropriated revenue brought forward
 Transfers from Reserves -
 -

K

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	<i>Deduct:</i> Transfers to Reserves -	
	-	
	<i>Deduct:</i> Interest, dividends and bonuses to shareholders for the period ended.....	
	
	UNAPPROPRIATED REVENUE CARRIED FORWARD	

BS.4 (continued)

BALANCE SHEET

Last Year K		K	K
	ASSETS		
	Advances outstanding:		
	Ordinary (up to K50,000)		
	Special (over K50,000)		
	Collective		
()	Less provision for anticipated losses		
	Investments at cost:		
	Zambia Government securities		
	Local Authority securities		
	Short-term money market deposits		
	Other investments		
()	Add interest accrued		
	Less provision for anticipated losses		
	Cash at Bank and in hand		
	Sundry Debtors and payments in advance		
	Land and Buildings:		
	Balance as at		
	Additions		
()	Disposals		
()	Depreciation		
	Other fixed assets:		
	Balance as at		
	Additions		
()	Disposals		
()	Depreciation		
	Other assets		
	TOTAL ASSETS		

BS.4 (continued)

BALANCE SHEET (continued)

Last Year K		K	K
	LIABILITIES		
	(a) Shareholders' Funds		
	Shares (by classification)		

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	Interest, dividends and bonuses accrued General Reserve Other Reserves Unappropriated revenue	
	TOTAL SHAREHOLDER'S FUNDS	
	(b) Other Credit Balances Deposits and Loans (including interest accrued)-	
	Other than Banks	
	Banks	
	Sundry Creditors and accrued expenses	
	Other provisions	
	TOTAL LIABILITIES	

BS.4 (continued)

SCHEDULE No. 1: SHARES ON ISSUE AT END OF YEAR

Classes of Shares	Shares on Issue K	No. of members holding such shares	Normal rates of Interest/Dividend	
			At end of year	Changes during year
<i>Add :</i> Interest, dividends and bonuses accrued		-	-	-
TOTAL ACCOUNT No. 1				

Total number of members:

Number of shareholding members:

Number of borrowing members:

BS.4 (continued)

SCHEDULE No. 2: DEPOSITS AND LOANS HELD AT END OF YEAR
(OTHER THAN BANKS)

Interest Rate	Initial Terms or Periods of Notice						Total Amount Owing K
	Under 3 months K	3 months up to 6 months K	6 months up to 1 year K	1 year up to 2 years K	2 years up to 3 years K	3 years and over K	
%							
%							

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%							
%							
%							
%							
%							
%							
%							
%							
%							
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%							
%							
TOTALS							

Interest accrued at end of year
TOTAL ACCOUNT NO. 2 (a)

Number of creditors for deposits and loans, other than Banks
Details of changes in interest rates made during year:

<i>Terms</i>	<i>From %</i>	<i>To %</i>	<i>Operative Date</i>
.....
.....

BS.4 (continued)

SCHEDULE No. 3: INVESTMENTS HELD AT END OF YEAR

	Nominal Value	Market Value	Book Value	
			This year	Last year
	K	K	K	K
(a) Government Securities-				
From end of year to final maturity:				
Up to 6 years				
Over 6 to 15 years				
Over 15 years				
TOTAL (a)				
(b) Local Authority Securities-				
From end of year to final maturity:				
Up to 6 years				
Over 6 to 15 years				
Over 15 years				
TOTAL (b)				
(c) Other quoted securities-				
TOTAL (c)				
(a) Short-term money market deposits-				
Treasury Bills (G.R.Z.)				

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Others		
TOTAL (d)		
(e) Bank deposits and loans-		
At call		
Others		
TOTAL (e)		
(f) Other investments-		
TOTAL (f)		
Total investments (a) to (f)		
Add total Interest accrued		
Deduct Provision for deficit on realisation		
TOTAL ACCOUNT NO. 3		

BS.4 (continued)

SCHEDULE No. 4: BALANCES OUTSTANDING ON ADVANCES
AT END OF YEAR

(a) Classification by amounts outstanding:

	Number of		Outstanding per Balance Sheet	
	Advances	Borrowers	Total	Originally covered by a Government Guarantee
			K	K
Ordinary advances-				
Up to K5,000				
K5,001 to K10,000				
K10,001 to K15,000				
K15,001 to K25,000				
K25,001 to K50,000				
Special advances-over K50,000				
Collective advances				
SUB-TOTAL				
Deduct: Double countings	-		-	-
Deduct: Provision for anticipated losses				
TOTAL ACCOUNT NO. 4				

(b) Classification by initial terms:

	This Year K	Last Year K
Advances with initial terms of:		
Up to 6 years		
Over 6 to 15 years		
Over 15 to 20 years		
Over 20 years		

The Laws of Zambia

(c) The balance at end of year includes mortgages on property:

- (i) of which the Society has been 12 months or more in possession
- (ii) of which the Society has not been 12 months in possession, where the payments are 12 months or more in arrear
- (iii) for which Receivers or Managers have acted for 12 months or more
- (iv) situated outside the territorial limits of Zambia (give details)

Number	K

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SCHEDULE No. 5: ADVANCES MADE DURING YEAR ON MORTG

	Ordinary (under K15,000)				Ordinary (K15,000 to K50,000)			
	Indi- viduals		Others		Indi- viduals		Others	
	No.	K	No.	K	No.	K	No.	K
(a) DWELLINGS UNDER CONSTRUCTION:								
<i>Borrower to occupy</i>								
Zambian citizen.								
Zambian controlled.								
non-Zambia.								
<i>Borrower to let part or all</i>								
Zambian citizen.								
Zambian controlled.								
non-Zambian.								
<i>Borrower intending to sell</i>								
Zambian citizen.								
Zambian controlled.								
non-Zambian.								
TOTAL (a)								
(b) DWELLINGS-EXISTING:								
<i>Borrower to occupy</i>								
Zambian citizen.								
Zambian controlled.								
non-Zambian.								
<i>Borrower to let part or all</i>								
Zambian citizen.								
Zambian controlled.								
non-Zambian.								
<i>Borrower intending to sell</i>								
Zambian citizen.								
Zambian controlled.								
non-Zambian.								
TOTAL (b)								

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SCHEDULE No. 5: ADVANCES MADE DURING YEAR ON MORTGAGES

	Ordinary (under K15,000)				Ordinary (K15,000 to K50,000)			
	Indi- viduals		Others		Indi- viduals		Others	
	No.	K	No.	K	No.	K	No.	K
(c) BUSINESS AND OTHER PROPERTIES-UNDER CON								
STRUCTION:								
Zambian citizen.....								
Zambian controlled.....								
non-Zambia.....								
TOTAL (c).....								
(a) BUSINESS AND OTHER PROPERTIES-EXISTING:								
Zambian citizen.....								
Zambian controlled.....								
non-Zambian.....								
TOTAL (a).....								
(e) TOTAL ALL PROPERTIES (a) to (a)								
Zambian citizen.....								
Zambian controlled.....								
non-Zambia.....								
TOTAL (e).....								

SCHEDULE No. 6: RATES OF INTEREST ON ADVANCES

Type of Security	Normal Rates at end of year	Particulars of Changes	Rates during year	
			Highest	Lowest
Owner-occupied houses				
Staff housing				
Speculative housing				
Flats				
Commercial buildings				
Industrial buildings				
Collective Advances				

The Laws of Zambia
SCHEDULE No. 7: COLLECTIVE ADVANCES MADE DURING YEAR

	Number	K
Government of Zambia		
Quasi-governmental bodies		
Local Authorities		
Statutory Boards		
Statutory Corporations		
Corporate bodies		
TOTAL		

SCHEDULE No. 8: SPECIAL ADVANCES

Roll No. 1	Type of Pro- perties 2	Total No. of Pro- perties 3	Original Valua- tion of Pro- perties 4	Total Amount Ad- vanced 5	Present Debt 6	Advanced during year (included in 5) 7	Notes 8
TOTALS							

The Laws of Zambia

Amount outstanding on Special Advances (Column 6) as a percentage of amount outstanding on all
Advances (Account No. 4) = %.

BS.4 (continued)

SIGNATURE OF ANNUAL EVENTS

Signature:

Date:

.....Director
.....Director
.....Manager or Secretary

AUDITORS REPORT

In accordance with section 53 of the Building Societies Act, the Auditor's Report may be annexed here.

THE BUILDING SOCIETIES ACT

(Section 52)

ANNEXURE TO ANNUAL RETURN FOR YEAR ENDED.....

.....

I. PROPERTIES SOLD BY SOCIETY DURING YEAR

Details of original advance				Date of sale	Name and address of purchaser	Debt o standing date of €
Roll No.	Valuation	Date of advance	Amount advanced			

II. MORTGAGES TRANSFERRED

Details of original advance				Date of transfer	Name and address of transferee	Debt stan at de tran
Roll No.	Valuation	Date of advance	Amount advanced			

THE BUILDING SOCIETIES ACT

(Section 56)

SUBMISSION OF A DISPUTE

Dispute between and the Building Society. Registration No.

[The above-named parties agree to submit the dispute between them to the Registrar of Building Societies.

Signature of Claimant..... (Seal of the Society)]*(1)

The said submits as follows:

(1) That he is a member of the said society (or claims by or through a member or under the rules, as the case may be).

(2) That (give particulars of the claim or contention in this paragraph)

.....

(3) That his case is proposed to be supported by the evidence of the following witnesses and by the production of the following documents:

(give list of witnesses and documents).....

Signature

Address

Date

The said society submit as follows:

(1) That they dispute the claim (or contention) of the said

.....on the following grounds: (state grounds of dispute)

(2) That their case is proposed to be supported by the evidence of the following witnesses and the production of the following documents:

(give list of witnesses and documents).....

Date..... (Seal of the Society)

* The part within brackets is not necessary where the rules direct disputes to be referred to the Registrar.

The Laws of Zambia

THE BUILDING SOCIETIES ACT

(Section 62)

APPLICATION FOR APPROVAL OF A SPECIAL ADVANCE

..... Building Society

Registration No.

To: THE REGISTRAR OF BUILDING SOCIETIES

The Society proposes to make a special advance of K.....
to.....

of.....

(being an advance additional to the balance of K.....of previous
advances owing to the Society).*(2) Such advance is desired for the purchase of the property

situated at

costing K..... and valued at K.....

The property will be used for the following purposes (give full details):

The proposed mortgage term is years and the
repayments will be K..... per month including interest at
.....%.

The following are the details required by you under the Act:

K

(a) Advances made during year to date:

Ordinary advances

Special advances

Collective advances

TOTAL

(b) Total balance of special advances outstanding as

at..... K

(c) Total "mortgage assets" as at K

(d) Percentage of (b) to (c)%

Date.....

Director/Secretary

* Delete if inapplicable.

The Laws of Zambia

THE BUILDING SOCIETIES ACT

(Section 71)

CERTIFICATE OF VALUATION

I,
of.....

hereby certify that on the..... day of....., 19.....,
inspected the property known as.....

My valuation of the said property as at the said date is K.....
(.....kwacha).

Dated at.....this.....day of....., 19.....

.....
Valuer

THE BUILDING SOCIETIES ACT

(Section 73)

NOTICE TO PROSPECTIVE BORROWER WHERE SECURITY IS TO BE TAKEN FROM THIRD PARTY

To:
Address.....
.....
.....

WHEREAS theBuilding Society
is prepared to consider making an advance to you of K.....
to assist you in defraying the purchase price of.....
.....
.....

AND WHEREAS the Society proposes to take a mortgage on the said land as security for the advance:

NOTICE is hereby given that-

- (1) The maximum amount that the Society would consider proper to advance on the security of the land if no other security were taken by the Society is K.....
- (2) The amount by which the advance exceeds the said amount is K.....
- (3) The Society proposes to take security for the advance from a third party, particulars of which are-

(a) [description of the security]
.....
.....

(b) [name and address of the party giving the security]
.....
.....

Date.....
.....
Manager/Secretary

THE BUILDING SOCIETIES ACT

(Section 93)

MONTHLY RETURN TO THE BANK OF ZAMBIA AS AT

Name of the Society

I. Assets		
(i)	Total Assets	
(ii)	<i>Deduct:</i> Exces of total book vlaue of investments over total market value	
(iii)	Net Assets	
II. Liquid Funds		
(i)	Notes and coin (legal tender of Zambia)	
(ii)	Balances and money at call with:	
	(a) Registered discount houses	
	(b) Registered acceptance houses	
	(c) Registered commercial banks	
(iii)	Treasury Bills issued by the Government of Zambia	
(iv)	Local registered securities issued or guaranteed by the Government, of final maturity date:	
	(a) Six years or less	
	(b) More than six years (not to exceed the figure (a) above)	
(v)	Other prescribed assets	
(vi)	Interest accrued on investments	
	SUB-TOTAL	
(vii)	<i>Deduct (a)</i> Excess of total book value over total market value of the assets under (iii), (iv) and (v) above	
	(b) Bank loans or overdrafts	
	(c) Other liabilities	
(viii)	Net Liquid Funds	
III.	Net Liquid Funds (II, viii) as a percentage of Net Assets	
(I, iii)		%

Date.....

.....

Manager or Secretary

Note.-A copy of this return must be sent also to the Registrar of Building Societies.

THE BUILDING SOCIETIES ACT

(Section 95)

NOTICE OF CHANGE OF NAME

..... Building Society
(name already registered)

Registration No.

To: THE REGISTRAR OF BUILDING SOCIETIES

Notice is hereby given that by a special resolution, as defined in section 49 of the Building Societies Act, passed at a meeting of the Society held on the..... day of....., 19....., it was resolved that the name of the Society be changed to..... Building Society.

Date.....
.....
Secretary

THE BUILDING SOCIETIES ACT

(Section 95)

CERTIFICATE OF REGISTRATION OF CHANGE OF NAME

The Registrar of Building Societies hereby certifies that the former.....
..... Building Society,
Registration No....., is from the date hereof registered
in the name following:

.....Building Society.
Dated the..... day of....., 19.....

.....
Registrar of Building Societies

THE BUILDING SOCIETIES ACT

(Section 96)

NOTICE OF CHANGE OF ADDRESS

.....Building Society
Registration No.

To: THE REGISTRAR OF BUILDING SOCIETIES

Notice is hereby given that the above-named Society on the.....
day of.....,19.....changed its registered office/postal address*(3)
from

.....
to.....

.....
.....

Date.....
.....
Secretary

* Delete as applicable.

THE BUILDING SOCIETIES ACT

(Section 96)

CERTIFICATE OF REGISTRATION OF CHANGE OF ADDRESS

The Registrar of Building Societies certifies that the registered office/postal address* (4)of the
Building Society is from the date hereof the following:

.....
.....

Date Stamp

Registrar of Building Societies

* Delete as applicable.

THE BUILDING SOCIETIES ACT
(Section 97)

APPLICATION TO REGISTER AN ALTERATION OF RULES
(being a substitution of an entire set of rules)

..... Building Society
 Registration No.
 Registered Office

To: The Registrar of Building Societies

1. Application is hereby made for the registration of an alteration of rules
2. The matters required to be provided for in the rules of a building society by section 11 of the Building Societies Act are provided for in the rules, application for which is hereby made, as follows:

<i>Matters required to be provided for in the Rules</i>	<i>Number of Rule</i>
(a) the name of the society and the address of its chief office or place of meeting;	
(b) the manner in which the stock or funds of the society is or are to be raised;	
(c) the manner in which a person may become a member of the society and the manner in which he may cease to be a member;	
(d) the purposes to which the funds of the society are to be applied;	
(e) provision that the society shall not, except with the approval of the Minister, make advances on the security of freehold or leasehold estate or in respect of any development, lands or buildings, situated outside the territorial limits of Zambia;	
(f) the classes of shares to be issued and the preferential and other rights and conditions attached to each class of shares;	
(g) the terms and conditions on which deposits are to be accepted and repaid;	
(h) provision that the society reserves the right to make all repayments, whether of shares, deposits, loans or otherwise, in Zambian currency;	
(i) the manner in which advances are to be made and repaid and the conditions on which a borrower can redeem the amount due from him before the end of the period for which the advance was made;	
(j) the manner in which losses are to be ascertained and provided for;	
(k) whether the society intends to borrow money and if so, within what limits, not exceeding those prescribed by the Building Societies Act;	
(l) the manner of appointing, remunerating and removing the board of directors and other officers, their powers and duties, and the manner of remunerating auditors;	
(m) the manner of calling and holding meetings, the giving of notice thereof, form of notice, quorum, voting rights, right to requisition meetings, procedure to be observed at meetings, the right to demand a poll, and the manner in which a poll is to be taken;	
(n) the manner of settling disputes, subject to the provisions of the Building Societies Act;	
(o) provision for an annual or more frequent audit and the inspection by the auditors of the titles, mortgage deeds and other securities held by the society;	
(p) provision for the custody of the titles, mortgage deeds and other securities belonging to or held by the society;	
(q) provision for the device, custody and use of the society's common seal;	

The Laws of Zambia

- (r) the fines and forfeitures, if any, to be imposed on members of the society;
 - (s) the manner in which the society may be dissolved.
-

3. There accompany this application:

- (a) two printed copies of the alteration of rules signed by three members and the secretary, marked "All previous rules rescinded" and marked to show the date of the passing of the special resolution by which the alteration was made;
- (b) a printed copy of the existing set of rules;
- (c) a statutory declaration of an officer of the society in Form BS.14/B stating that the alteration of rules now submitted for registration was made on the day of, 19....., by a special resolution as defined in section 49 of the Building Societies Act.

Date..... (Seal of the Society)

THE BUILDING SOCIETIES ACT

(Section 97)

APPLICATION TO REGISTER AN ALTERATION OF RULES
(not being a substitution of an entire set of rules)

..... Building Society
Registration No.
Registered Office.....
.....

To: THE REGISTRAR OF BUILDING SOCIETIES

Application is hereby made for the registration of an alteration of rules.

There accompany this application:

- (a) two printed copies of the alteration of rules (or, in the case of the rescission of a rule, two copies of the resolution) signed by three members and the secretary, and stating the date of the passing of the special resolution by which the alteration was made;
- (b) a printed copy of the existing set of rules, marked to show where and in what manner they have been altered;
- (c) a statutory declaration by an officer of the society stating that the alteration of rules now submitted for registration was made on theday of....., 19..... by a special resolution as defined in section 49 of the Building Societies Act.

Date..... (Seal of the Society)

THE BUILDING SOCIETIES ACT

(Section 97)

STATUTORY DECLARATION TO ACCOMPANY APPLICATION TO REGISTER AN ALTERATION OF RULES

..... Building Society

Registration No.

Registered Office.....

I,

of

an officer of the above-named society, do solemnly and sincerely declare that the alteration of the rules of the said society, the application for the registration of which this declaration accompanies, was made by a special resolution, as defined in section 49 of the Building

Societies Act, passed on the.....day of....., 19.....;

AND I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1835, of the United Kingdom.

Signature of Declarant.....

Declared at

..... the day of

19..... before me,

.....

Commissioner for Oaths

THE BUILDING SOCIETIES ACT

(Section 97)

CERTIFICATE OF REGISTRATION OF ALTERATION OF RULES

The Registrar of Building Societies hereby certifies that the alteration of the rules of
the Building Society,
Registration No.....to which this certificate is attached,
is registered under the Building Societies Act, this.....day
of....., 19.....

.....
Registrar of Building Societies

THE BUILDING SOCIETIES ACT

(Section 98)

NOTICE OF UNION OF SOCIETIES

(A) Building Society
 Registration No.
 (B) Building Society
 Registration No.

To: THE REGISTRAR OF BUILDING SOCIETIES

Notice is hereby given that at a meeting of the (A).....
Building Society held on the.....
 day of....., 19....., a special resolution, as defined in
 section 49 of the Building Societies Act, was passed which approved the union of the said
 (A).....Building Society with the said
 (B).....Building Society in accordance with
 the terms of the instrument of union, a copy of which signed by the Secretary of each Society is annexed to this notice.

And that at a meeting of the said (B).....
 Building Society held on the day of , 19....., a special
 resolution, as defined in section 49 of the Building Societies Act, was passed which
 approved the union of the said (B).....
 Building Society with the said (A).....
 Building Society in accordance with the terms of the said instrument of union.

The whole number of shares of the (A).....
 Building Society is and the concurrence in writing of the holders of
 not less than two-thirds of such shares is submitted with this notice.*(5)

The whole number of shares of the (B).....
 Building Society is.....and the concurrence in writing of the holders of
 not less than two-thirds of such shares is submitted with this notice.*(6)

Seal of the (A) Building Society.

Seal of the (B) Building Society.

Name and address to which registered copy is to be sent:

.....

Date.....

* Omit where confirmation of union is sought without such concurrence pursuant to section 100 of the Building Societies Act.

THE BUILDING SOCIETIES ACT

(Section 99)

NOTICE OF TRANSFER OF ENGAGEMENTS

(A) Building Society
Registration No.....

(B) Building Society
Registration No.

To: THE REGISTRAR OF BUILDING SOCIETIES

Notice is hereby given that at a meeting of the (A).....
..... Building Society, held on the day of
....., 19....., a special resolution, as defined in section 49 of the
Building Societies Act, was passed that the said Society do transfer its engagements
to the (B)
Building Society, in accordance with the terms of the instrument of transfer, a copy of which signed by the Secretary of
each Society is annexed to this notice.

The whole number of shares of the (A)
..... Building Society is and the concurrence
in writing of the holders of not less than two-thirds of such shares is submitted with this notice.*(7)

- The (B) Building Society-
†(8) by special resolution as defined in section 49 of the Building Societies Act;
†(9) with the consent of the Registrar of Building Societies by a resolution in a general meeting;
†(10) with the consent of the Registrar of Building Societies by a resolution of its Board
of Directors or Committee of Management;

has undertaken to fulfil the engagement of the (A).....
..... Building Society in accordance with the terms of the
said instrument of transfer.

The whole number of shares of the (B).....
..... Building Society is and the
concurrence in writing of the holders of not less than two-thirds of such shares is submitted with this notice.*(11)

Seal of the (A) Building Society.

Seal of the (B) Building Society.

Name and address to which registered copy is to be sent:

.....
.....

Date.....

* Omit where confirmation of transfer is sought without such concurrence pursuant to section 100 of the Building Societies Act.

† Delete as applicable.

THE BUILDING SOCIETIES ACT

(Section 100)

APPLICATION FOR CONFIRMATION OF UNION OR TRANSFER OF ENGAGEMENTS

..... Building Society

Registration No.

To: THE REGISTRAR OF BUILDING SOCIETIES

The above-named society desires to unite with/transfer its engagements to/accept a transfer of the engagements of*(12) the

.....Building Society, Registration No. and hereby applies to the Registrar of Building Societies to confirm the union/transfer* notwithstanding that the written concurrence of the holders of two-thirds of the whole number of its shares has not been obtained in the manner required by the Building Societies Act.

Date.....

(Seal of the Society making the application)

NOTE.-Notice of this application as per Form BS.19 must be advertised in the Government Gazette, and in one or more newspapers in the country, at least one calendar month before this application can be heard.

* Delete as applicable.

THE BUILDING SOCIETIES ACT

(Section 100)

NOTICE OF APPLICATION FOR CONFIRMATION OF UNION OR TRANSFER OF ENGAGEMENTS

Notice is hereby given that the
 Building Society, Registration No....., whose registered
 office is at

 desires to unite with/transfer its engagements to/accept a transfer of the engagements
 of* (13)theBuilding Society,
 Registration No.....and that the first-named society has
 applied to the Registrar of Building Societies to confirm the union/transfer* notwithstanding that the written concurrence of
 the holders of two-thirds of the whole number of shares of the said society has not been obtained in the manner required
 by the Building Societies Act.

The application will be heard on the.....day of....., 19.....

Any person wishing to be heard on such application should apply by letter to the Registrar of Building Societies, P.O. Box RW.62, Lusaka, at least seven days before the date of the hearing.

Date StampBuilding Society
Secretary/Manager

* Delete as applicable.

THE BUILDING SOCIETIES ACT

(Section 111)

INSTRUMENT OF DISSOLUTION

..... Building Society
 Registration No

Instrument of dissolution of the
 Building Society, made the
 day of, 19, and signed by members holding not less
 than two-thirds of the number of shares in the said society.

It is agreed and declared as follows:

1. The liabilities and assets of the society are the following:

Liabilities	K	n	Assets	K	n

2. The number of members is the number of shares is.....
 and the amount standing to the credit of the members in the books of the society is K

3. The society owes to depositors the sum of K
 and to other creditors the sum of Kand such sums shall be paid out of the first moneys
 which shall be received by the trustees hereby appointed.*
 (14)

4. After payment of the claims of depositors and other creditors, the funds and property of the society shall be
 appropriated and divided among the members thereof in the proportion of the amount standing to each member's credit in
 the books of the society.*
 (15)

5. The following persons are hereby appointed trustees for the purposes of the dissolution:

<i>Full name</i>	<i>Address</i>	<i>Description</i>
------------------	----------------	--------------------

6. The trustees shall be remunerated by the sum of*
 (16)

7. (Here insert any other provisions the society desires to make as to the dissolution.)

Signatures of Members	Number of Shares held by Members
.....
.....

Signatures of Trustees

Seal of the Society

To be signed and sealed in duplicate.

* Or as the case may be.

The Laws of Zambia

THE BUILDING SOCIETIES ACT

(Section 111)

CERTIFICATE OF REGISTRATION OF INSTRUMENT OF DISSOLUTION

The Registrar of Building Societies hereby certifies that the instrument of dissolution
of the.....Building
Society, Registration No....., dated the.....day of
....., 19....., is registered under the Building Societies Act,
this.....day of....., 19...

.....
Registrar of Building Societies

THE BUILDING SOCIETIES ACT

(Section 117)

APPLICATION FOR APPROVAL TO INCUR EXPENDITURE ON REAL ASSETS EXCEEDING K100,000 IN RESPECT OF ANY SINGLE TRANSACTION

..... Building Society

Registration No.....

To: THE REGISTRAR OF BUILDING SOCIETIES

Permission is hereby requested to incur expenditure in respect of the following transaction:

K

- (1) Estimated cost of transaction:
- (2) Proposed date of transaction:
- (3) Name and address of seller:

* (17) (4) Land (section 117 (3)):

- (a) Location
- (b) Size
- (c) Freehold or Leasehold
- (d) Terms of Lease
- (e) Building to be constructed on this land:
 - (i) description:
 - (ii) purpose:
 - (iii) estimated cost of constructing it:
 - (iv) estimated cost of furnishing it:

* (18) (5) Building (section 117 (2)):

- (a) Location
- (b) Size of plot
- (c) Freehold or Leasehold
- (d) Terms of Lease
- (e) Whether built or to be built
- (f) Description
- (g) Purpose
- (h) Estimated cost of constructing/adapting it
- (i) Estimated cost of furnishing it.

Date.....

.....

Secretary

* Delete as applicable.

THE BUILDING SOCIETIES ACT

(Section 133)

APPLICATION FOR INSPECTION OF A BUILDING SOCIETY'S DOCUMENTS

To: THE REGISTRAR OF BUILDING SOCIETIES

I, of hereby apply to inspect the following document/s relating to..... Building Society, Registration No..... which is/are required to be lodged with you in terms of this Act.

<i>No.</i>	<i>Document reference or description</i>	<i>No. of Section under Act</i>
1.		
2.		
3.		

I would like a copy of such document/s/extract of such document/s as follows:

<i>No.</i>	<i>From page</i>	<i>To page</i>	<i>Beginning with words</i>	<i>Ending with words</i>
1.				
2.				
3.				

I enclose K..... in respect of the inspection and copying fees.

Date..... Signature.....

NOTES: An inspection fee is payable whether or not a copy is required.
Inspection fee on same day, 8 fee units.
Copying fee per page or part thereof, 8 fee units.

(As amended by Act No. 13 of 1994)

The Laws of Zambia
SECOND SCHEDULE

(Regulation 6)
Annual Accounts

.....Building Society
Registration No.....
Registered Office.....

INCOME AND EXPENDITURE AND APPROPRIATION ACCOUNT
For Year Ended....., 19.....

Last Year K		K
	<i>INCOME</i>	
	Interest/Dividends on Advance on mortgages	
	Interest/Dividends on collective advances	
	Interest/Dividends on Government securities	
	Interest/Dividends on other quoted securities	
	Interest/Dividends on short-term money market deposits	
	Interest/Dividends on bank deposits or loans	
	Interest/Dividends on other investments	
	Valuation fees and expenses	
	Other fees, commissions and fines	
	Rents and other income from letting property owned by the Society	
	Surplus on realisation of mortgages	
	Surplus on realisation of investments	
	Surplus on realisation of assets	
	Other income-	
	TOTAL INCOME	
	<i>EXPENDITURE</i>	
	Management expenses-	
	Directors' fees	
	Directors' expenses	
	Staff costs and expenses	
	Auditors' fees and expenses	
	Office accommodation and expenses	
	Advertising	
	Commission and agency fees	
	Other management expenses-	
	SUB-TOTAL <i>carried forward</i>	

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Last Year K	SUB-TOTAL <i>brought forward</i>	K
	Valuation fees and expenses	
	Interest-	
	on deposits and loans other than Banks	
	on loans or overdraft from Banks	
	Depreciation on land and buildings owned by the Society	
	Depreciation on other fixed assets	
	Loss on realisation of mortgages	
	Loss on realisation of investments	
	Loss on realisation of assets	
	Other expenditure-	
	TOTAL EXPENDITURE	

Last Year K	APPROPRIATION	K
	Surplus for the year-excess of income over expenditure	
	<i>Add:</i>	
	Unappropriated revenue brought forward	
	Transfers from Reserves	
	<i>Deduct:</i>	
	Transfers to Reserves	
	<i>Deduct:</i>	
	Interest, dividends and bonuses to shareholders for period ended.....	
	UNAPPROPRIATED REVENUE CARRIED FORWARD	

BALANCE SHEET AS AT,19.....

Last Year K	ASSETS	K	K
	Advances outstanding:		
	Ordinary (up to K50,000)		
	Special (over K50,000)		
	Collective		
()	Less provision for anticipated losses		
	Investment at cost:		
	Zambia Government securities		
	Local Authority securities		
	Short-term money market deposits		
	Other investments		
	<i>Add</i> interest accrued		
()	Less provision for anticipated losses		

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	Cash at Bank and in hand		
	Sundry Debtors and payments in advance		
	Land and Buildings:		
	Balance as at		
	Additions		
()	Disposals		
()	Depreciation		
	Other fixed assets:		
	Balance as at		
	Additions		
()	Disposals		
()	Depreciation		
	Other assets		
		TOTAL ASSETS	

Last Year K		K	K
	<i>LIABILITIES</i>		
	(a) Shareholders' Funds		
	Shares (by classification)		
	Interest, dividends and bonuses accrued		
	General Reserve		
	Other Reserves		
	Unappropriated Revenue		
	TOTAL SHAREHOLDERS' FUNDS		
	(b) Other Credit Balances		
	Deposits and loans (including interest accrued)-		
	Other than Banks		
	Banks		
	Sundry Creditors and accrued expenses		
	Other provisions		
		TOTAL LIABILITIES	

Date

On behalf of the Board

Director
 Director
 Manager or Secretary

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THIRD SCHEDULE

(Regulation 8)

PRESCRIBED FEES

<i>Under Section No. of the Act</i>		Fee units
3 and 6	For the certificate of registration of a Building Society.	450
5	For the certificate that the General Reserve Fund is satisfactory.	75
56	For every award by the Registrar on a dispute.	150
56	For every hearing of a dispute after the first hearing and for every adjournment.	75
62	For every application for approval of a special advance.	75
63	For every application for approval of a collective advance.	75
87	For an application for designation of trustee status.	150
95	For the certificate of registration of a change of name.	75
96	For the certificate of registration of a change of registered address.	15
97	For the certificate of registration of an alteration of rules.	150
98	For receiving notice of a union, to be paid by each uniting society (including registration).	75
99	For receiving notice of a transfer of engagements, to be paid by each society concerned (including registration).	75
100	For receiving an application for confirmation of a union or transfer of engagement (including confirmation).	150
106	For receiving an application to appoint an inspector.	150
111	For the certificate of registration of an instrument of dissolution or of any alteration therein.	150
112	For receiving an application for investigation.	150
116	For registration of notice of commencement or termination of a dissolution or winding-up.	15
117	For every application for approval to incur expenditure on real assets in excess of K100,000.	75
121	For cancellation of registration at the request of a society.	150
133	For every inspection on the same day of documents (one or more) in the custody of the Registrar relating to one society.	4
133	For a copy or extract of any document in the custody of the Registrar, per page.	4
	For the signature by the Registrar of any document required to be so signed (except as otherwise provided).	15

(As amended by Act No. 13 of 1994)

Endnotes

1 (Popup - Popup)

The part within brackets is not necessary where the rules direct disputes to be referred to the Registrar.

2 (Popup - Popup)

Delete if inapplicable.

3 (Popup - Popup)

Delete as applicable.

4 (Popup - Popup)

Delete as applicable

5 (Popup - Popup)

Omit where confirmation of union is sought without such concurrence pursuant to section 100 of the Building Societies Act.

6 (Popup - Popup)

Omit where confirmation of union is sought without such concurrence pursuant to section 100 of the Building Societies Act.

7 (Popup - Popup)

Omit where confirmation of transfer is sought without such concurrence pursuant to section 100 of the Building Societies Act.

8 (Popup - Popup)

Delete as applicable

9 (Popup - Popup)

Delete as applicable

10 (Popup - Popup)

Delete as applicable

11 (Popup - Popup)

Omit where confirmation of transfer is sought without such concurrence pursuant to section 100 of the Building Societies Act.

12 (Popup - Popup)

Delete as applicable.

13 (Popup - Popup)

Delete as applicable

14 (Popup - Popup)

Or as the case may be

15 (Popup - Popup)

Or as the case may be

16 (Popup - Popup)

Or as the case may be

17 (Popup - Popup)

Delete as applicable.

18 (Popup - Popup)

Delete as applicable.