



**FINANCIAL TRANSACTIONS REPORTING (INTERPRETATION)
REGULATIONS 1997**

MICHAEL HARDIE BOYS, Governor-General

ORDER IN COUNCIL

At Wellington this 24th day of March 1997

Present:

THE RIGHT HON J B BOLGER PRESIDING IN COUNCIL

PURSUANT to section 56 (1) (e) of the Financial Transactions Reporting Act 1996, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, and on the recommendation of the Minister of Justice, makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Financial Transactions Reporting (Interpretation) Regulations 1997.

(2) These regulations come into force on 1 April 1997.

2. Term deposit account deemed not to be facility—(1) For the purposes of this regulation, a term deposit account is an account or arrangement—

- (a) That is provided by a financial institution; and
- (b) Under which a fixed sum is or may be placed on deposit for a fixed term, whether or not all or part of the fixed sum is able to be withdrawn before the fixed term expires.

(2) For the purposes of the Financial Transactions Reporting Act 1996, a term deposit account is deemed not to be a facility.

MARIE SHROFF,
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 come into force on 1 April 1997. They relate to the definition of “facility” in the Financial Transactions Reporting Act 1996 and clarify the position of term deposit accounts.

Under section 2 of the principal Act, a facility is defined as an account or arrangement—

- (a) That is provided by a financial institution; and
- (b) Through which a facility holder may conduct 2 or more transactions.

In accordance with this definition, where an early withdrawal of funds is able to be made from a term deposit account, it could be argued that 2 or more transactions may be conducted through that account. Consequently, the account might be a “facility” in terms of the above definition. These regulations therefore deem a term deposit account not to be a facility for the purposes of the principal Act.

Issued under the authority of the Acts and Regulations Publication Act 1989.
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These regulations are administered in the Ministry of Justice.