



**THE FINANCIAL SERVICES REGULATIONS 1979,  
AMENDMENT NO. 3**

---

DAVID BEATTIE, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 1st day of March 1982

Present:

THE RIGHT HON. D. MACINTYRE PRESIDING IN COUNCIL

PURSUANT to the Economic Stabilisation Act 1948, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

---

REGULATIONS

**1. Title and commencement**—(1) These regulations may be cited as the Financial Services Regulations 1979, Amendment No. 3, and shall be read together with and deemed part of the Financial Services Regulations 1979\* (hereinafter referred to as the principal regulations).

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

**2. Interpretation**—Regulation 2 of the principal regulations is hereby amended by inserting, after the definition of the term “funds employed”, the following definition:

“ ‘New specified financial service’, in relation to a financial service provided or to be provided by a supplier of services, means a specified financial service of a kind not previously provided by him:”.

**3. Notification, in relation to specified financial services, of proposed increases in prices or of proposed prices**—The principal regulations are hereby amended by revoking regulation 5 (as substituted by regulation 4 of the Financial Services Regulations 1979, Amendment No. 2), and substituting the following regulation:

“5. (1) Before any supplier, who, at the end of the supplier’s immediately preceding financial year, employed in the supplier’s business funds of \$2,000,000 or more, increases the price of any specified financial service or provides any new specified financial service, that supplier shall forward to the Reserve Bank a notice in writing stating—

“(a) In the case of an increase in the price of a specified financial service, the reasons for the price increase and itemised details of the financial figures on which the calculation of the price increase is based; or

“(b) In the case of a new specified financial service, the price of the service and itemised details of the financial figures on which the price is based.

“(2) Where the Reserve Bank does not, within 14 days after receiving a notice pursuant to subclause (1) of this regulation, notify the supplier that the Reserve Bank objects to the proposed price increase or, in the case of a new specified financial service, the price, the supplier may increase the price to the extent so notified or, in the case of a new specified financial service, charge the price so notified; but, if the Reserve Bank so objects within that period, the supplier shall not increase that price except to the extent approved by the Reserve Bank or, in the case of a new specified financial service, shall not charge for that service a price that is higher than the price fixed or approved by the Reserve Bank.

“(3) In considering any proposed increase in the price of any specified financial service or, in the case of a new specified financial service, its price,—

“(a) The Reserve Bank shall, in addition to such matters as it is empowered or required to have regard to by any other Act, have regard to the economic policies of the Government which, in relation to the economic stability of New Zealand, are transmitted in writing from time to time to the Reserve Bank by the Minister of Finance; and

“(b) The Reserve Bank shall, if it thinks fit, take into account—

“(i) The profits of the supplier in relation to the shareholders’ funds of, or as the case may be, to the equity capital invested by the proprietor or partners in, the whole of the supplier’s business (or, if the Reserve Bank thinks fit, any particular section of it); or

“(ii) The assets employed in, or the annual sales of, the whole of the supplier’s business (or, if the Reserve Bank thinks fit, any particular section of it); and

“(c) The Reserve Bank shall, if it thinks fit, take into account the extent to which the profits of the supplier in relation to the items mentioned in subparagraphs (i) and (ii) of paragraph (b) of this subclause could be limited without the financial stability and economic viability of his business (or, if the Reserve Bank thinks fit, of any particular section of it) being affected.

“(4) Subject to regulation 7 of these regulations, any decision of the Reserve Bank on any such notification shall be final and conclusive until revoked or amended by the Reserve Bank.

“(5) Any notification under this regulation shall be in such form as the Reserve Bank requires or approves.”

**4. Revocation**—The Financial Services Regulations 1979, Amendment No. 2 are hereby consequentially amended by revoking regulation 4.

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 amend the Financial Services Regulations 1979.

Suppliers who propose to institute new specified financial services are required to give the Reserve Bank notice in writing of the price that they propose to charge. The price so notified may be charged if the Reserve Bank does not object within 14 days after receipt of the notification. If the Bank does object, the supplier may not charge a price that is higher than the price fixed or approved by the Reserve Bank. The obligation to notify is imposed only on a supplier who, at the end of his immediately preceding financial year, employed in his business funds of \$2,000,000 or more.

---

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 4 March 1982.

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