



**THE EXCHANGE CONTROL REGULATIONS 1978,
AMENDMENT NO. 2**

DAVID BEATTIE, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 8th day of August 1983

Present:

THE RIGHT HON. D. MACINTYRE PRESIDING IN COUNCIL

PURSUANT to the Reserve Bank of New Zealand Act 1964, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

ANALYSIS

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| <ol style="list-style-type: none"> 1. Title and commencement 2. Interpretation 3. Transactions affecting overseas exchange | | <ol style="list-style-type: none"> 4. Overseas remuneration for work or services provided in New Zealand for overseas residents to be paid to a bank or an authorised foreign exchange dealer 5. Dealings with foreign currency and foreign securities 6. Proceeds of sale of exported goods 7. New Third Schedule added Schedule |
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REGULATIONS.

1. Title and commencement—(1) These regulations may be cited as the Exchange Control Regulations 1978, Amendment No. 2, and shall be read together with and deemed part of the Exchange Control Regulations 1978* (hereinafter referred to as the principal regulations).

(2) These regulations shall come into force on the 14th day after the date of their notification in the *Gazette*.

2. Interpretation—Regulation 2 (1) of the principal regulations is hereby amended by inserting, after the definition of the term “the Act”, the following definition:

“‘Authorised foreign exchange dealer’ means a person named in the Third Schedule to these regulations.”

3. Transactions affecting overseas exchange—Regulation 3 (1) (i) of the principal regulations is hereby amended by adding the words “or authorised foreign exchange dealer”.

4. Overseas remuneration for work or services provided in New Zealand for overseas residents to be paid to a bank or an authorised foreign exchange dealer—The principal regulations are hereby amended by revoking regulation 7, and substituting the following regulation:

“7. (1) Where any person ordinarily resident in New Zealand receives or becomes entitled to receive outside New Zealand any remuneration for any work done or to be done, or for any services performed or to be performed, wholly or partly in New Zealand (whether by him or by any other person) for any person not ordinarily resident in New Zealand, he shall forthwith, unless the Reserve Bank consents to his not doing so,—

(a) If the remuneration is in the form of foreign currency or of a credit lodged with an overseas bank, pay it or cause it to be paid to the Reserve Bank or a trading bank or an authorised foreign exchange dealer; or

(b) If it is not in either of those forms, convert it or cause it to be converted into the equivalent value in one of those forms and pay it or cause it to be paid to the Reserve Bank or a trading bank or an authorised foreign exchange dealer in that form.

“(2) Where remuneration is paid to the Reserve Bank or a trading bank or an authorised foreign exchange dealer under this regulation, the bank or authorised foreign exchange dealer shall on receipt of the payment pay the equivalent thereof in New Zealand currency, at the current rate of exchange, to the person by whom the payment is made or to such other person or persons as he may direct in writing.

“(3) Every person to whom subclause (1) of this regulation applies shall, if required to do so by the Minister by notice in writing, furnish or produce to the Reserve Bank within such time as may be specified in the notice such information, books, and documents, that are in his possession or under his control, as may be necessary to establish whether any payment required by this regulation has been made in accordance with this regulation.”

5. Dealings with foreign currency and foreign securities—(1) Regulation 8 (1) of the principal regulations is hereby amended by omitting the words “persons ordinarily resident in New Zealand”, and substituting the words “a person (being a trading bank or an authorised foreign exchange dealer) ordinarily resident in New Zealand.”

(2) Regulation 8 of the principal regulations is hereby amended by revoking subclause (2) (including the proviso), and substituting the following subclause:

“(2) Except with the consent of the Reserve Bank, no trading bank, authorised foreign exchange dealer or other person shall sell, transfer, or do anything which involves the creation of a charge on, any foreign asset to which this regulation applies, or any legal or equitable interest therein.”

(3) Regulation 8 (6) of the principal regulations is hereby amended by inserting, after the words “trading bank”, the words “or authorised foreign exchange dealer”.

6. Proceeds of sale of exported goods—(1) Regulation 9 (2) of the principal regulations is hereby amended by inserting, after the words “trading bank”, the words “, or an authorised foreign exchange dealer”.

(2) Regulation 9 (5) of the principal regulations is hereby amended by inserting, after the words “trading bank”, the words “and authorised foreign exchange dealer”.

(3) Regulation 9 (8) of the principal regulations is hereby amended by inserting, after the words “trading bank”, the words “or authorised foreign exchange dealer”.

7. New Third Schedule added—The principal regulations are hereby amended by adding the Third Schedule set out in the Schedule to these regulations.

SCHEDULE

Reg. 7

NEW THIRD SCHEDULE TO PRINCIPAL REGULATIONS

“THIRD SCHEDULE

Reg. 1 (1)

AUTHORISED FOREIGN EXCHANGE DEALERS

Broadbank Corporation Limited
Citicorp Forex Limited
Development Finance Corporation of New Zealand
Indosuez New Zealand Limited
Lombank (New Zealand) Limited
Marac Corporation Limited
N.Z.I. Securities Limited
New Zealand United Corporation Limited
South Pacific Merchant Finance Limited

P. G. MILLEN,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on the 14th day after the date of their notification in the *Gazette*, amend the Exchange Control Regulations 1978. In general terms, the effect of the amendment is to enable other persons (in addition to the trading banks) to be authorised to deal in foreign exchange. The persons who can be so authorised (in addition to trading banks) are named in the Third Schedule to the principal regulations (as added by regulation 7 of these regulations). To be named in that Schedule is not of itself sufficient to authorise a person so named to deal in foreign exchange. Such a person requires, in addition, the consent of the Reserve Bank to deal in foreign exchange.

Regulation 2 inserts a new definition in the principal regulations of the term "authorised foreign exchange dealer". An authorised foreign exchange dealer is defined as a person named in the Third Schedule to the regulations.

Regulation 3 amends regulation 3 (1) (i) of the principal regulations. As amended by this regulation it now provides that without the consent of the Reserve Bank no person shall be a party to a transaction whereby foreign currency is exchanged for New Zealand money otherwise than through a trading bank or an authorised foreign exchange dealer. The reference to an authorised foreign exchange dealer is new.

Regulation 4 substitutes a new regulation 7 in the principal regulations. The existing regulation 7 requires overseas remuneration for work or services to be paid to the Reserve Bank or a trading bank. Under the new regulation 7 such remuneration may now be paid to an authorised foreign exchange dealer.

Regulation 5 amends regulation 8 of the principal regulations. The effect of this amendment is that regulation 8 now applies only to foreign assets (as defined in the regulation) owned by trading banks and authorised foreign exchange dealers ordinarily resident in New Zealand and not, as is the case at present, to foreign assets owned by all persons ordinarily resident in New Zealand. Accordingly, the consent of the Reserve Bank is required to sell, transfer, or do anything which involves the creation of a charge on any such asset.

Regulation 6 amends regulation 9 of the principal regulations (which requires the proceeds of sale of exported goods to be paid to the Reserve Bank or a trading bank). Such proceeds may now be paid to an authorised foreign exchange dealer.

Regulation 7 adds a new Third Schedule of authorised foreign exchange dealers to the principal regulations.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 11 August 1983.

These regulations are administered in the Reserve Bank of New Zealand.