



ANALYSIS

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1990, No. 73

An Act to make provision with respect to public finances and other matters

[1 August 1990]

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title and commencement—(1) This Act may be cited as the Finance Act (No. 2) 1990.

(2) Except as provided in sections 10 (2), 11 (2), and 12 (2) of this Act, this Act shall come into force on the day on which it receives the Royal assent.

2. Interpretation—In this Act, unless the context otherwise requires,—

“Appointed day” means the date appointed by the Governor-General under section 5 of this Act:

“The Bank” means Post Office Bank Limited, a company incorporated under the Companies Act 1955; and includes a company that is a related company (within the meaning of section 2 (5) of the Companies Act 1955) to that company:

“Bonus bonds” means bonus bonds issued under the Public Finance Act 1989 in accordance with section 4 of the Post Office Bank Act 1987:

“The Crown” means Her Majesty the Queen in right of New Zealand:

“Minister” means the Minister of Finance:

“Post Office bonus bonds” means Post Office bonus bonds issued pursuant to the Post Office Act 1959 before the 1st day of April 1987.

3. Meaning of “approved unit trust”—(1) In this Act “approved unit trust” means a unit trust established under the Unit Trusts Act 1960 of which the Bank is the manager under which net income is distributed among the unit holders, in whole or in part, by prizes determined by ballot and which is approved for the purposes of this Act by the Minister by notice in the *Gazette*.

(2) The Minister shall not approve, under subsection (1) of this section, a unit trust that makes provision for interests to be held by persons who become unit holders by reason only of having been the holders of bonus bonds or Post Office bonus bonds unless—

(a) The Minister is satisfied that the rights conferred on those persons are not, subject to this Act, substantially different from the rights which those persons had as the holders of those bonds; and

(b) The unit trust deed provides that, for at least 2 years after the appointed day, the unit trust is required, if requested to do so, to buy back or redeem those interests deemed to have been issued to those persons.

(3) The chances of each unit winning a prize in an approved unit trust must not be less than 1 in 9,600.

4. Changes to prize structure—The Governor-General may from time to time, by Order in Council, on the advice of the Minister given in accordance with a recommendation by the Bank, authorise such variations to the provisions of an approved unit trust that relate to entitlements to and the distribution of prizes as may be specified in the order.

5. Holders of bonus bonds and Post Office bonus bonds to become unit holders in approved unit trust—

(1) On a date to be appointed by the Governor-General by Order in Council every person who, immediately before the date appointed, is the holder of a bonus bond or a Post Office bonus bond shall become the holder of a unit or units in an approved unit trust specified in the order corresponding in number to the number of units representing each dollar evidenced by the bond subject to all the rights and obligations

attaching to that unit or those units by virtue of the unit trust as if that person had become the holder by subscription.

(2) On the appointed day all rights and interests existing under and by virtue of bonus bonds or Post Office bonus bonds shall cease.

(3) Every bonus bond or Post Office bonus bond, as the case may be, shall, on and after the appointed day, be deemed to be a certificate of interest for the purposes of section 13 of the Unit Trusts Act 1960.

(4) Nothing in this section limits or prevents the issue of units in an approved unit trust to persons other than persons previously holding bonus bonds or Post Office bonus bonds.

6. Guarantee by Crown—(1) The Crown hereby guarantees, for a period of 2 years commencing on the appointed day, the performance of all obligations arising under an approved unit trust in respect of units deemed to have been issued to persons who were previously the holders of bonus bonds and Post Office bonus bonds.

(2) Any money that is required to be paid by the Crown under subsection (1) of this section shall be paid out of the Crown Bank Account without further appropriation than this section.

(3) Any money required to be paid by the Crown under subsection (1) of this section shall constitute a debt due to the Crown by the unit trust and shall be recoverable as such in any Court of competent jurisdiction.

7. Use of term “bonus bonds”—(1) On and after the appointed day the Bank shall have the sole and exclusive right to use of the term “bonus bonds” in connection with the issue of units in an approved unit trust.

(2) Except as provided in subsection (1) of this section, no person shall use the words “bonus bond” or “bonus bonds” or those words in combination with any other words in connection with the issue of securities by that person.

8. Application of Unit Trusts Act 1960—(1) Subject to subsection (2) of this section, the Bank is exempted from compliance with section 7 of the Unit Trusts Act 1960 in respect of the issue of, or any offer or invitation to the public to subscribe for or purchase, interests in an approved unit trust.

(2) The exemption contained in subsection (1) of this section is subject to the condition that statements that comply with section 7 of the Unit Trusts Act 1960 are on display and

available to the public during normal business hours at each branch of the Bank at which applications for units can be made.

(3) Subject to subsection (4) of this section, the Bank is exempted from compliance with section 11 of the Unit Trusts Act 1960 in so far as that section requires an audited statement of accounts in respect of an approved unit trust and a statement of amendments to the trust deed to be sent to persons who are unit holders.

(4) The exemption contained in subsection (3) of this section is subject to the condition that the Bank will supply to a unit holder, on request, a copy of an audited statement of accounts in respect of the unit trust together with a summary of amendments to the trust deed that have been made since the date of the last statement.

(5) For a period of 2 years commencing on the appointed day nothing in—

(a) Section 19 (1) of the Units Trusts Act 1960, in so far as it relates to applications to the Court by the trustee of a unit trust or the Minister of Justice; or

(b) Paragraph (a) of subsection (2) of section 19 of the Unit Trusts Act 1960; or

(c) Subsection (3) of section 19 of the Unit Trusts Act 1960, in so far as it relates to the removal of the manager of the unit trust on the application to the Court of the trustee of the unit trust or the Minister or to the manager ceasing to hold office in the manner prescribed by paragraph (a) of subsection (2) of that section, as the case may be,—

applies to the Bank in its capacity as the manager of an approved unit trust.

9. Application of Gaming and Lotteries Act 1977—

Nothing in the Gaming and Lotteries Act 1977 applies to, or in connection with,—

(a) The purchase or subscription of units in an approved unit trust; or

(b) Any cash prize payable to the holders of such units; or

(c) The holding of ballots for the distribution of prizes to the holders of such units.

10. Amendment to Income Tax Act 1976—(1) Section 61 of the Income Tax Act 1976 is hereby amended by repealing subsection (45).

(2) This section shall come into force on the appointed day.

11. Amendments to Post Office Bank Act 1987—(1) The Post Office Bank Act 1987 is hereby amended by repealing the definitions of the terms “bonus bonds” and “Post Office bonus bonds” in section 2 and sections 4 and 5.

(2) This section shall come into force on the appointed day.

12. Revocation—(1) The Post Office Bonus Bonds Interest Notice 1981 (S.R. 1981/315) is hereby revoked.

(2) This section shall come into force on the appointed day.

This Act is administered in the Treasury.
