

**1956/56**

## THE DEPOSITS INTEREST RESTRICTION ORDER 1956

H. E. BARROWCLOUGH, Administrator of the Government  
ORDER IN COUNCIL

At the Government House at Wellington this 24th day of April 1956

Present:

HIS EXCELLENCY THE ADMINISTRATOR OF THE GOVERNMENT IN COUNCIL

PURSUANT to the National Expenditure Adjustment Act 1932, His Excellency the Administrator of the Government, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

### ORDER

1. (1) This order may be cited as the Deposits Interest Restriction Order 1956.

(2) This order shall come into force on the 1st day of May 1956.

2. In this order, unless the context otherwise requires,—

“Building society” means an association formed under or subject to the Building Societies Act 1908:

“Deposit holding body” means a building society, an investment society, a trading company, or a local authority:

“Investment society” means any person, company, society, or association being an investment society within the meaning of section 51 of the National Expenditure Adjustment Act 1932:

“Local authority” means a local authority to which section 14 of the National Expenditure Adjustment Amendment Act 1932 applies:

“Notice or demand” means a notice or demand to be given by the lender or by the borrower or by either of them:

“Repayable at short call” means repayable immediately on notice or demand or repayable less than three months after notice or demand:

“Trading company” means any person, firm, or company being a trading company to which Part VI of the National Expenditure Adjustment Act 1932 applies, and in particular includes a person, firm, or company carrying on business as a stock and station agent.

3. This order shall apply to deposits held by a company on account of any of its shareholders and to deposits held by a deposit holding body on account of any of its employees, as it applies to deposits held on account of any other person.

4. This order shall not apply to interest on a savings bank deposit held by a building society in accordance with the provisions of section 32 of the Finance Act 1932 (No. 2).

5. This order shall apply, in the case of a deposit received by a deposit holding body on or after the 1st day of May 1956, to interest on and from the date of receipt.

6. This order shall apply, in the case of a deposit held by a deposit holding body immediately before the 1st day of May 1956,—

- (a) If repayable immediately on notice or demand, to interest on and from the 1st day of May 1956:
- (b) If otherwise repayable on notice or demand, to interest on and from the earliest date on which the deposit could have been made repayable by notice or demand given on the 1st day of May 1956:
- (c) If otherwise repayable on or after the 1st day of May 1956, then, as the case may be, to interest on and from the date fixed for repayment or the date of any renewal or the date on which any variation of the terms upon which the deposit is held takes effect.

7. The maximum rate of interest that may be paid on any deposit to the interest on which for the time being this order applies shall be the appropriate rate specified in the First Schedule or the Second Schedule hereto.

8. For the purposes of the First and Second Schedules hereto a deposit repayable at the end of a stated period of time after notice or demand (whether a specified period or a minimum period) shall be deemed to be a deposit for the period so stated.

9. (1) The orders specified in the Third Schedule hereto are hereby revoked.

(2) Without limiting the provisions of the Acts Interpretation Act 1924, it is hereby declared that the revocation of any provision by this order shall not affect the maximum rate of interest that may be paid on any deposit to the interest on which for the time being this order does not apply.

## SCHEDULES

### FIRST SCHEDULE

#### MAXIMUM RATES PAYABLE BY BUILDING SOCIETIES, INVESTMENT SOCIETIES, AND TRADING COMPANIES

Period of Deposit	Maximum Rate of Interest Per Cent Per Annum
Repayable at short call .....	$1\frac{1}{2}$
Not less than 3 months but less than 6 months .....	2
Not less than 6 months but less than 1 year .....	$2\frac{1}{4}$
Not less than 1 year but less than 2 years .....	$2\frac{3}{4}$
Not less than 2 years but less than 3 years .....	3
Not less than 3 years but less than 4 years .....	$3\frac{1}{4}$
Not less than 4 years .....	$3\frac{3}{4}$

## SECOND SCHEDULE

## MAXIMUM RATES PAYABLE BY LOCAL AUTHORITIES

Period of Deposit	Maximum Rate of Interest Per Cent Per Annum
Repayable at short call .....	1½
Not less than 3 months but less than 6 months	2
Not less than 6 months .....	2¼

## THIRD SCHEDULE

## REGULATIONS REVOKED

The Interest on Deposits Restriction Order 1941 (S.R. 1941/113).

The Interest on Deposits Restriction Order 1941, Amendment No. 1 (S.R. 1941/249).

The Deposits Interest Restriction Order 1945 (S.R. 1945/156).

The Deposits Interest Restriction Order 1945, Amendment No. 3 (S.R. 1952/231).

The Deposits Interest Restriction Order 1945, Amendment No. 4 (S.R. 1954/66).

T. J. SHERRARD,  
Clerk of the Executive Council.

## EXPLANATORY NOTE

*This note is not part of the order, but is intended to indicate its general effect.*

This order increases and amends the maximum rates of interest payable by trading companies, building societies, investment societies, and local authorities on deposits accepted by them.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 26 April 1956.

These regulations are administered in the Treasury.