

# TRUSTEE SAVINGS BANKS AMENDMENT BILL

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## EXPLANATORY NOTE

THIS Bill amends the Trustee Savings Banks Act 1948.

*Clause 1* relates to the Short Title.

*Clause 2* inserts a new section 22A in the principal Act giving all trustee savings banks the power to borrow money subject to such conditions as may be determined by the Minister of Finance. The clause also consequentially repeals section 3A (3) of the principal Act which confers a borrowing power only on recently established trustee savings banks.

*Clause 3: Subclause (1)* empowers the Minister, in any notice issued under section 36c (as inserted by *clause 5*), to declare that deposits or bonds or securities of a specified type for the time being held or outstanding shall be deemed to be amounts standing to the credit of depositors for the purpose of calculating the amount of cash required to be held by trustee savings banks.

*Subclauses (2) and (3)* amend section 24 of the principal Act to allow trustee savings banks to invest money by way of mortgage above the limits previously imposed by that section, on conditions specified by the Minister.

*Clause 4* amends section 30 of the principal Act which relates to Government guarantee of deposits.

The amendment empowers the Minister by notice in the *Gazette* to apply the provisions of section 30 to any specified type of bond or security issued, and any specified type of deposit received, under section 36c (as inserted by *clause 5*).

*Clause 5* inserts a new section 36c in the principal Act which empowers trustee savings banks to issue such types of bonds or other securities and receive such types of deposit in such manner and subject to such conditions as may be prescribed by the Minister by notice in the *Gazette*.

*Clause 6* amends the Trustee Act 1956 to provide for bonds and other securities issued under the new section 36c to be authorised trustee investments if the Government guarantee of deposits has been applied.

*Clause 7* amends the Stamp and Cheque Duties Act 1971 to provide that no stamp duty shall be payable on the issue or transfer of any housing bond issued under the new section 36c.

*Right Hon. Mr Muldoon*

## TRUSTEE SAVINGS BANKS AMENDMENT

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### ANALYSIS

Title	3. Power to invest money
1. Short Title	4. Repayment of deposits guaranteed
2. New heading and section inserted	5. Bonds, etc.
<i>Borrowing Powers</i>	6. Amending Trustee Act 1956
22A. Power to borrow	7. Amending Stamp and Cheque Duties Act 1971

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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**—This Act may be cited as the Trustee Savings Banks Amendment Act 1976, and shall be read together with and deemed part of the Trustee Savings Banks Act 1948\* (hereinafter referred to as the principal Act).

10 2. **New heading and section inserted**—(1) The principal Act is hereby amended by inserting, after section 22, the following heading and section:

\*Reprinted 1973, Vol. 2, p. 1663  
Amendment: 1975, No. 23

*“Borrowing Powers*

“22A. **Power to borrow**—Every trustee savings bank may from time to time borrow from any person such amounts, upon such terms, and subject to such conditions as may be determined from time to time by the Minister.” 5

(2) Section 3A (3) of the principal Act (as inserted by section 2 of the Trustee Savings Banks Amendment Act 1957) is hereby consequentially repealed.

**3. Power to invest money**—(1) Section 24 of the principal Act is hereby amended by inserting, after subsection (3A) (as inserted by section 10 (2) of the Trustee Savings Banks Amendment Act 1972), the following subsection: 10

“(3B) In any notice issued under section 36c of this Act, the Minister may declare that deposits or bonds or securities of a specified type for the time being held or outstanding shall be deemed to be amounts standing to the credit of depositors for the purposes of subsection (3) of this section.” 15

(2) Section 24 (5) of the principal Act (as substituted by section 10 (3) of the Trustee Savings Banks Amendment Act 1972) is hereby amended— 20

(a) By adding to paragraph (b) the words “or such higher proportion of that value (as so assessed) as may from time to time be fixed by the Minister subject to such conditions as he thinks fit to specify”:

(b) By inserting in paragraph (c), after the words “(as so assessed)”, the words “, or such higher proportion of that value (as so assessed) as may from time to time be fixed by the Minister subject to such conditions as he thinks fit to specify,”. 25

(3) Section 24 (6) (b) of the principal Act (as added by section 2 of the Trustee Savings Banks Amendment Act 1966) is hereby amended by adding the words “, or such higher proportion of the greater of those values as may from time to time be fixed by the Minister subject to such conditions as he thinks fit to specify”. 30 35

**4. Repayment of deposits guaranteed**—Section 30 of the principal Act is hereby amended by adding the following subsection: 01

“(4) The provisions of this section may be extended to apply, in respect of any specified type of bond or other security issued, and any specified type of deposit received, under section 36c of this Act, by the Minister in any notice issued under that section.” 40

**5. Bonds, etc.**—The principal Act is hereby further amended by inserting, after section 36B (as inserted by section 4 (1) of the Trustee Savings Banks Amendment Act 1957), the following section:

5 “36C. The Board may issue such types of bonds or other securities and receive such types of deposits, other than under section 17 of this Act, in such manner and subject to such conditions as may be prescribed by the Minister by notice in the *Gazette*.”

10 **6. Amending Trustee Act 1956**—Section 4 (1) of the Trustee Act 1956 is hereby amended by inserting, after paragraph (e), the following paragraph:

15 “(ea) In bonds or other securities issued by a trustee savings bank under section 36C of the Trustee Savings Banks Act 1948 to which the provisions of section 30 of that Act have been applied:”.

**7. Amending Stamp and Cheque Duties Act 1971**—

20 (1) Section 11 (1) of the Stamp and Cheque Duties Act 1971 is hereby amended by inserting, after paragraph (k), the following paragraph:

“(ka) Any housing bond issued under section 36C of the Trustee Savings Banks Act 1948:”.

25 (2) Section 12 (2) of the Stamp and Cheque Duties Act 1971 is hereby amended by inserting, after paragraph (g) (as substituted by section 3 (2) of the Stamp and Cheque Duties Amendment Act (No. 2) 1974), the following paragraph:

“(ga) Any housing bond issued under section 36C of the Trustee Savings Banks Act 1948; or”.