

RESERVE BANK OF NEW ZEALAND BILL

EXPLANATORY NOTE

THIS Bill consolidates and amends the Reserve Bank of New Zealand Act 1933 and its amendments.

Apart from the omission of detailed limitations and other wording in the present law based on the original private ownership of the Bank, and the bringing of the legislation into line with current banking practice, the main changes made in the present legislation are set out below.

- (a) The present wide definition of a bank (other than the Reserve Bank), imported from the Banking Act 1908, is replaced by a list of the present trading banks; but power is taken to declare other persons whose principal business is banking to be trading banks for the purposes of the new Act, and specified provisions of the Act may be applied by Order in Council to persons who, as a substantial part of their business, accept deposits or carry on any banking business:
- (b) The legal position of the Reserve Bank as a body corporate has been rectified by making the directors the members of the body corporate. Since the cancellation of the share capital in 1936 the Bank has had no members:
- (c) In addition to giving effect to the Government's monetary policy, the Bank is required to give effect to any resolution of Parliament in relation to that monetary policy. It is also required to have regard to any representations made by the Minister in respect of the Bank's management and the conduct of its business:
- (d) The Bank is given an unrestricted power to determine the denominations and content of its bank notes:
- (e) To give effect to its duty to maintain an adequate level of overseas exchange reserves, the Bank may prescribe the maximum amounts that trading banks may hold in overseas exchange in respect of their New Zealand business, and may require the sale of the excess to the Reserve Bank:
- (f) Express power is taken to make regulations for the control of overseas exchange transactions, and of other transactions affecting or likely to affect the overseas resources of New Zealand. The intention is that such regulations will replace the Finance Emergency Regulations 1940 (No. 2), and the Bill has been drafted to cover the matters now covered by those regulations, with some extensions. Meanwhile, those regulations are to continue in force as if made under the new Act, and the Emergency Regulations Act 1939 and its amendments are repealed.

Full notes on the changes made by the individual clauses of the Bill are set out below, and references to the corresponding sections of the existing legislation and, where appropriate, the corresponding provisions of the Finance Emergency Regulations, are given under the clauses of the Bill.

The *Preamble* includes, in its first recital, the wording of section 12 (1) of the present Act (as inserted by the 1960 Amendment Act).

Clause 1 relates to the Short Title and commencement of the new Act. Except for *clauses 32 and 33* (which relate to returns by trading banks and will come into force on 1 January 1965), the Bill will come into force on its passing.

Clause 2 is the interpretation clause. The definition of "bank note" has been revised.

The definition of "trading bank" is substituted for the existing definition of "bank" (which under the Banking Act 1908 means any person carrying on in New Zealand the business of banking). For the purposes of this Bill a trading bank means any of the five banks named in the *First Schedule*, and includes any other persons or classes of persons declared by Order in Council under *clause 37* to be trading banks in respect of the whole or any specified part of their business.

PART I

CONSTITUTION AND FUNCTIONS OF RESERVE BANK OF NEW ZEALAND

Clause 3 continues the existence of the Reserve Bank as a body corporate with its Head Office at Wellington.

Clause 4: At present the Bank, though a body corporate by statute, has in fact no members. This was the result of the cancellation of the share capital of the Bank in 1936. The amending Act of that year expressly declared the Bank to continue to be a body corporate notwithstanding the cancellation of the share capital. The Bank continued to be conducted by the Board of Directors.

This clause reconstitutes the Bank so that the body corporate consists of the directors; and the expression "the Bank" is accordingly substituted for the expression "the Board of Directors" throughout the Bill. There will be the same number of directors (10) as before—namely, the Governor, the Deputy Governor, the Secretary to the Treasury, and seven others appointed by the Governor-General in Council. The present directors will continue in office until the expiry of the terms for which they were appointed.

Clause 5 re-enacts, with one change and minor drafting alterations, the present disqualifications applying to directors. It will no longer be a disqualification for appointment that a person is not a British subject by birth.

Clause 6 re-enacts, with modifications, the provisions relating to the executive committee of the Bank. Whereas at present a decision of the committee has to be confirmed by the directors, it now has only to be placed before them. A new provision is added requiring that no business is to be transacted by the committee unless the Governor or Deputy Governor and at least one other director are present.

Clause 7 is new. It provides that the Bank may appoint subcommittees with such functions as the Bank may determine. Every subcommittee is subject to the control of the Bank, and none of its decisions will have effect unless they are confirmed by the Bank.

Functions of Bank

Clause 8 restates the primary functions of the Bank. The clause follows substantially the existing sections 12 (2) and 12A (as inserted by the Amendment Act of 1960), and the basic function of giving effect to the Government's monetary policy is retained. The principal modifications are set out below.

Subclause (1): Paragraph (a) of this subclause is new. *Paragraph (c)* re-enacts section 12A (1) of the present Act (as to giving effect to the Government's monetary policy as communicated to the Bank by the Minister), but also contains added words requiring the Bank to give effect to any resolution of Parliament in relation to that monetary policy.

Subclause (2) re-enacts, with a minor drafting alteration, section 12 (2) of the present Act.

Subclause (3): Paragraph (a) now includes the words "banking transactions". *Paragraph (c)* replaces, in general terms, the present section 12A (2) (c) which relates to the transfer of money to or from New Zealand and the disposal of the overseas proceeds of exports, and which is now dealt with in detail in *clause 29*.

The present section 12A (3) (c) (which requires the Bank to have regard to representations made by the Minister in respect of its functions or business, and to give effect to decisions of the Government in relation thereto) is replaced in a modified form by *clause 13*.

The present section 12A (4) (which authorises the making of regulations for the purpose of enabling the Bank to fulfil its functions) is now covered generally by *clause 51 (a)* and, in respect of exchange control, by *clause 29*.

Clauses 9 and 10 set out the particular powers of the Bank and the restrictions on the conduct of its business. These provisions are in more general terms than at present. The direction to publish a minimum discount rate is omitted. The requirement that the Bank must obtain the authority of the Governor-General in Council before issuing bank notes of a denomination less than ten shillings is also omitted. The power to issue bank notes is transferred to *Part III* of the Bill.

Some of the existing limitations on the Bank's operating powers are removed. Most of those limitations are of a technical nature, relating to such matters as the term and type of bills that may be discounted or the kinds of securities that may be purchased. Others ceased to be appropriate when the Bank became a Government-owned institution.

Clause 11 re-enacts, with minor modifications, the provisions of section 4 of the Finance Act (No. 2) 1946, under which the terms and conditions of loans by the Bank to other Governments are to be approved by the Minister.

Clause 12 re-enacts the existing law as to Government banking transactions being entrusted to the Bank.

Clause 13 replaces section 12A (3) (c) of the present Act (as inserted by the 1960 Amendment Act). The Bank is to have regard to any representations made by the Minister in respect of the management of the Bank and the conduct of its business. The present provision requires the Bank to have regard to representations made by the Minister in respect of the Bank's functions or business, and to give effect to any decision of the Government in relation thereto conveyed to the Governor of the Bank in writing by the Minister.

General Provisions

Clause 14 deals with meetings and proceedings of the Bank, and makes no substantial alterations. The Bank is to meet not less frequently than 10 times a year, instead of once a month. The power of certain officers of the Treasury to attend meetings in the absence of the Secretary to the Treasury is replaced by a power for the Secretary to authorise the Deputy Secretary or any Assistant Secretary to attend meetings in his place or to do other acts which he may do as a director.

Clause 15 re-enacts the law as to the manner of making contracts. Minor drafting alterations, and the addition of *subclause (4)*, bring the clause into line with the formula used in section 3 of the Public Bodies' Contracts Act 1959, as far as it is relevant.

Clause 16 re-enacts the existing law, with the addition of a reference to travelling allowances and expenses; but the present limit of £4,000 on the aggregate of the annual fees paid to directors is omitted.

Clause 17 is new. It provides that a director is not to be personally liable for any act done by the Bank or by a director in good faith in the course of the Bank's operations.

PART II

GOVERNOR AND DEPUTY GOVERNOR OF BANK

Clause 18 re-enacts, with modifications, the existing provisions relating to the Governor and Deputy Governor of the Bank. They are no longer required to be persons "possessed of actual banking experience". Their term of office is to be five years, instead of seven as at present.

Subclause (2) provides that the Governor and Deputy Governor shall not, without the approval of the Minister in each particular case, hold any office of profit, or engage in any occupation for reward outside the duties of their office, or hold any interest in any bank. The present provision is that they are to "devote the whole of their time" to their duties and, in particular, are not to engage in business on their own account or act as directors of any business or hold any interest in any other bank.

Subclause (5) provides that the present Governor and Deputy Governor are to continue in office until the expiry of the terms for which they were appointed before the commencement of the new Act.

Clause 19 re-enacts, with minor modifications, the existing provisions relating to the duties of the Governor and Deputy Governor.

Clause 20 is new, and permits the Governor to delegate any of his powers or functions to an officer of the Bank. This is in addition to his power to delegate to the Deputy Governor under *clause 19*.

PART III

BANK NOTES

Clause 21 re-enacts, with modifications, the existing law as to the issue of bank notes by the Bank. The present provision that the Minister must approve the form, denominations, design, and material of notes is omitted. The Bank is also given power to determine the content of its notes.

Clause 22: Subclause (1) provides that the Bank may at any time not earlier than 20 years after the issue of any particular series of notes, and shall not later than 40 years after such issue, deem any notes of that series that are still outstanding to be no longer in circulation.

Subclause (2) re-enacts the general effect of section 15 (6) of the present Act, under which any notes issued by other banks, before the Reserve Bank assumed liability in August 1936, that are not presented before 1 August 1976 are to be deemed on the last-mentioned date not to be in circulation.

Subclause (3) provides that the Bank is still to be liable to pay any note that is deemed not to be in circulation under the preceding subclauses, and will be entitled to recover from the Public Account the value of any note so paid.

Clause 23 is new, and provides that any bank notes may be called in with the consent of the Minister; but the Bank will continue to be liable to pay any note so called in.

Clause 24 brings into the new Act section 10 of the Banking Act 1908, dealing with the defacement of bank notes. Section 10 of the Banking Act is consequentially repealed by *clause 54* of this Bill.

Clause 25 replaces section 46 of the Statutes Amendment Act 1938, which is at present part of the Police Offences Act 1927. In its new form the clause is extended from the making of a document resembling a bank note to the making, designing, engraving, printing, reproduction, or publication (whether by way of advertisement or otherwise), without the authority of the Bank, of any thing purporting to be a bank note, or so nearly resembling a bank note as to be calculated to deceive. In this clause, the term "bank note" includes, by virtue of *subclause (1)*, not only Reserve Bank notes but also negotiable instruments used or intended for use as currency and issued by any bank or Government in a country other than New Zealand, or by any other lawful authority.

PART IV

OVERSEAS EXCHANGE AND OTHER TRANSACTIONS

Clause 26: Subclause (1) re-enacts, with modifications but no change in substance, section 16 (3) of the present Act, as amended by section 4 of the 1960 Amendment Act. The present provision that the Bank is to fix the rate of exchange as between sterling and its own notes is reworded so as to relate to all currencies. The relationship between New Zealand currency and United Kingdom currency for immediate delivery in London is (as at present) a matter to be determined by the Minister after consultation with the Governor of the Bank.

The Bank's obligation (under section 16 (1) and (2) of the present Act) to sell and buy sterling exchange and the power of the Minister to suspend the obligation to sell sterling exchange (under section 16 of the 1936 Amendment Act) are omitted as unnecessary. The obligation to sell sterling exchange was suspended by the Sterling Exchange Suspension Notice 1938 (S.R. 1938/166).

Subclause (2) brings into this Bill, in more precise terms, a provision now in the definition of the term "current rate of exchange" in regulation 2 of the Finance Emergency Regulations 1940 (No. 2). It authorises the Bank to prescribe or approve the rates of exchange to be used in classes of transactions involving the conversion of New Zealand currency into the currency of another country, or the conversion of any such currency into New Zealand currency.

Subclause (3) brings into the Bill a provision now in regulations 3 (2) of the Finance Emergency Regulations 1940 (No. 2). It is an offence to be a party to a transaction involving any such conversion of currency at a rate other than the rate fixed or approved under this clause.

Clause 27 re-enacts, with drafting modifications, the present provisions under which, on an alteration by the Government of the exchange rate as between New Zealand currency and the United Kingdom currency, the Bank is to pay into the Public Account the amount of any consequent appreciation of its assets, or, where there is a depreciation of its assets, is entitled to receive from that account the amount of the depreciation. For the purpose of calculating the amount of the appreciation or depreciation of assets it is made clear that the amount of the appreciation or depreciation of liabilities is to be deducted; that there are to be taken into account all overseas assets and liabilities that the Bank has already agreed to acquire or sell or in respect of which it has entered into any form of indemnity relating to alterations in the exchange rate; and that the sum payable by or to the Bank is to be ascertained in New Zealand currency.

Clause 28: Subclauses (1) and (2) substitute for the present absolute duty of the Bank to maintain reserves a duty to endeavour, within the limits of its powers, to maintain an adequate level of overseas exchange reserves and to report to the Minister on the position and prospects from time to time.

Subclauses (3) to (6) are new. They authorise the Bank to prescribe from time to time the maximum amounts that trading banks may hold in overseas exchange in respect of their New Zealand business, and to require those banks to sell to the Bank all or part of any such holdings that are in excess of the prescribed maximum. The Bank is under a duty, in exercising these powers, to ensure that there is no unfair discrimination among trading banks.

Clause 29 authorises the making of regulations relating to overseas exchange transactions, and other transactions affecting or likely to affect the overseas resources of New Zealand. This *clause 29* and *clause 51* replace the general power, under section 12A (4) of the Act (as inserted by section 3 (1) of the 1960 Amendment Act), to make regulations for the purpose of enabling the Reserve Bank to fulfil its functions. It is intended that regulations under the new Act will replace such of the provisions of the Finance Emergency Regulations 1940 (No. 2) as are not reproduced in the Bill. (The Finance Emergency Regulations are reprinted (with amendments) as S.R. 1953/113, and have since been amended by S.R. 1954/189, 1956/137, 1959/27, 1960/100, and 1963/176. They deal generally with the taking or export of money and securities from New Zealand and the control of dealings with foreign currency and foreign securities.)

Subclause (1) authorises the Governor-General by Order in Council, if he is satisfied that it is necessary to do so for the purpose of safeguarding in the public interest the credit, overseas resources, or development of New Zealand, to make regulations for the control of exchange transactions and of other transactions affecting or likely to affect the overseas resources of New Zealand.

Subclause (2) sets out particular matters to which such regulations may relate. The following brief notes indicate the principal matters in respect of which the proposed powers extend beyond the provisions of the Finance Emergency Regulations:

Paragraph (a): The transfer of securities to New Zealand.

Paragraph (b): The registration of securities in the names of persons not ordinarily resident in New Zealand, or their nominees, trustees, or agents; and the issue or transfer of securities to companies that are under the effective control of such persons or of bodies corporate incorporated outside New Zealand; and the furnishing of information in relation to the ownership or control over securities by such persons or companies.

Paragraph (d): The disposal of foreign currency and securities to or by persons temporarily in New Zealand.

Paragraph (g): The provision of services or work or other benefits in New Zealand in return for any valuable consideration or benefit outside New Zealand, and the inclusion of arrangements and transactions having the effect of a specific dealing, by whatever method they are made.

Subclause (3) authorises the inclusion in the regulations of the powers of search and examination now contained in regulation 4 of the Finance Emergency Regulations.

Subclause (4) provides that regulations made for the purposes of *paragraph (d)* or *paragraph (g)* of *subclause (2)* may be made retrospective to the date of the introduction of the Bill or to any later date.

Subclauses (5) to (9) contain definitions and interpretation provisions for the purposes of the clause. These definitions are taken from the Finance Emergency Regulations, with some extensions and modifications. In *subclause (5)* the definitions of "foreign securities" and "securities" have been extended. *Subclause (6)* is new. *Subclause (7) (b)* is a modification of the existing provisions, to cover the case of a body corporate that has its head office outside New Zealand but carries on business in New Zealand through a branch. *Subclause (9) (b)* is new.

Clause 30 authorises the making of regulations to control dealings in gold.

Clause 31 provides that the book value of gold owned by the Bank is not to exceed its value in New Zealand currency computed by reference to the market price of fine gold in London. At present the value is determined by the Minister of Finance, subject to the same limit, and if he notifies the Bank that such value is increased the amount of the increase is to be credited to a special reserve in the Bank's books and held on behalf of the Crown.

PART V

REGULATION OF BANKING AND CREDIT

Clause 32 re-enacts, in a redrafted form, the requirement that trading banks are to make a monthly return to the Reserve Bank of their principal liabilities and assets. A form of return is set out in the *Second* Schedule to the Bill; but minor variations in the form, recommended by the Reserve Bank after consultation with the trading banks and approved by the Minister, are not to vitiate the return.

Subclause (5) is new, and authorises the Reserve Bank to require further information from the trading banks as to their New Zealand business.

Subclause (6) is a new provision to protect the confidential relationship between trading banks and their customers.

Clause 33 re-enacts, with drafting modifications, the present requirement that the Bank of New Zealand is to make a supplementary return relating to its Long-term Mortgage Fund.

Clause 34: At present the reserve ratio in the form of balances to be maintained in the Reserve Bank by the trading banks is varied by *Gazette* notice from time to time, but must not be less than seven per cent of demand liabilities in New Zealand and three per cent of time liabilities.

This clause eliminates the statutory minimum, and authorises the Reserve Bank from time to time, by a uniform notice to the trading banks with the approval of the Minister, to require the holding of balances at the Reserve Bank, or of assets of a specified kind including such balances, of a minimum amount to be specified in the notice. A copy of the notice is to be gazetted.

Clause 35: Except for minor modifications and the addition of *subclause (4)*, which imposes a penalty for non-compliance, this clause re-enacts section 45A of the present Act, as inserted by the 1960 Amendment Act.

Clause 36 re-enacts, with extensions, the existing law as to the inspection of the books and accounts of trading banks.

Subclause (2) authorises the Reserve Bank, in addition to or instead of appointing an inspector, to require information to be supplied by a trading bank which has not complied with the Act or has made an incorrect return.

The effect of *subclause (5)* is to protect the confidential relationship between a trading bank and its customers, and to apply the offence provisions of *clause 32*, for the purposes of the new *subclause (2)*.

Clause 37 is new, and authorises the Governor-General in Council, on the recommendation of the Minister made after consultation with the Governor of the Reserve Bank, to declare any persons or classes of persons whose principal business is banking to be trading banks for the purposes of the new Act. See the note on the definition of "trading bank" in *clause 2*.

Clause 38 is new, and authorises the Governor-General in Council, on the recommendation of the Minister made after consultation with the Governor of the Reserve Bank, to apply any specified provisions of the new Act, with modifications (if any), to any persons or class of persons, being persons who, as a substantial part of their business in New Zealand, accept deposits or carry on any banking business.

Clause 39 makes it clear that persons who are brought in under either of the last two preceding clauses are not by reason only of that fact to be taken to be banks or bankers for the purposes of any other Act.

PART VI

ACCOUNTS OF RESERVE BANK

Clause 40 re-enacts the existing law as to the Bank's financial year.

Clause 41 provides for the payment of the Bank's surplus in any year to the Public Account. This replaces the detailed provisions of the existing law, but is to the same general effect.

Clause 42 provides, as at present, for a weekly statement to be sent by the Bank to the Treasury; but it is now also to be sent to the Minister and is to be in a form approved by the Minister instead of in a form set out in the Act.

Clause 43 provides for the Bank's annual accounts to be sent to the Minister as well as to the Treasury.

Clause 44 re-enacts the existing law as to the appointment of the Bank's Auditors, and continues the present Auditors in office for their present terms.

Clause 45 re-enacts, with minor modifications, the present provisions for the furnishing by the Bank of an annual report.

Clause 46 re-enacts, with minor modifications, the present provisions as to the penalty for making false statements, etc.

PART VII

MISCELLANEOUS PROVISIONS

Clause 47 re-enacts the present law as to the exemption of the Bank from taxation.

Clause 48 transfers to the new Act the provisions of section 2 of the Banking Amendment Act 1935.

Clause 49 re-enacts the present law as to the construction of the Act.

Clause 50 re-enacts regulation 20 of the Finance Emergency Regulations 1940 (No. 2). The effect is that the obligations of any person under the new Act or any regulations made under it are not limited by any obligation or limitation imposed by any other Act or any trust.

Clause 51: Paragraph (a) gives power to make regulations providing for such matters as are necessary to enable the Minister or the Reserve Bank to exercise his or its functions under the Act or under regulations made for the purposes of the Act. The other paragraphs relate generally to the matters at present covered by regulations 16 to 19 of the Finance Emergency Regulations 1940 (No. 2).

Clause 52 brings into the Bill regulation 21 (1) of the Finance Emergency Regulations 1940 (No. 2), relating to offences against the proposed regulations.

Clause 53 brings into the Bill regulations 21 (2) and (3) and 22 (1A) of the Finance Emergency Regulations 1940 (No. 2), and relates to penalties and forfeitures in respect of offences under *clause 52*. In *subclause (1)* the maximum fines are increased from £200 (and £200 a day) to £1,000 (and £500 a day) in the case of an individual, and from £1,000 (and £1,000 a day) to £2,000 (and £1,000 a day) in the case of a body corporate.

The offences to which this clause relates are made indictable (instead of summary, as they are under the Finance Emergency Regulations), and summary jurisdiction is also conferred.

The remaining provisions of regulation 22 of the emergency regulations, under which, in addition to a fine and forfeiture on conviction, a person who wilfully commits any of certain offences is also liable to a penalty equal to the value of any gold or currency or securities to which the offence relates, are omitted.

Clause 54: Subclause (1) provides that the Finance Emergency Regulations 1940 (No. 2) are to continue in force as if made under the new Act.

Subclause (2) declares the Export Licences Regulations 1938 (S.R. 1938/60) to have been validly made under the new Act so far as they relate to the proceeds of exports. Those regulations were made partly under the Customs Act 1913 and partly under the general power to make regulations conferred by section 10 of the Reserve Bank Amendment Act 1936 (since replaced by section 12A (4) of the Reserve Bank of New Zealand Act 1933, as inserted by section 3 (1) of the 1960 Amendment Act). The relevant regulations are regulations 11 and 12.

Clause 55 repeals the enactments set out in the *Fourth* Schedule, including the Emergency Regulations Act 1939 and its amendments. Anything done under the Reserve Bank of New Zealand Amendment Act 1964 (under which the Reserve Bank was authorised to act as the Registrar of Stock on behalf of Governments and other authorities in other countries) may be continued and completed under the new Act.

The *First* Schedule contains the list of trading banks.

The *Second* Schedule contains the form of monthly return to be made by trading banks.

The *Third* Schedule contains the form of supplementary return to be made by the Bank of New Zealand.

The *Fourth* Schedule contains the list of enactments repealed.

Hon. Mr Lake

RESERVE BANK OF NEW ZEALAND

ANALYSIS

Title	19. Duties of Governor and Deputy Governor
Preamble	20. Governor may delegate to officers of Bank
1. Short Title and commencement	
2. Interpretation	
PART I	
CONSTITUTION AND FUNCTIONS OF RESERVE BANK OF NEW ZEALAND	
3. Reserve Bank of New Zealand	21. Issue of bank notes by Bank
4. Constitution of Bank	22. Bank notes may be deemed not to be in circulation
5. Disqualification of directors	23. Calling in of bank notes
6. Executive committee of Bank	24. Defacing bank notes
7. Subcommittees of Bank	25. Reproduction or imitation of bank notes
<i>Functions of Bank</i>	
8. Primary functions of Bank	PART IV
9. Particular powers and functions	OVERSEAS EXCHANGE AND OTHER TRANSACTIONS
10. Restrictions on conduct of business of Bank	26. Exchange rates
11. Terms and conditions of loans to other Governments	27. Appreciation or depreciation of assets of Bank on alteration of exchange rate
12. Government banking business	28. External reserves
13. Bank to have regard to representations of Minister	29. Control of overseas exchange and other transactions
<i>General Provisions</i>	
14. Meetings and proceedings of Bank	30. Dealings in gold
15. Contracts of Bank	31. Valuation of gold held by Bank
16. Fees and expenses of directors	PART V
17. Protection of directors for acts done in good faith	REGULATION OF BANKING AND CREDIT
PART II	
GOVERNOR AND DEPUTY GOVERNOR OF BANK	
18. Governor and Deputy Governor of Bank	32. Trading banks to make returns to Reserve Bank
	33. Additional particulars to be contained in monthly returns of Bank of New Zealand
	34. Trading banks to hold liquid assets
	35. Control of bank credit and interest rates

36. Inspection of books of trading banks and supply of information
 37. Governor-General in Council may declare certain persons to be trading banks
 38. Application of Act to other persons
 39. Construction of last two preceding sections

PART VI

ACCOUNTS OF RESERVE BANK

40. Financial year of Bank
 41. Payment of surplus to Public Account
 42. Weekly statements
 43. Annual accounts
 44. Auditors

45. Annual report
 46. Penalty for false statements, etc.

PART VII

MISCELLANEOUS PROVISIONS

47. Exemption of Reserve Bank from taxation
 48. Application of Banking Act to Reserve Bank
 49. Conflict with other Acts
 50. Obligations under this Act not limited by trusts, etc.
 51. Regulations
 52. Offences against regulations
 53. Penalties for offences
 54. Certain regulations to continue in force under this Act
 55. Repeals and savings
 Schedules

A BILL INTITULED

An Act to consolidate and amend certain enactments of the General Assembly relating to the Reserve Bank of New Zealand, and to make better provision for the control of overseas exchange and other transactions

5

WHEREAS it is the sovereign right of the Crown to control currency and credit in the public interest: And whereas for that purpose it is desirable to define more fully the powers and duties of the Reserve Bank of New Zealand as the central bank:

10

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. Short Title and commencement—(1) This Act may be cited as the Reserve Bank of New Zealand Act 1964.

15

(2) Sections 32 and 33 of this Act shall come into force on the first day of January, nineteen hundred and sixty-five.

(3) Except as provided in subsection (2) of this section, this Act shall come into force on its passing.

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

20

“Bank note” or “note” means any negotiable instrument used or circulated, or intended for use or circulation, as currency:

“Deputy Governor” means the Deputy Governor of the Reserve Bank appointed under this Act:

25

“Governor” means the Governor of the Reserve Bank appointed under this Act:

“Minister” means the Minister of Finance:

5 “Reserve Bank” or “the Bank” means the Reserve Bank of New Zealand constituted under this Act:

10 “Trading bank” means any bank named in the First Schedule to this Act; and, subject to the provisions of any Order in Council made under section 37 of this Act, includes any person or class of persons declared by the Governor-General, by that Order in Council, to be a trading bank.

PART I

CONSTITUTION AND FUNCTIONS OF RESERVE BANK OF NEW ZEALAND

15 **3. Reserve Bank of New Zealand**—(1) There shall continue to be a bank called the Reserve Bank of New Zealand, which shall be a body corporate with perpetual succession and a common seal and shall be capable of acquiring, holding, and disposing of real and personal property, of suing and
20 being sued, and of doing all such other acts and things as bodies corporate may lawfully do and suffer.

(2) The Bank is hereby declared to be the same body corporate as that which was constituted by the Reserve Bank of New Zealand Act 1933, as amended by section 4
25 of the Reserve Bank of New Zealand Amendment Act 1936.

(3) The Bank shall continue to have its Head Office in Wellington, and may establish such branches and agencies and appoint such agents in New Zealand or elsewhere as in its discretion it thinks fit.

30 Cf. 1933, No. 11, s. 3 (1), (2); 1936, No. 1, ss. 4, 9

4. Constitution of Bank—(1) The Bank shall hereafter consist of ten directors, being—

- (a) The Governor:
- (b) The Deputy Governor:
- 35 (c) The Secretary to the Treasury:
- (d) Seven other directors (in this section referred to as the appointed directors) to be appointed from time to time by the Governor-General in Council.

(2) The appointed directors shall hold office during the pleasure of the Governor-General in Council and may from time to time be reappointed:

Provided that no such director shall hold office continuously for more than five years without reappointment. 5

(3) The persons holding office at the commencement of this Act as the ordinary members of the Board of Directors of the Reserve Bank of New Zealand under the Reserve Bank of New Zealand Act 1933 (as amended by the Reserve Bank of New Zealand Amendment Act 1936) shall, without further appointment than this section, be deemed to have been appointed as directors of the Bank under paragraph (d) of subsection (1) of this section; and each such person shall, unless he dies or resigns his office or becomes disqualified under this Act, continue to hold office as a director, subject to subsection (2) of this section, until the expiry of the term of office for which he was appointed before the commencement of this Act. 10 15

(4) Not more than one of the appointed directors of the Bank shall at any time be a director of any trading bank, or of any bank carrying on business outside New Zealand. 20

(5) Any appointed director of the Bank may at any time resign his office by writing under his hand addressed to the Minister.

(6) The validity of the acts of the Bank shall not be affected by any vacancy in its membership or by a breach of subsection (4) of this section. 25

Cf. 1933, No. 11, ss. 23 (1), (2), 31; 1936, No. 1, ss. 5, 6, 7, 8, 9, 17

5. Disqualification of directors—(1) No person shall be appointed or continue to hold office as a director of the Bank, whether as Governor or Deputy Governor or otherwise, who— 30

- (a) Is or becomes a member of Parliament; or
- (b) Is employed as a servant of the Crown in any Government Department; or 35
- (c) Is employed in the service of any trading bank, or, except as otherwise permitted by or under this Act, is a director of any trading bank or of any bank carrying on business outside New Zealand; or 40
- (d) Being a bankrupt under the Bankruptcy Act 1908, has not obtained an order of discharge under that Act.

(2) Nothing in this section shall apply to the Secretary to the Treasury in his capacity as a director of the Bank.

Cf. 1933, No. 11, s. 32 (1) (b)-(e), (3); 1936, No. 1, s. 9

5 **6. Executive committee of Bank**—(1) There shall be an executive committee of the Bank, consisting of the Governor, the Deputy Governor, and not less than one other director acting by direction of the Bank or, in the absence of any such direction, acting with the concurrence of the Governor.

10 (2) The committee shall be competent to deal with any matter within the competence of the Bank, but every decision of the committee shall be placed before the Bank at its next meeting.

15 (3) The Governor, or in his absence the Deputy Governor, shall be the Chairman of the executive committee, and shall convene meetings of the committee whenever he deems it necessary to do so.

(4) No business shall be transacted by the committee unless the Governor or the Deputy Governor and at least one other member of the committee are present.

20 Cf. 1933, No. 11, s. 34 (1)

7. Subcommittees of Bank—(1) The Bank may from time to time appoint from among its directors such subcommittees as it thinks fit, with such functions in relation to this Act as the Bank may from time to time determine.

25 (2) Every such subcommittee shall be subject in all things to the control of the Bank, and no decision of any such subcommittee shall have any operation or effect until it is confirmed at a meeting of the Bank.

30 *Functions of Bank*

8. Primary functions of Bank—(1) The primary functions of the Bank shall be—

(a) To act as the central bank for New Zealand; and

35 (b) To advise the Government on matters relating to monetary policy, banking, and overseas exchange; and

(c) Within the limits of its powers, to give effect to the monetary policy of the Government as communicated in writing to the Bank under subsection (2) of this section, and to any resolution of Parliament in relation to that monetary policy. 5

(2) For the purposes of this Act, the Minister may from time to time communicate to the Bank the monetary policy of the Government, which shall be directed to the maintenance and promotion of economic and social welfare in New Zealand having regard to the desirability of promoting the highest degree of production, trade, and employment and of maintaining a stable internal price level. 10

(3) The Bank may, on behalf of the Government, regulate and control—

(a) Money, banking, banking transactions, credit, and currency: 15

(b) Rates of interest in respect of such classes of transactions as may from time to time be prescribed:

(c) Overseas exchange, and overseas exchange transactions. 20

Cf. 1933, No. 11, ss. 12, 12A (1), (2), (3) (a); 1960, No. 118, ss. 2, 3 (1)

9. Particular powers and functions—(1) Without limiting the general power of the Bank to carry on the business of a central bank, the Bank may, whether in New Zealand or elsewhere, do all or any of the following things: 25

(a) Accept money on deposit, whether for fixed periods or subject to notice or on current account:

(b) Borrow money, establish credits, and give or accept guarantees in any currency and on terms providing for repayment or payment, as the case may require, in the same or any other currency: 30

(c) Charge, pledge, or deposit by way of security, any part of its assets for any of the purposes of paragraph (b) of this subsection, or for any other purpose whatsoever that may be approved in writing by the Minister: 35

(d) Lend money on such security as the Bank may require; and, with the prior consent of the Minister (which may be given in respect of any case or class of case), lend money without security: 40

(e) Buy, sell, discount, and rediscount bills of exchange, promissory notes, and treasury bills:

- (f) Buy and sell securities issued or guaranteed by any Government, or issued by any local authority or public body, and such other classes of securities as may be approved from time to time by the Minister:
- 5 (g) With the prior consent of the Minister in each case, underwrite loans:
- (h) Buy, sell, borrow, and otherwise deal in overseas exchange, specie, gold, silver, and other precious metals:
- 10 (i) Acquire, hold, and dispose of land on any tenure:
- (j) Undertake the issue and management of loans for or on behalf of the Government of New Zealand or any local authority or public body in New Zealand or, with the prior consent of the Minister, for or on
- 15 behalf of the Government of, or any authority or public body constituted or established in, any other country:
- (k) Keep registers of stock for or on behalf of the Govern-
- 20 ment of New Zealand or any local authority in accordance with the New Zealand Loans Act 1953 and the Local Authorities Loans Act 1956; keep a register of stock for or on behalf of any other public body in New Zealand; and, with the prior consent of the Minister, keep a register of stock for or on
- 25 behalf of the Government of, or any authority or public body constituted or established in, any other country:
- (l) Organise a clearing system:
- (m) Act as correspondent or agent for any person:
- 30 (n) Enter into such agreements and arrangements and obtain such assurances as may be necessary or expedient for the conduct of its business and the exercise of its powers:
- (o) Do any other business, or exercise any other powers,
- 35 incidental to or consequential on any of the provisions of this Act and not prohibited by or under this Act.
- (2) Where, pursuant to the powers conferred by para-
- 40 graph (k) of subsection (1) of this section, the Bank keeps a register of stock for or on behalf of any public body in New Zealand, or for or on behalf of the Government of, or any authority or public body constituted or established in, any other country, the provisions of sections 67 to 79 and sections 81 and 82 of the Local Authorities Loans Acts 1956
- 45 (which relate to stock issued by a local authority), as far

as they are applicable and with any necessary modifications, shall apply as if the stock had been issued and registered under that Act and as if the references in those sections to the local authority were references to that Government, authority, or public body. 5

(3) The powers conferred on the Bank by any provision of this Act shall not be construed to limit or affect the powers conferred on it by or under the authority of any other provision of this Act or of any other Act.

Cf. 1933, No. 11, ss. 13, 22; 1934, No. 2, ss. 6, 7; 1936, 10
No. 1, ss. 11, 13, 14; 1936, No. 36, ss. 25, 26; 1946,
No. 16, s. 21; 1946, No. 41, s. 4; 1958, No. 7, s. 2;
1964, No. 7, s. 2

10. Restrictions on conduct of business of Bank—Except with the authority of the Governor-General in Council, 15 notified in the *Gazette*, it shall not be lawful for the Bank to—

- (a) Engage in trade, or otherwise have a direct interest in any commercial, industrial, financial, or similar undertaking; or 20
- (b) Purchase or subscribe for the shares of any trading bank or any financial institution in New Zealand or elsewhere; or
- (c) Lend money on the security of any shares that the Bank is prohibited from purchasing. 25

Cf. 1933, No. 11, s. 14; 1936, No. 1, ss. 9, 15; 1939, No. 41, s. 3

11. Terms and conditions of loans to other Governments—

(1) No loan or advance shall be made by the Bank to the Government of any country other than New Zealand, and 30 no credit shall be established or guarantee given by the Bank in respect of any such Government, unless the terms and conditions thereof have been approved by the Minister.

(2) The amount of any loss suffered by the Bank in respect of any loan, advance, credit, or guarantee of which 35 the terms and conditions have been so approved shall, without further appropriation than this section, be paid to the Bank out of the Public Account.

Cf. 1946, No. 41, s. 4

12. Government banking business—(1) Subject to the provisions of the Public Revenues Act 1953, the Government shall entrust to the Bank, and the Bank shall undertake, all the money, remittance, exchange, and banking transactions
5 of the Government.

(2) The Bank shall appoint such agents as may be required to enable it to perform its duties under this section.

(3) No charge shall be made by the Bank against the Government for the services of the Bank or its agents under
0 this section.

Cf. 1933, No. 11, s. 21; 1935, No. 41, s. 9

13. Bank to have regard to representations of Minister—
The Bank shall have regard to any representations made by the Minister in respect of the management of the Bank or the
15 conduct of its business.

Cf. 1933, No. 11, s. 12A (3) (c); 1960, No. 118, s. 3 (1)

General Provisions

14. Meetings and proceedings of Bank—(1) The Bank shall meet not less frequently than ten times in every year.

20 (2) The Governor or Deputy Governor shall convene a special meeting of the Bank at the request in writing of three or more of the directors.

(3) At all meetings of the Bank the Governor, or in his absence the Deputy Governor, shall be the Chairman; but in
25 the absence of both of them from any meeting the directors present shall appoint one of their number to be the Chairman for that meeting.

(4) No business shall be transacted at any meeting of the Bank unless at least five directors are present.

30 (5) Decisions of the Bank on any proposal shall be by a majority of the valid votes of the directors present and voting thereon.

(6) The Chairman at any meeting shall have a deliberative vote and, in the case of an equality of votes, a casting vote.

35 (7) Subject to the provisions of this Act, the Bank may regulate its own procedure.

(8) The Secretary to the Treasury may from time to time authorise the Deputy Secretary or any Assistant Secretary to the Treasury to attend any meeting in his place or, during
40 the intervals between meetings of the Bank, to do any act which the Secretary to the Treasury may do as a director of

the Bank. While so attending or acting any such officer shall be deemed to be a director; and the fact that he so attends or acts shall be conclusive proof of his authority to do so.

Cf. 1933, No. 11, s. 5, First Schedule; 1936, No. 1, s. 9

15. Contracts of Bank—(1) Any contract which, if made by private persons, must be by deed shall, if made by the Bank, be in writing under the common seal of the Bank. 5

(2) Any contract which, if made by private persons, must be in writing signed by the person to be charged therewith may, if made by the Bank, be either in writing under the common seal of the Bank or in writing signed by any person acting on behalf of and under the express or implied authority of the Bank. 10

(3) Any contract which, if made between private persons, may be made orally may, if made by the Bank, be made in any such manner as aforesaid or orally by any person acting on behalf of and under the express or implied authority of the Bank. 15

(4) Notwithstanding anything in the foregoing provisions of this section, no contract made by or on behalf of the Bank shall be invalid by reason only that it was not made in the manner provided by this section, if it was made pursuant to a resolution of the Bank or to give effect to a resolution of the Bank in relation to contracts generally or in relation to that particular contract. 20 25

Cf. 1933, No. 11, s. 4

16. Fees and expenses of directors—The directors, other than the Governor and the Deputy Governor, shall be entitled to receive such fees, travelling allowances, and travelling expenses as may from time to time be determined by the Governor-General in Council. 30

Cf. 1933, No. 11, s. 33; 1936, No. 1, s. 9

17. Protection of directors for acts done in good faith—No director of the Bank shall be personally liable for any act done by the Bank or by any director thereof in good faith in the course of the operations of the Bank. 35

PART II

GOVERNOR AND DEPUTY GOVERNOR OF BANK

18. **Governor and Deputy Governor of Bank**—(1) There shall be a Governor and a Deputy Governor of the Bank, 5 each of whom shall be appointed by the Governor-General in Council for a term of five years and shall be eligible for reappointment from time to time.

(2) Without limiting the provisions of section 5 of this Act, a person holding office as the Governor or Deputy Governor 10 of the Bank shall not, without the approval of the Minister in each particular case, hold any office of profit, other than his office as Governor or Deputy Governor, or engage in any occupation for reward outside the duties of his office, or hold any interest in any trading bank or in any bank carrying on 15 business outside New Zealand.

(3) If either the Governor or the Deputy Governor, during his term of office, becomes permanently incapable of performing the duties of his office, he may be removed from office by the Governor-General in Council, on the recom- 20 mendation of the Minister made at the request of the Bank.

(4) The Governor and the Deputy Governor shall each be entitled to receive out of the funds of the Bank such salary and allowances as may from time to time be fixed in that behalf by the Governor-General in Council.

25 (5) The persons holding office at the commencement of this Act as Governor and Deputy Governor of the Bank shall be deemed to have been appointed under this section, and each of them shall, unless he sooner dies or resigns, continue to hold office until the expiry of the term of office for which 30 he was appointed before the commencement of this Act.

(6) The Governor or the Deputy Governor may at any time resign his office by writing under his hand addressed to the Minister.

Cf. 1933, No. 11, ss. 24, 25, 26; 1936, No. 1, s. 18

35 19. **Duties of Governor and Deputy Governor**—(1) The Governor shall, on behalf of the Bank, be in permanent control of the administration of the assets and general business of the Bank, with authority to act and give decisions in all matters that are not by this Act or by resolution of the Bank 40 specifically required to be dealt with by the Bank or the executive committee.

(2) In the event of the absence or incapacity of the Governor, from whatever cause arising, the Deputy Governor shall have and may exercise all the powers and functions of the Governor.

(3) The Governor may at any time delegate to the Deputy Governor such of his powers and functions as he thinks fit, including his power of delegation under section 20 of this Act. 5

(4) The fact that the Deputy Governor exercises any powers or functions of the Governor shall be conclusive proof of his authority to do so, and no person shall be concerned to inquire whether the occasion for his doing so has arisen or has ceased. 10

(5) A delegation of any power or function under this section shall not prevent the exercise of the power or function by the Governor, and may be revoked at any time. 15

(6) In the event of both the Governor and the Deputy Governor being unable for any reason to carry out their duties, the Minister may appoint one of the other directors or an officer of the Bank or any other person to act as Governor for the time being; and any person so appointed shall, so long as his appointment continues, have all the powers and functions of the Governor: 20

Provided that if the absence from duty or other disability of both the Governor and the Deputy Governor extends over a period of more than one month, no person shall, after the expiry of that month, be appointed to act or continue to act as the Governor of the Bank except with the approval of the Governor-General in Council. 25

(7) Any person, other than a director of the Bank, who is appointed pursuant to this section to act as the Governor shall while so acting be deemed to be a director of the Bank. 30

Cf. 1933, No. 11, s. 27; 1936, No. 1, ss. 9, 19

20. Governor may delegate to officers of Bank—(1) The Governor may at any time, by writing under his hand, delegate to any officer of the Bank such of his powers and functions as he thinks fit. 35

(2) Subject to any general or special directions given or conditions attached by the Governor, any officer to whom any powers or functions are delegated under this section may exercise them in the same manner and with the same effect as if they had been conferred directly by this Act and not by delegation. 40

(3) Where any officer of the Bank purports to act pursuant to any delegation under this section he shall be presumed to be acting in accordance with the terms of the delegation, in the absence of proof to the contrary.

5 (4) A delegation under this section shall be revocable at will.

(5) A delegation of any power or function under this section shall not prevent the exercise of the power or function by the Governor.

10

PART III

BANK NOTES

21. Issue of bank notes by Bank—(1) The Bank shall have the sole right to issue bank notes in New Zealand.

(2) Every note so issued shall be a legal tender to the
15 amount expressed in the note.

(3) The Bank shall determine the denominations, form, design, content, and material of its bank notes.

Cf. 1933, No. 11, ss. 13 (1) (a), 15 (1), 20, 23 (3) (h)

22. Bank notes may be deemed not to be in circulation—

20 (1) The Bank may at any time not earlier than twenty years from the last day of issue by it of any particular series of bank notes, and shall not later than forty years from that day, deem any notes of that series that are still outstanding to be no longer in circulation.

25 (2) Any bank note issued by any other bank before the first day of August, nineteen hundred and thirty-four (being a bank note in respect of which the Reserve Bank assumed liability by virtue of section 15 of the Reserve Bank of New Zealand Act 1933), that is not presented for payment before
30 the first day of August, nineteen hundred and seventy-six, shall on the last-mentioned date be deemed not to be in circulation.

(3) Where pursuant to subsection (1) or subsection (2) of this section any bank notes are deemed not to be in circulation, an amount equivalent to the value thereof shall thereupon be paid by the Reserve Bank into the Public Account; but the Bank shall continue to be liable to pay any such note on presentation to the Head Office of the Bank, and shall be entitled to recover from the Public Account, without
40 further appropriation than this section, the value of any such note so paid.

Cf. 1933, No. 11, s. 15 (6)

23. Calling in of bank notes—(1) The Bank may from time to time, with the prior consent of the Minister, and by notice published in the *Gazette*, call in any of the bank notes, or all bank notes of any series, that have been issued by the Bank (whether before or after the commencement of this Act), or in respect of which the Bank has assumed liability under section 15 of the Reserve Bank of New Zealand Act 1933. 5

(2) Every such notice shall take effect on such date as is specified in the notice in that behalf. 10

(3) On the taking effect of the notice all bank notes to which it applies shall cease to be legal tender; but the Bank shall continue to be liable to pay any such note on presentation at the Head Office of the Bank.

24. Defacing bank notes—(1) Every person commits an offence and is liable on summary conviction to a fine not exceeding fifty pounds who— 15

(a) Without lawful authority, defaces any bank note, whether by means of any writing, printing, stamp, mark, or erasure, or otherwise howsoever; or 20

(b) Being a party to any such defacement of a bank note, pays away, parts with, puts in circulation, demands payment of, or deposits or offers to deposit in any bank any bank note so defaced.

(2) The endorsement of any bank note for the purpose of identification or for any other lawful purpose is not an offence within the meaning of this section. 25

Cf. 1908, No. 11, s. 10; 1935, No. 23, ss. 2 (1), 4

25. Reproduction or imitation of bank notes—(1) For the purposes of this section, the term “bank note” has the same meaning as in section 263 of the Crimes Act 1961. 30

(2) Every person commits an offence and is liable on summary conviction to a fine not exceeding one hundred pounds who, without the prior authority of the Reserve Bank, makes, designs, engraves, prints, reproduces in any manner, or publishes in any form, whether by way of advertisement or otherwise, any thing purporting to be, or so nearly resembling as to be likely to deceive, the whole or any part of a bank note; and on the conviction of a person for any such offence it shall be lawful for the Court to order the destruction of the thing in respect of which the offence was committed, and any copies thereof, or any plates, blocks, dies, or other 35 40

instruments used or capable of being used for printing or reproducing any such thing which are in the possession of the offender.

5 (3) If any person whose name appears on any such thing as aforesaid, or on any document containing any such thing, refuses, without lawful excuse, to disclose to a member of the Police on being so required the name and address of the person by whom the thing or document was made, designed, engraved, printed, reproduced, or published, he commits an
10 offence and is liable on summary conviction to a fine not exceeding one hundred pounds.

(4) The fact that the name of any person appears on any thing in respect of which that or any other person is charged with an offence under subsection (2) of this section, or on any
15 other thing used or distributed in connection with the thing to which the charge relates, shall, in the absence of proof to the contrary, be sufficient evidence that the first-mentioned person caused to be made the thing to which the charge relates.

20 Cf. 1938, No. 20, s. 46

PART IV

OVERSEAS EXCHANGE AND OTHER TRANSACTIONS

26. **Exchange rates**—(1) The rates at which the Bank exchanges New Zealand currency for other currencies shall be
25 fixed from time to time by the Bank:

Provided that the relationship between New Zealand currency and United Kingdom currency for immediate delivery in London may from time to time be determined by the Minister after consultation with the Governor of the Bank.

30 (2) The Bank may from time to time prescribe or approve the rates of exchange to be used in classes of transactions involving the conversion of New Zealand currency into the currency of any other country, or the conversion of the currency of any other country into New Zealand currency.

35 (3) Every person commits an offence and is liable on summary conviction to a fine not exceeding five hundred pounds who is a party to any transaction which involves the conversion of New Zealand currency into the currency of any other country, or the conversion of the currency of any other
40 country into New Zealand currency, at a rate of exchange

other than that for the time being fixed or approved under this section.

Cf. 1933, No. 11, s. 16; 1934, No. 2, s. 8; 1936, No. 1, s. 16; 1960, No. 118, s. 4 (1); Finance Emergency Regulations 1940 (No. 2), regs. 2, 3 (2) (reprinted S.R. 1953/113) 5

27. Appreciation or depreciation of assets of Bank on alteration of exchange rate—(1) In the event of an alteration at any time in the relationship between New Zealand currency and United Kingdom currency for immediate delivery in London— 10

(a) The Bank shall pay into the Public Account a sum equal to the amount of any appreciation of the Bank's assets, after deducting the amount of any appreciation of its liabilities, resulting from such alteration; or, as the case may require, 15

(b) The Minister shall, without further appropriation than this section, pay to the Bank out of the Public Account a sum equal to the amount of any depreciation of the Bank's assets, after deducting the amount of any depreciation of its liabilities, resulting from such alteration. 20

(2) For the purposes of this section—

(a) The assets and liabilities of the Bank at the time of any such alteration shall be deemed to include all overseas assets and liabilities that the Bank has agreed to acquire or sell, or in respect of which it has entered into any form of indemnity relating to alterations in the relationship between New Zealand currency and United Kingdom currency for immediate delivery in London; and 25 30

(b) Any sum payable by the Bank or the Minister under this section shall be ascertained in New Zealand currency.

(3) The Minister may from time to time borrow on the security of and charged upon the public revenues of New Zealand such sums of money as are required to be paid by him to the Bank under this section. All money borrowed under the authority of this subsection shall be borrowed under and subject to the provisions of the New Zealand Loans Act 1953, and shall, as and when borrowed, be paid to the Public Account. 35 40

Cf. 1934, No. 2, s. 4; 1948, No. 35, s. 2; 1960, No. 118, s. 4 (2)

28. External reserves—(1) It shall be the duty of the Bank to endeavour, within the limits of its powers, to maintain, in addition to any holdings of gold, an adequate level of overseas exchange reserves.

5 (2) The Bank shall from time to time inform the Minister of the overseas exchange position and prospects, and of the level of overseas exchange reserves that the Bank regards as adequate.

10 (3) The Bank may from time to time by notice in writing to trading banks prescribe the maximum amount or amounts that those banks may hold in overseas exchange in respect of their New Zealand business in all forms or in specified currencies, and may require those banks to sell to the Reserve Bank all or part of their holdings, in respect of
15 their New Zealand business, in excess of the maximum amount or amounts so prescribed.

(4) The manner of computing overseas exchange holdings for the purposes of subsection (3) of this section shall be prescribed by the Reserve Bank.

20 (5) In the exercise of its powers under subsection (3) of this section, it shall be the duty of the Reserve Bank to ensure that there is no unfair discrimination among trading banks.

25 (6) It shall be the duty of every trading bank to which a notice under this section relates to comply with the notice within two business days after the delivery thereof, or within such further time as the Reserve Bank may allow.

Cf. 1933, No. 11, s. 17; 1950, No. 5, s. 4

29. Control of overseas exchange and other transactions—

30 (1) In addition to any other power to make regulations conferred by this Act, the Governor-General may from time to time, by Order in Council, if he is satisfied that it is necessary to do so for the purpose of safeguarding in the public interest the credit, overseas resources, or development of New Zealand, make regulations providing for the prohibition, restriction,
35 regulation, and control of overseas exchange transactions, and of other transactions affecting or likely to affect at any time the overseas resources of New Zealand.

(2) Without limiting the generality of subsection (1) of this section, regulations may be made for the purposes of that
40 subsection in respect of all or any of the following matters:

(a) The taking, sending, or transfer of money or securities to or from New Zealand:

- (b) The registration of securities in the names of, or the issue, transfer, or delivery of securities to, or the furnishing of information in relation to the ownership or acquisition of or control over securities or rights or interests therein by, persons not ordinarily resident in New Zealand, or companies that are under the effective control of such persons or of bodies corporate incorporated outside New Zealand, or nominees, trustees, or agents of such persons or of such companies or bodies corporate; or the transfer to overseas registers of securities: 5
- (c) The commencement of business in New Zealand by companies incorporated outside New Zealand:
- (d) The disposal of foreign currency and foreign securities accruing to, held by, or at the disposal of persons resident, whether permanently or temporarily, in New Zealand: 15
- (e) Any dealing or transaction having the effect of a purchase, borrowing, sale, loan, or exchange of foreign currency or foreign securities: 20
- (f) The consideration for, and methods of settlement for, exports (including re-exports) from and imports into New Zealand, and the disposal of the overseas proceeds of exports and re-exports:
- (g) The acquisition, surrender, transfer, disposition, or provision of, or other dealings in, property, goods, money, securities, services, or work, or rights or interests in respect of any such things, or any other benefit, in New Zealand in consideration in whole or in part for the acquisition, surrender, transfer, disposition, or provision of, or other dealings in, property, goods, money, securities, services, or work, or rights or interests in respect of any such things, or any other benefit, outside New Zealand; or any arrangement or transaction having the like effect. 35
- (3) Any regulations made for the purposes of paragraph (a) of subsection (2) of this section may provide— 35
- (a) For the search, by authorised officers, of persons about to depart from New Zealand:
- (b) For the production to authorised officers of money or securities that such persons have with them: 40
- (c) For the examination and search, by authorised officers, of articles that such persons have or are taking with them, and the examination and search of ships and aircraft, for the purpose of discovering any money or securities: 45

5 (d) For the examination and search, by authorised officers, of articles or goods consigned or otherwise taken or sent from New Zealand to a destination outside New Zealand, for the purpose of discovering whether there are being sent with such articles or goods any money or securities:

10 (e) For the seizure, by authorised officers, of money or securities so produced or discovered, unless such officers are satisfied that the taking or sending thereof does not involve a contravention of the regulations:

(f) For the forfeiture of money or securities so seized.

15 (4) Any regulations made for the purposes of paragraph (d) or paragraph (g) of subsection (2) of this section may provide that those regulations shall be deemed to have come into force on the sixteenth day of October, nineteen hundred and sixty-four, or on any later date.

(5) For the purposes of this section, unless the context otherwise requires,—

20 “Authorised officer”, in relation to any matter, means any officer or agent of the Bank acting or employed in that matter with the written authority of the Minister, and any officer of Customs within the meaning of the Customs Act 1913, and any member of the Police:

25 “Foreign currency” means the bank notes or other currency, postal notes, or money orders of any country other than New Zealand; and includes promissory notes and bills of exchange payable otherwise than in New Zealand currency:

30 “Foreign securities” means—

(a) Any security in respect of which the principal is repayable, or interest is payable, in any country other than New Zealand, or in any foreign currency; and

35 (b) Any security registered or inscribed or situated outside New Zealand; and

(c) Any security issued by a body corporate having its head office outside New Zealand, whether or not the security is registered or inscribed on a register in New Zealand—

40

and includes—

(d) Gold situated outside New Zealand; and

(e) Any debt or money due or accruing due to, or any sum held in any account for, a person in New Zealand by a person outside New Zealand; and 5

(f) Any right to receive payment of any sum of money in any country other than New Zealand; and

(g) Any right to receive payment of any amount of foreign currency:

“Gold” includes gold coin, gold bullion, retorted gold, 10
gold ores, gold amalgam, gold alloys, precipitates containing gold, slag, concentrates, tailings, and residues; but, with the exception of gold coin, does not include things manufactured of gold:

“Head office”, in relation to a body corporate, means 15
the centre of its administrative management:

“Money” includes the bank notes and other currency, postal notes, and money orders of New Zealand or any other country; and also includes promissory notes and bills of exchange: 20

“Person” includes a corporation sole and also a body of persons, whether incorporated or not:

“Securities” includes shares, stock, bonds, debentures, debenture stock, mortgages, liens, Treasury bills, 25
coupons or warrants representing dividends or interest, and life or endowment insurance policies, in whatever currency the securities are expressed and whether they are situated in New Zealand or elsewhere; and also include; any document or means 30
whereby the right to the ownership or provision of any money or security, or any interest therein, may be exercised; but does not include promissory notes or bills of exchange.

(6) For the purposes of this section, an individual shall be deemed to be ordinarily resident in New Zealand at any 35
time if at that time—

(a) He is domiciled in New Zealand; or

(b) He is residing in New Zealand and his usual place of abode is, and has been for the immediately preceding period of twelve months, in New Zealand, 40
whether or not he has been occasionally or temporarily absent from New Zealand during that period.

(7) For the purposes of this section—

(a) A body corporate shall be deemed to be ordinarily 45
resident in New Zealand if it is incorporated in New Zealand or has its head office in New Zealand:

(b) Where any body corporate incorporated outside New Zealand and carrying on business through a branch or branches in New Zealand does not have its head office in New Zealand, each such branch shall be deemed to be a separate person and shall, together with the person in New Zealand for the time being having control of the business in New Zealand, be deemed to be ordinarily resident in New Zealand, and such persons shall in respect of the branch be jointly and severally liable accordingly; but nothing in this paragraph shall be construed to relieve the body corporate from any obligation or liability to any penalty under this Act or under any regulations made under this Act.

(8) For the purposes of this section, any reference to the transfer of any security includes a reference to a transfer of the security by way of loan, mortgage, pledge, or bailment, whether in respect of a legal or an equitable interest.

(9) For the purposes of this section—

(a) Money shall be deemed to be taken or sent if it is taken or sent by telegraph or post or by means of any draft, letter of credit, traveller's cheque, or transfer of account, or by any means whatsoever; and

(b) The making, in respect of a person who is not ordinarily resident in New Zealand, of a book entry whose effect is either to create a credit overseas, or to extinguish a debit overseas, in the name of a person who is ordinarily resident in New Zealand shall be deemed to be the taking or sending of money out of New Zealand.

Cf. 1933, No. 11, s. 12A (2) (c), (4); 1960, No. 118, s. 3 (1); 1964, No. 7, s. 3 (1); Finance Emergency Regulations 1940 (No. 2), regs. 2, 3, 4, 7, 10 (S.R. 1953/113; 1963/176)

30. Dealings in gold—(1) In addition to any other power to make regulations conferred by this Act, the Governor-General may from time to time, by Order in Council, make regulations providing for the prohibition, restriction, regulation, and control of dealings in gold, and conferring powers and functions on the Bank in respect thereof.

(2) Without limiting the generality of subsection (1) of this section, regulations may be made for all or any of the following purposes:

- (a) Prohibiting the export of gold:
 - (b) Prohibiting dealings in gold without the consent of the Bank:
 - (c) Requiring persons to offer or sell gold to the Bank:
 - (d) Authorising the Bank to fix the price or prices of gold for any purpose. 5
- (3) In this section, the term "gold" has the same meaning as in subsection (5) of section 29 of this Act.

31. Valuation of gold held by Bank—The book value of gold owned by the Bank shall not at any time exceed its value in New Zealand currency computed by reference to the market price of fine gold in London. 10

Cf. 1939, No. 41, s. 5

PART V

REGULATION OF BANKING AND CREDIT

15

32. Trading banks to make returns to Reserve Bank—(1) In this section, the expression "appointed day", in relation to monthly returns, means the day of the month from time to time appointed for the purpose of such returns by the Governor of the Reserve Bank, by notice in writing to the trading banks. 20

(2) Within ten business days after the appointed day in every month, every trading bank shall send to the Head Office of the Reserve Bank at Wellington a monthly return of its principal liabilities and assets, and of its unexercised overdraft authorities, made up to the close of business on the appointed day and signed by two of the principal officers of the bank to which the return relates. 25

(3) Every such return shall be in the form in the Second Schedule to this Act, and shall be prepared in accordance with the directions specified in that form and with such instructions, not inconsistent with those directions, as may from time to time be given by the Reserve Bank by notice in writing to the trading banks: 30

Provided that, without limiting the provisions of the Acts Interpretation Act 1924, minor variations in the form and in the directions specified therein, recommended by the Reserve Bank after consultation with the trading banks and approved by the Minister, shall not vitiate the form or the returns made thereby so long as the form retains its essential nature as a monthly statement of principal liabilities and assets. 35 40

(4) A summary of the monthly returns made under this section, in a form to be determined from time to time by the Reserve Bank and approved by the Minister, shall be sent forthwith by the Reserve Bank to the Minister, and to the
5 Treasury for publication in the *Gazette*. Any such summary may disclose any information supplied in the monthly returns by particular trading banks.

(5) The Reserve Bank may from time to time by notice in writing to trading banks require them to supply to the Head
10 Office of the Reserve Bank at Wellington, in addition to the monthly returns, such other returns or information relating to their New Zealand business as may be specified in the notice and as may reasonably be ascertained by the trading banks from their records; and may from the information so
15 obtained prepare and publish such statements as the Bank thinks fit; but no such statement shall disclose any information so supplied by any particular trading bank unless—

(a) The same information has been supplied by that bank
20 in a monthly return made by that bank under subsection (2) of this section; or

(b) That bank has agreed to the disclosure.

(6) No trading bank shall be required under this section to furnish any information with respect to the identity or affairs of any particular customer.

25 (7) If, without lawful justification or excuse, any trading bank—

(a) Fails to comply in any respect with any of the provisions of this section or of any requirements of the Reserve Bank thereunder; or

30 (b) Makes any return or statement or furnishes any information, required to be made or furnished by or under this section, which is incorrect in any material particular—

35 that bank commits an offence and is liable on summary conviction to a fine not exceeding two thousand pounds and, if the offence is a continuing one, to a further fine not exceeding one thousand pounds for every day on which the offence has continued.

(8) Until the coming into force of this section pursuant to
40 subsection (2) of section 1 of this Act, the provisions of section 46 of the Reserve Bank of New Zealand Act 1933 shall continue in force, notwithstanding the repeal of that Act by this Act.

45 Cf. 1933, No. 11, s. 46 (1)–(4); 1935, No. 23, s. 5; 1936, No. 1, s. 24; 1946, No. 16, s. 37 (3)

33. Additional particulars to be contained in monthly returns of Bank of New Zealand—(1) To each of its monthly returns under subsection (2) of section 32 of this Act the Bank of New Zealand shall append a supplementary return in the form in the Third Schedule to this Act showing the amount of the liabilities and assets of the Long-term Mortgage Fund of that bank. The supplementary return shall be made up to the same date and signed by the same persons as the monthly return to which it is appended. 5

(2) Until the coming into force of this section pursuant to subsection (2) of section 1 of this Act, the provisions of section 6 of the Banking Amendment Act 1935 and of the First Schedule to that Act shall continue in force, notwithstanding the repeal of those provisions by this Act. 10

Cf. 1935, No. 1, s. 6 15

34. Trading banks to hold liquid assets—(1) The Reserve Bank may from time to time, with the approval of the Minister, by notice in writing to all trading banks, require them to—

(a) Hold balances at the Reserve Bank; or 20

(b) Hold assets of a specified kind or kinds, including balances at the Reserve Bank,—

of such minimum amount as may be specified in the notice.

(2) For the purposes of any such notice, the minimum amount of such balances or assets to be held by every trading bank may be specified by the Reserve Bank as an amount equivalent to— 25

(a) A percentage of all or any specified part or parts of the trading bank's deposit liabilities in respect of its New Zealand business, as shown in any return made under section 32 of this Act; or 30

(b) A percentage of all or any specified part or parts of its assets in respect of its New Zealand business, as shown in any such return; or

(c) Both a percentage in accordance with paragraph (a) of this subsection and a percentage in accordance with paragraph (b) thereof; or 35

(d) An amount to be determined in any other manner.

(3) For the purposes of this section, the Reserve Bank may if it thinks fit specify different percentages in respect of different classes of deposit liabilities or assets. 40

(4) A notice given under this section shall apply uniformly to all trading banks, and shall take effect on the expiry of two business days after the delivery of the notice or at such later time as may be specified therein.

5 (5) A copy of the notice shall be published in the *Gazette*.

(6) If any trading bank fails to comply with a notice under this section, the Reserve Bank may by a further notice in writing to that bank direct that during a period specified in the direction that bank shall discontinue, or limit in any
10 manner specified in the direction, the granting of credit or the making of investments, and shall not pay any dividend; and on the service of the notice on that bank it shall not be lawful for it to grant any credit or make any investments or pay any dividend during the period so specified.

15 (7) Without prejudice to subsection (6) of this section, if any trading bank knowingly fails to comply with a notice under subsection (1) of this section it commits an offence and is liable on summary conviction to a fine not exceeding two thousand pounds and, if the offence is a continuing
20 one, to a further fine not exceeding one thousand pounds for every day during which the offence has continued.

Cf. 1933, No. 11, s. 45; 1936, No. 1, s. 23

35. Control of bank credit and interest rates—(1) The Reserve Bank may from time to time, where it is satisfied that
25 it is necessary or expedient in the public interest to do so, by notice in writing to all trading banks, give them directions as to the policy to be followed in relation to advances, discounts, and investments, and in relation to rates of interest payable to or by them, and, without limiting the generality
30 of the foregoing provisions of this subsection, as to—

(a) The aggregate amounts and limits of advances, discounts, and investments for the time being deemed appropriate:

35 (b) The classes of advances and discounts that should be encouraged or restricted or refused, and the classes of investments that may or may not be made or held:

(c) The rates of discount chargeable by trading banks:

(d) The rates of interest to be paid to or by trading banks.

(2) A notice given under this section shall apply uniformly
40 to all trading banks.

(3) Nothing in this section shall—

(a) Authorise the Reserve Bank to require any trading bank to disclose the identity of any particular customer; or

(b) Affect the validity or enforceability, as between any trading bank and any other person, of any transaction. 5

(4) If any trading bank, without lawful justification or excuse, fails to comply with any direction given under this section, it commits an offence and is liable on summary conviction to a fine not exceeding two thousand pounds and, if the offence is a continuing one, to a further fine not exceeding one thousand pounds for every day on which the offence has continued. 10

Cf. 1933, No. 11, s. 45A; 1960, No. 118, s. 5 15

36. Inspection of books of trading banks and supply of information—(1) The Reserve Bank may authorise any of its officers to inspect the books and accounts and other records of any trading bank in any case where, in the opinion of the Reserve Bank— 20

(a) The trading bank has failed to comply with any provision of this Act or of any regulations made thereunder or of any notice, direction, or requirement given or imposed under any such provision; or 25

(b) The trading bank has made a return or furnished any information which is incorrect in any material particular; or

(c) It is desirable in the public interest that an inspection be made. 30

(2) In any case to which subsection (1) of this section applies, the Reserve Bank may, in addition to or instead of exercising its power under that subsection, by notice in writing to the trading bank require that bank to furnish to it, within the time specified in the notice, such information as in the circumstances the Reserve Bank thinks necessary. 35

(3) Every officer of the Reserve Bank claiming to exercise any authority under this section shall, when required to do so by an officer of the trading bank, produce written evidence of his authority. 40

(4) Every person commits an offence and is liable on summary conviction to a fine not exceeding five hundred pounds who, without lawful justification or excuse, hinders, obstructs, or delays, in the conduct of any inspection for the purposes of
5 this section, any person duly authorised by the Reserve Bank to make such inspection.

(5) The provisions of subsections (6) and (7) of section 32 of this Act shall apply, with all necessary modifications, for the purposes of subsection (2) of this section.

10 Cf. 1933, No. 11, s. 46 (6), (7)

37. Governor-General in Council may declare certain persons to be trading banks—The Governor-General may from time to time by Order in Council, on the recommendation of the Minister made after consultation with the Governor
15 of the Bank, declare any persons or class of persons specified in the order, being persons carrying on in New Zealand any business that is principally banking business, to be, in respect of the whole or any specified part of such business, trading banks for the purposes of this Act, in addition to
20 the banks named in the First Schedule to this Act.

38. Application of Act to other persons—(1) Subject to the provisions of subsection (3) of this section, the Governor-General may from time to time by Order in Council, on the recommendation of the Minister made after consultation
25 with the Governor of the Bank, declare that such of the provisions of this Act as are specified in the order shall apply, with such modifications (if any) as may be so specified, to any persons or class of persons specified in the order, being persons who, as a substantial part of their business in New
30 Zealand, accept deposits or carry on any banking business.

(2) Subject as aforesaid, any such order may be made to apply in respect of the whole or any part of the business of the persons or class of persons to whom it relates.

(3) Where by virtue of any order under this section any
35 of the provisions of this Act are made to apply to any persons or class of persons, those provisions shall extend and apply to them, subject to any modifications specified in the order, in the same manner and to the same extent as they apply to trading banks:

40 Provided that the Reserve Bank may, with the consent of the Minister and subject to the provisions of the order, specify in respect of any such person or class of persons

different requirements (not inconsistent with this Act) from those specified in respect of trading banks, but not so as to require the furnishing of returns or information of a kind that could not be required to be furnished by trading banks. 5

39. Construction of last two preceding sections—No persons or class of persons shall by reason only of section 37 or section 38 of this Act, or of any Order in Council made under either of those sections, be taken to be banks or bankers for the purposes of the Banking Act 1908, or the Bills of Exchange Act 1908, or any Act other than this Act. 10

PART VI

ACCOUNTS OF RESERVE BANK

40. Financial year of Bank—The financial year of the Bank shall end on the thirty-first day of March. 15

Cf. 1933, No. 11, s. 35

41. Payment of surplus to Public Account—After such provision has been made as the Bank, with the approval of the Minister, thinks proper for bad and doubtful debts, depreciation in assets, superannuation and retiring allowances for the staff, transfers to reserves, and other matters usually provided for by central banks or for which provision is considered appropriate by the Bank, the surplus for each financial year shall be paid to the Public Account. 20

Cf. 1933, No. 11, s. 36; 1934, No. 2, s. 11; 1936, No. 1, s. 9 25

42. Weekly statements—(1) The Bank shall as soon as practicable after the close of business on the weekly balancing day of each week make up and transmit to the Minister and to the Treasury a statement of its assets and liabilities as at the close of business on that day. 30

(2) The statement shall be in a form to be determined by the Bank and approved by the Minister.

(3) A copy of every such statement shall be forthwith published in the *Gazette*. 35

(4) The Governor may from time to time appoint such day of the week as he thinks fit to be the weekly balancing day for the purposes of this section.

Cf. 1933, No. 11, s. 37; 1946, No. 16, s. 37 (1), (2)

43. Annual accounts—(1) Within three months after the close of every financial year the Bank shall furnish to the Minister and to the Treasury copies of its accounts for the year, certified by the Auditor or Auditors of the Bank.

5 (2) A copy of the accounts so certified shall be forthwith published in the *Gazette*.

Cf. 1933, No. 11, s. 38

44. Auditors—(1) The Governor-General in Council may from time to time appoint one or more qualified persons to
10 be the Auditor or the Auditors of the Bank.

(2) Every such appointment shall be for a term not exceeding two years, but any person appointed as Auditor shall continue in office until his successor comes into office.

15 (3) Any person appointed as Auditor shall be eligible for reappointment.

(4) The Auditor or Auditors shall be entitled to receive from the funds of the Bank such fees as the Governor-General in Council from time to time prescribes.

20 (5) The persons in office as the Auditors of the Bank on the commencement of this Act shall continue in office as if they had been appointed under this section, until the expiry of the term of office for which they were appointed.

Cf. 1936, No. 1, s. 21

45. Annual report—(1) Within three months after the close
25 of every financial year the Bank shall furnish to the Minister a general report on the operations of the Bank during that year and related matters, together with a copy of the Bank's accounts for that year and such particulars as the Minister may require.

30 (2) The report shall be signed by the Governor and the Deputy Governor:

Provided that in the absence or other disability of either the Governor or the Deputy Governor the Bank may appoint one of its members to sign the report in his place.

35 (3) A copy of the report and accounts shall be laid before Parliament within twenty-eight days after their receipt by the Minister if Parliament is then in session, and, if not, then within twenty-eight days after the commencement of the next ensuing session.

40 Cf. 1933, No. 11, s. 38 (2); 1936, No. 1, s. 20

46. Penalty for false statements, etc.—Every director or officer of the Bank, and every other person, who verifies any statement or account required to be furnished to the Minister or to the Treasury pursuant to this Act, or who is concerned in delivering or transmitting the same to the Minister or to the Treasury, knowing the same to be false in any material particular, commits an offence and is liable on summary conviction to a fine not exceeding two hundred pounds. 5

Cf. 1933, No. 11, s. 40; 1936, No. 1, s. 9

PART VII 10

MISCELLANEOUS PROVISIONS

47. Exemption of Reserve Bank from taxation—The Reserve Bank shall be exempt from public taxation (not including local rates) to the same extent as the Crown.

Cf. 1933, No. 11, s. 52 15

48. Application of Banking Act to Reserve Bank—
(1) Sections 19 to 26 of the Banking Act 1908 and section 3 of the Banking Amendment Act 1935 shall apply with respect to the Reserve Bank.

(2) Except as provided in subsection (1) of this section and in subsection (1) of section 9 of the Statutes Amendment Act 1946 (which relates to banking hours), the provisions of the Banking Act 1908 shall not apply with respect to the Reserve Bank. 20

Cf. 1935, No. 23, s. 2 25

49. Conflict with other Acts—In the event of any conflict between this Act and the provisions of the Banking Act 1908, or of any other Act relating to any bank or to the business of banking, the provisions of this Act shall prevail.

Cf. 1933, No. 11, s. 51 30

50. Obligations under this Act not limited by trusts, etc.—No obligation or limitation imposed on any person by or by virtue of any Act or instrument determining his functions or powers or by virtue of any trust or otherwise howsoever shall prevent or excuse that person from complying with any provision of this Act or of any regulations made thereunder, or with any direction, notice, requirement, or condition given or imposed under any such provision. 35

Cf. Finance Emergency Regulations 1940 (No. 2), reg. 20 (S.R. 1953/113) 40

51. Regulations—The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes:

- 5 (a) Providing for such matters as are necessary to enable the Minister or the Reserve Bank to exercise any powers and functions conferred on the Minister or the Bank by this Act or by any regulations made for any of the purposes of this Act:
- 10 (b) Providing for the granting, refusal, and revocation of consents, permissions, and exemptions in respect of any matters to which any regulations made under this Act relate; and authorising the imposition, variation, and revocation of conditions subject to which such consents, permissions, and exemptions may be granted:
- 15 (c) Providing for the furnishing of information and the production of books or documents to the Minister or the Bank or any other person for any of the purposes of any such regulations, and for the verification of any such information:
- 20 (d) Authorising the Minister or the Bank or any other person to exercise any discretionary power or authority for the purposes of any such regulations:
- 25 (e) Providing for the delegation of any of the powers or functions of the Minister or the Bank under any such regulations:
- (f) Prescribing forms for the purposes of this Act or of any such regulations, in any case where a form is not prescribed by this Act:
- 30 (g) Providing for and regulating the giving or service of notices for the purposes of this Act or of any such regulations, and the effect of such notices:
- 35 (h) Providing for such matters as are contemplated by or necessary for giving full effect to the provisions of this Act and for the due administration thereof:
- 40 (i) Prescribing offences against any such regulations, and prescribing fines not exceeding in respect of any such offence two hundred pounds and, in the case of a continuing offence, twenty pounds for every day on which the offence has continued.

Cf. 1933, No. 11, s. 12A (4), (4A); 1960, No. 118, s. 3 (1); 1964, No. 7, s. 3 (1); Finance Emergency Regulations 1940 (No. 2), regs. 16–19 (S.R. 1953/113)

52. Offences against regulations—Without prejudice to paragraph (i) of section 51 of this Act, every person commits an offence against this Act who—

- (a) With intent to deceive, makes any false or misleading statement or any material omission in any offer or declaration made for the purposes of any regulations under this Act or in any communication with or application to the Minister or the Bank or any other person (whether in writing or otherwise) for the purposes of any such regulations: 5
- (b) Resists, obstructs, or deceives any person who is exercising or attempting to exercise any power or function under any such regulations: 10
- (c) Without lawful excuse, acts in contravention of or fails to comply in any respect with any provision of any such regulations or any direction, notice, requirement, or condition given or imposed under any such regulations. 15

Cf. 1933, No. 11, s. 12A (4); 1960, No. 118, s. 3 (1); Finance Emergency Regulations 1940 (No. 2), reg. 21 (1) (S.R. 1953/113) 20

53. Penalties for offences—(1) Every person who commits an offence against this Act for which no penalty is provided elsewhere than in this section is liable on conviction on indictment— 25

- (a) In the case of an individual, to imprisonment for a term not exceeding twelve months, or to a fine not exceeding one thousand pounds, and, if the offence is a continuing one, to a further fine not exceeding five hundred pounds for every day on which the offence has continued, or to both such imprisonment and such fine: 30
 - (b) In the case of a body corporate, to a fine not exceeding two thousand pounds and, if the offence is a continuing one, to a further fine not exceeding one thousand pounds for every day on which the offence has continued. 35
- (2) If on the conviction of any person for any wilful offence in respect of any currency that currency or any part of it is found to be the property of the convicted person, that currency or that part of it shall be deemed to be forfeited and to become the property of the Crown, and may be sold or otherwise disposed of as the Minister may direct. 40

(3) The First Schedule to the Summary Proceedings Act 1957 is hereby amended by inserting in Part II, in the appropriate alphabetical order, the following words:

5 “The Reserve Bank of New Zealand Act 1964 | 52 | Offences against regulations.”

Cf. 1933, No. 11, s. 12A (4); 1960, No. 118, s. 3 (1);
Finance Emergency Regulations 1940 (No. 2), regs.
21 (2), (3), 22 (S.R. 1952/113)

10 **54. Certain regulations to continue in force under this Act**—(1) The Finance Emergency Regulations 1940 (No. 2), as heretofore amended, shall continue in force, as if they had been made under this Act, until they are revoked thereunder.

15 (2) The Export Licences Regulations 1938 shall be deemed to be and always to have been valid, and shall continue to have effect as if made under this Act, so far as they relate to the proceeds of exports of goods from New Zealand.

55. Repeals and savings—(1) The enactments specified in the Fourth Schedule to this Act are hereby repealed.

20 (2) Without limiting the provisions of the Acts Interpretation Act 1924, the repeal of the said enactments shall not affect any document made or any thing whatsoever done under any of the provisions of paragraphs (kk) to (km) of subsection (1) of section 13 of the Reserve Bank of New
25 Zealand Act 1933, as inserted by subsection (1) of section 2 of the Reserve Bank of New Zealand Amendment Act 1964. Every such document or thing, so far as it is subsisting or in force at the commencement of this Act, shall continue and have effect as if it had been duly made or done under the
30 corresponding provisions of section 9 of this Act and as if the last-mentioned section had been in force when the document was made or the thing was done; and any agreement, guarantee, assurance, act, matter, or thing made, given, commenced, or in progress under the said paragraphs (kk) to (km) may
35 accordingly be continued, perfected, completed, and enforced under this Act.

SCHEDULES

Sections 2, 37

FIRST SCHEDULE

TRADING BANKS

Australia and New Zealand Bank Limited.
 Bank of New South Wales.
 Bank of New Zealand.
 The Commercial Bank of Australia Limited.
 The National Bank of New Zealand Limited.

Section 32 (3)

SECOND SCHEDULE

MONTHLY RETURN TO BE MADE BY TRADING BANKS

Name of Bank:

STATEMENT OF PRINCIPAL LIABILITIES ⁽¹⁾ AND ASSETS ⁽²⁾ AND UNEXERCISED OVERDRAFT AUTHORITIES IN RESPECT OF NEW ZEALAND BUSINESS as at the close of business on

LIABILITIES:	£	£
1. Demand deposits in New Zealand .....		.....
2. Time deposits in New Zealand .....		.....
3. Liabilities elsewhere than in New Zealand incurred in respect of New Zealand business .....		.....
4. Bills payable and all other liabilities in New Zealand, including balances due to other banks but excluding shareholders' funds .....		.....
ASSETS:		
1. Balances at Reserve Bank of New Zealand .....		.....
2. Reserve Bank of New Zealand notes .....		.....
3. New Zealand coin .....		.....
4. Assets elsewhere than in New Zealand held in respect of New Zealand business .....		.....
5. Advances in New Zealand and discounts of bills payable in New Zealand (excluding advances and discounts included under item 6)—		.....
(a) Advances .....	.....	.....
(b) Discounts .....	.....	.....
6. Term loans in New Zealand (including special export finance) .....		.....

SECOND SCHEDULE—*continued*MONTHLY RETURN TO BE MADE BY TRADING BANKS—*continued*

	£	£
7. Investments held in New Zealand—		
(a) Government securities .....	.....	.....
(b) Other investments .....	.....	.....
8. Cheques and bills drawn on other banks in New Zealand and balances with and due from other banks in New Zealand (excluding balances with Reserve Bank of New Zealand) .....	.....	.....
9. Book value of land, buildings, furniture, fittings, and equipment in New Zealand .....	.....	.....
10. All other assets in New Zealand .....	.....	.....
AGGREGATE OF UNEXERCISED OVERDRAFT AUTHORITIES in New Zealand .....	.....	.....

.....

 (Signatures of two of the principal officers of bank)

- (1) Excluding shareholders' funds, contingencies, inter-branch accounts within New Zealand, and certain transit items (see directions).
 (2) Excluding inter-branch accounts within New Zealand, contingencies, and certain transit items (see directions).

Directions

1. This statement is to be prepared every month as at the close of business on the day of the month appointed under section 32 of the Reserve Bank of New Zealand Act 1964 and forwarded to the Reserve Bank in Wellington within 10 business days thereafter.

2. Any accounts in New Zealand between the head office and a branch, or between different branches in New Zealand, shall not be included as liabilities or assets.

3. Contingent liabilities or assets shall not be included as liabilities or assets.

4. Subject to any instructions that may be given by the Reserve Bank, items in transit may be excluded from this statement.

5. Amounts may be shown in this statement to the nearest multiple of one thousand pounds.

Section 33 (2)

THIRD SCHEDULE

SUPPLEMENTARY RETURN BY BANK OF NEW ZEALAND

STATEMENT of the amount of liabilities and assets of the Long-term Mortgage Department of the Bank of New Zealand on the day of 19.....

Liabilities		Assets	
	£		£
Capital		Loans	
Debentures and debenture stock		Deposits with bank	
Advances from bank		Other assets	
Other liabilities			
	<hr/>		<hr/>
	<hr/>		<hr/>

Section 54 (1)

FOURTH SCHEDULE

ENACTMENTS REPEALED

- 1908, No. 11—The Banking Act 1908: Section 10. (1957 Reprint, Vol. 1, p. 414.)
- 1933, No. 11—The Reserve Bank of New Zealand Act 1933. (1957 Reprint, Vol. 13, p. 277.)
- 1934, No. 2—The Finance Act 1934: Part I. (1957 Reprint Vol. 5, p. 99; Vol. 13, p. 312.)
- 1935, No. 23—The Banking Amendment Act 1935: Sections 2, 4, 5, and 6, and the First Schedule. (1957 Reprint, Vol. 1, pp. 411, 420, 421; Vol. 13, pp. 313, 314.)
- 1935, No. 41—The Finance Act (No. 2) 1935: Section 9. (1957 Reprint, Vol. 5, p. 104; Vol. 13, pp. 296, 314.)
- 1936, No. 1—The Reserve Bank of New Zealand Amendment Act 1936. (1957 Reprint, Vol. 13, p. 315.)
- 1936, No. 16—The Finance Act 1936: Section 49. (1957 Reprint, Vol. 5, p. 107; Vol. 13, p. 317.)
- 1936, No. 36—The Finance Act (No. 2) 1936: Sections 25 to 27. (1957 Reprint, Vol. 5, p. 108; Vol. 13, pp. 287, 318.)
- 1938, No. 20—The Statutes Amendment Act 1938: Section 46. (1957 Reprint, Vol. 12, pp. 24, 62; Vol. 15, p. 136.)
- 1939, No. 8—The Emergency Regulations Act 1939. (1957 Reprint, Vol. 4, p. 595.)
- 1939, No. 41—The Reserve Bank of New Zealand Amendment Act 1939. (1957 Reprint, Vol. 13, p. 318.)
- 1940, No. 1—The Emergency Regulations Amendment Act 1940. (1957 Reprint, Vol. 4, p. 600.)
- 1946, No. 16—The Finance Act 1946: Sections 21, 37. (1957 Reprint, Vol. 5, pp. 139, 140; Vol. 13, pp. 286, 304, 319.)
- 1946, No. 41—The Finance Act (No. 2) 1946: Section 4. (1957 Reprint, Vol. 5, p. 141; Vol. 13, pp. 287, 320.)
- 1947, No. 66—The Emergency Regulations Continuance Act 1947. (1957 Reprint, Vol. 4, p. 600.)

FOURTH SCHEDULE—*continued*

ENACTMENTS REPEALED—*continued*

- 1948, No. 35—The Finance Act 1948: Section 2. (1957 Reprint, Vol. 5, p. 148; Vol. 13, pp. 293, 320.)
- 1950, No. 5—The Reserve Bank of New Zealand Amendment Act 1950. (1957 Reprint, Vol. 13, p. 321.)
- 1958, No. 7—The Reserve Bank of New Zealand Amendment Act 1958.
- 1959, No. 30—The Post Office Act 1959: Subsection (7) of section 250.
- 1960, No. 118—The Reserve Bank of New Zealand Amendment Act 1960.
- 1961, No. 68—The Western Samoa Act 1961: So much of the Second Schedule as relates to the Emergency Regulations Amendment Act 1940.
- 1963, No. 64—The Emergency Regulations Amendment Act 1963.
- 1964, No. 7—The Reserve Bank of New Zealand Amendment Act 1964.