

## TRUSTEE SAVINGS BANKS AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill contains miscellaneous amendments to the Trustee Savings Banks Act 1948. Several of the amendments are similar to provisions in the Private Savings Banks Bill recently introduced.

*Clause 2* provides for changes in the titles of the Dunedin, Hokitika, and New Plymouth Savings Banks. They will be called after the names of the provinces in which they are situated.

*Clause 3* provides that the area of operations of each trustee savings bank will be prescribed by Order in Council. No savings bank will be permitted to open or operate branch offices or agencies outside its prescribed area of operations.

*Clause 4* increases by two the number of trustees who may be appointed to the Board of a savings bank.

*Clause 5* provides that a trustee shall remain in office until his successor is appointed but if it is not intended to appoint a successor, the trustee shall remain in office until he is notified to that effect.

*Clause 6* provides for the filling of a vacancy in the office of President or Deputy President if the office becomes vacant during the term of office.

*Clause 7* prescribes the limit in respect of which interest is payable and restricts the amount of interest payable where one depositor has more accounts than one of a particular class.

*Clause 8:* The amendments proposed by this clause remove a limitation whereby mortgage investments are restricted to land in the province where the savings bank operates. The clause also gives the Minister authority to define the classes of resources which a savings bank is required to have immediately available for the purpose of meeting claims of depositors.

*Clause 9* removes an obligation now imposed on Boards to present a receipts and payments account.

No. 43—1

Price 6d.

*Clause 10* increases the authority of the Minister to give directions. It empowers the Minister to give directions to a Board where he is of the opinion that the business of a savings bank is being carried on in a manner contrary to the policy of the Government in respect of savings institutions. Directions may also be given as to the investment policy of a Board.

*Clause 11* extends the regulation making authority of the principal Act.

*Clause 12* provides for the inspection of books and accounts of a savings bank.

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*Hon. Mr Lake*

## TRUSTEE SAVINGS BANKS AMENDMENT

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### ANALYSIS

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### A BILL INTITULED

#### An Act to amend the Trustee Savings Banks Act 1948

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

1. **Short Title and commencement**—(1) This Act may be cited as the Trustee Savings Banks Amendment Act 1964, and shall be read together with and deemed part of the Trustee Savings Banks Act 1948\* (hereinafter referred to as  
10 the principal Act).

(2) This Act shall come into force on the first day of September, nineteen hundred and sixty-four.

\*1957 Reprint, Vol. 16, p. 239

Amendments: 1958, No. 97; 1961, No. 106; 1962, No. 108

**2. Changes of names of savings banks—**(1) The Dunedin Savings Bank shall hereafter be called the Otago Savings Bank, the Hokitika Savings Bank shall hereafter be called the Westland Savings Bank, and the New Plymouth Savings Bank shall hereafter be called the Taranaki Savings Bank. 5

(2) The savings banks referred to in subsection (1) of this section are hereby declared for all purposes to be the same savings banks as existed immediately before the commencement of this Act under the names then applicable.

(3) All references to the Dunedin Savings Bank, the Hokitika Savings Bank, or the New Plymouth Savings Bank in any Act, Proclamation, regulation, rule, bylaw, order, or other enactment, or in any contract, agreement, deed, instrument, title, register, or other document whatsoever shall hereafter be read, as the case may require, as references to the Otago Savings Bank, the Westland Savings Bank, or the Taranaki Savings Bank. 10 15

(4) Where the title of the Dunedin Savings Bank, the Hokitika Savings Bank, or the New Plymouth Savings Bank to any real or personal property or right is or should have been entered in any register required by law to be kept, the Registrar or other person whose duty it is to keep that register shall, on the request in writing of the Board of the savings bank concerned, without payment of any fee, make such entries in the register as may be necessary to give effect to the provisions of this section. 20 25

(5) Subsection (1) of section 5 of the principal Act is hereby amended as follows:

- (a) By omitting the words “Dunedin Savings Bank”, and substituting the words “Otago Savings Bank”: 30
- (b) By omitting the words “Hokitika Savings Bank”, and substituting the words “Westland Savings Bank”:
- (c) By omitting the words “New Plymouth Savings Bank”, and substituting the words “Taranaki Savings Bank”. 35

**3. Areas of operations of savings banks—**(1) The principal Act is hereby amended by inserting, after section 5, the following section:

“5A. (1) The area of operations of a trustee savings bank shall be the area prescribed from time to time in that behalf in relation to the savings bank by Order in Council. 40

“(2) No trustee savings bank shall establish or carry on any branch office or agency otherwise than in the area of operations of that bank for the time being prescribed under this section.”

5 (2) Subsection (3) of section 5 of the principal Act is hereby repealed.

**4. Number of trustees**—Subsection (2) of section 6 of the principal Act is hereby amended as follows:

10 (a) By omitting the words “not less than five nor more than eight”, and substituting the words “not less than seven nor more than ten”:

(b) By omitting the words “be ten”, and substituting the words “be twelve”.

**5. Term of office of trustees**—Section 7 of the principal Act is hereby amended by adding the following subsection:

15 “(5) Notwithstanding anything to the contrary in this Act, every trustee, unless he sooner vacates his office under section 8 of this Act, shall continue in office until his successor comes into office:

20 “Provided that where it is not intended to appoint a successor to a retiring trustee or to reappoint him, the Minister shall notify the trustee in writing to that effect, and the term of office of the trustee shall terminate on the date when he receives the notification.”

25 **6. Vacancy in office of President or Deputy President**—Section 9 of the principal Act is hereby amended by inserting, after subsection (3), the following subsection:

30 “(3A.) Where the President or the Deputy President vacates office in accordance with section 8 of this Act, the Board, at its next meeting after the vacancy occurs, shall elect from among the trustees a President or a Deputy President, as the case may require, to fill the vacancy. If the Deputy President is elected President under this subsection, a Deputy President shall be elected as aforesaid at the same  
35 meeting.”

**7. Interest on deposits**—(1) Section 22 of the principal Act is hereby amended by repealing subsections (2) and (2A), and substituting the following subsections:

“(2) No interest shall be paid on any amount standing to the credit of any depositor in any one account in excess of two thousand pounds or such smaller amount as may from time to time be prescribed by regulations under this Act or by the rules of the bank. 5

“(2A) Except as provided by regulations under this Act, no depositor shall have more than one account of any class of accounts:

“Provided that if regulations under this Act authorise any depositor to have more than one account of a particular class (other than special purpose accounts), he shall not be entitled to any greater amount of interest than he would be if all the deposits were in one account of that class.” 10

(2) Subsections (2) and (3) of section 4 of the Trustee Savings Banks Amendment Act 1957, section 9 of the Finance Act 1960, and the Trustee Savings Banks Amendment Act 1962 are hereby repealed. 15

**8. Investments**—(1) Subsection (1) of section 24 of the principal Act is hereby amended by repealing paragraph (b), and substituting the following paragraph: 20

“(b) On mortgages of estates or interests in land in New Zealand (with or without collateral securities over any other property):”.

(2) Subsection (3) of section 24 of the principal Act (as substituted by section 2 of the Trustee Savings Banks Amendment Act 1958) is hereby amended by omitting the words “other resources immediately available”, and substituting the words “such other resources immediately available as may be approved in that behalf by the Minister”. 25

**9. Accounts of Board**—Subsection (2) of section 29 of the principal Act is hereby amended by omitting the words “a receipts and payments account and”. 30

**10. Directions by Minister**—(1) Section 31 of the principal Act is hereby amended by inserting, after the words “preceding section”, the words “or as to be contrary to the policy of the Government of New Zealand in respect of savings institutions,”. 35

(2) Section 31 of the principal Act is hereby further amended by inserting, after the words “may give”, the words “in writing”. 40

(3) Section 31 of the principal Act is hereby further amended by adding, as subsections (2), (3), and (4), the following subsections:

5 “(2) If in the opinion of the Minister it is necessary or desirable in the public interest to do so, he may from time to time give, in writing, such general directions as to the investment policy of any Board as he thinks fit, and the Board shall be bound to act in accordance with those directions.

10 “(3) Without limiting the generality of subsection (2) of this section, the Minister may give directions under that subsection as to the classes of advances or investments which may or may not be made by any Board.

“(4) Nothing in this section shall—

15 “(a) Authorise the Minister to give directions with respect to an advance made or proposed to be made to a particular person; or

20 “(b) Affect the validity of a transaction entered into in relation to an advance or affect the right of a Board to recover an advance or enforce the security given in respect of an advance; or

“(c) Authorise the Minister to give a direction to invest money otherwise than in accordance with section 24 of this Act.”

25 **11. Regulations**—Subsection (1) of section 37 of the principal Act is hereby amended by adding the following paragraphs:

“(d) Prescribing the classes of accounts which may be opened and operated in savings banks, and the conditions relating thereto:

30 “(e) Prescribing the premises or classes of premises in which savings banks may be established or carried on:

“(f) Prescribing the persons or classes of persons who may be depositors in savings banks.”

35 **12. Inspection of books**—The principal Act is hereby further amended by inserting, after section 37, the following section:

“37A. The books and accounts of every savings bank shall be available for inspection during ordinary office hours by any person authorised in writing in that behalf by the Minister:

“Provided that nothing in this section shall authorise the inspection of any books or accounts containing information which, in accordance with accepted banking practice, a banker is not obliged to disclose without the consent of the customer concerned.” 5