

**1956/78**

## THE INTEREST ON DEPOSITS ORDER 1956

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

At the Government House at Wellington this 30th day of May 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 Interest on Deposits Order 1956.
- (2) This order shall come into force on the 1st day of June 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:
  - “Savings bank deposit” means a savings bank deposit within the meaning of section 32 of the Finance Act 1932 (No. 2):
  - “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 apply, in the case of a deposit received by a deposit holding body on or after the 1st day of June 1956, to interest on and from the date of receipt.

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

- (a) If repayable immediately on notice or demand, to interest on and from the 1st day of June 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 June 1956:
- (c) If otherwise repayable on or after the 1st day of June 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.

6. 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 or the Third Schedule hereto.

7. For the purposes of the First and Third 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.

8. (1) The orders specified in the Fourth 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 (EXCEPT ON SAVINGS BANK DEPOSITS), AND BY 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 ..	$3\frac{1}{2}$
Not less than 4 years but less than 5 years ..	$3\frac{3}{4}$
Not less than 5 years but less than 6 years ..	4
Not less than 6 years but less than 7 years ..	$4\frac{1}{4}$
Not less than 7 years .. .. .	$4\frac{1}{2}$

## SECOND SCHEDULE

## MAXIMUM RATE PAYABLE BY BUILDING SOCIETIES ON SAVINGS BANK DEPOSITS

Maximum rate of interest per cent per annum ..... 3

## THIRD SCHEDULE

## MAXIMUM RATES PAYABLE BY LOCAL AUTHORITIES

Period of Deposit	Maximum Rate of Interest Per Cent Per Annum
Rapayable at short call .. .. .	1½
Not less than 3 months but less than 6 months .. .. .	2
Not less than 6 months .. .. .	2½

## FOURTH SCHEDULE

## ORDERS REVOKED

- Order Fixing Maximum Rates of Interest Payable by Building and Investment Societies (*Gazette*, 1932, Vol. II, p. 1423).  
 Order Amending Maximum Rates of Interest Payable by Certain Building and Investment Societies on Renewal of Deposits (*Gazette*, 1932, Vol. II, p. 1841).  
 Order Amending Maximum Rates of Interest Payable on Deposits with Building and Investment Societies (*Gazette*, 1933, Vol. I, p. 549).  
 Order Amending Maximum Rates of Interest Payable on Deposits with Building and Investment Societies (*Gazette*, 1934, Vol. II, p. 2306).  
 Order Amending Maximum Rate of Interest on Savings Bank Deposits Made with any Building Society (S.R. 1942/160).  
 The Deposits Interest Restriction Order 1956 (S.R. 1956/56).

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

The only changes are in the maximum rates payable by building societies on savings banks deposits, and those payable on deposits for five years or over, which rates are increased.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 31 May 1956.

These regulations are administered in the Treasury.