



THE SUPERANNUATION FUNDS INVESTMENT ORDER 1975,
AMENDMENT NO. 1

DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 30th day of August 1976

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL 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 order.

ORDER

1. Title and commencement—(1) This order may be cited as the Superannuation Funds Investment Order 1975, Amendment No. 1, and shall be read together with and deemed part of the Superannuation Funds Investment Order 1975* (hereinafter referred to as the principal order).

(2) This order shall come into force on the 1st day of September 1976.

2. Interpretation—(1) Clause 2 of the principal order is hereby amended by revoking the definition of the term “cost”, and substituting the following definition:

“Cost”, in relation to any asset included in the assets of a superannuation fund and to any time, means—

“(a) In the case of an asset (other than an asset to which paragraph (b) or paragraph (c) or paragraph (d) of this definition applies)—

“(i) In any case where subparagraph (ii) of this paragraph does not apply, the amount of the consideration for which that asset was acquired by that fund, including the amount of any commission, brokerage, stamp duty, or other expenditure incidental to and related to that acquisition:

“(ii) In any case where—

(A) That asset was acquired by that fund without consideration or for a consideration less than the true value of that asset at the time it was so acquired; or

(B) The whole or a part of the consideration for which that asset was acquired by that fund was other than money—
such amount as the Bank determines, in such manner as it thinks fit, as the value of that asset at the time it was so acquired:

“(b) In the case of an asset which consists of a policy (as defined in section 41 of the Life Insurance Act 1908) currently in force at that time, the aggregate amount of all premiums theretofore paid by that fund in respect of that policy:

“(c) In the case of an asset which consists of a debt, not being—

“(i) A public security, or a Housing Corporation security that is a housing investment, or a housing bond, or a debenture issued by a company, or a bond, or other like security; or

“(ii) An asset to which paragraph (d) of this definition applies,—

the amount of the principal sum of that debt owing to that fund at that time:

“(d) In the case of an asset which consists of money (whether in a bank account or otherwise), the amount of that money:

“Provided that in any case where the market value at that first-mentioned time of an asset (not being an asset referred to in paragraph (b) or paragraph (d) of this definition, or a public security, or a Housing Corporation security that is a housing investment, or a housing bond) is less than the amount which would, but for this proviso, be the cost of that asset within the meaning of the foregoing provisions of this definition, the cost of that asset shall for the purposes of this definition, be deemed to be an amount equal to that market value.”.

(2) Clause 2 of the principal order is hereby further amended by inserting, after the definition of the term “cost” (as substituted by sub-clause (1) of this clause), the following definition:

“‘Housing bond’ means a housing bond issued pursuant to the Post Office Act 1959 or pursuant to the Trustee Savings Bank Act 1948.”.

(3) Clause 2 of the principal order is hereby further amended by revoking the definition of the term “Housing Corporation securities”.

(4) Clause 2 of the principal order is hereby further amended by revoking the definition of the term “housing investment”, and substituting the following definition:

“‘Housing investment’ means—

“(a) Any advance secured by way of mortgage for the purchase or erection of any house or other dwelling place in New Zealand used or to be used for private residential pur-

poses; and includes any advance secured as aforesaid for the purchase of any land in New Zealand purchased for such purposes; and also includes the cost of any land in New Zealand purchased for such purposes:

“(b) Housing bonds:

“(c) Stock issued under section 30 of the Housing Corporation Act 1974 and in terms of the prospectus dated 25 August 1975 for the first issue of non-transferable registered stock to superannuation funds:”.

(4) Clause 2 of the principal order is hereby further amended by omitting from the definition of the term “local authority” the words “Part I”.

3. Superannuation funds to hold Government and local authority securities—Clause 3 of the principal order is hereby amended by revoking subclauses (2) and (3), and substituting the following subclauses:

“(2) Notwithstanding anything in subclause (1) of this clause, a fund shall be deemed to comply with the requirement to hold New Zealand Government securities if at all times on and after the commencement of this subclause—

“(a) The fund holds in its beneficial ownership such securities equal to at least 20 percent of the amount of the residual assets of that fund; and

“(b) To the extent necessary to comply with the minimum requirement to hold New Zealand Government securities, the fund holds housing investments. Housing investments made in terms of this subclause shall be deemed, to the extent of those investments, to meet the requirement to hold public securities.

“(3) A fund that makes any payment to the Registrar of Stock by way of advance subscription for any future issue of New Zealand Government securities or by way of instalment of subscription for any then current issue of New Zealand Government securities shall be deemed to hold New Zealand Government securities to the extent of such payment.”

4. Return to be made to Reserve Bank by superannuation funds—The principal order is hereby further amended by revoking the Schedule, and substituting the Schedule set out in the Schedule to this order.

SCHEDULE
NEW SCHEDULE TO PRINCIPAL ORDER

“SCHEDULE

RETURN TO BE MADE TO RESERVE BANK BY SUPERANNUATION FUNDS
SUPERANNUATION FUND RETURN YEAR ENDED

Name of Fund
Address (To which notices are to be sent)
Names of Trustees (in full)

Amount of Residual Assets* as at Balance Date—

A. Cost* of all assets \$.....

LESS

B. Cost* of—

(i) Deposits with National Provident Fund \$.....

(ii) Deposits with Insurance Companies in New Zealand \$.....

(iii) Life insurance policies held in New Zealand \$.....

Amount of—

(iv) Principal owing in New Zealand to other Superannuation Funds \$.....

(v) Principal owing by the Fund under first mortgage on land in New Zealand \$.....

(vi) \$50,000

.....
\$.....
=====

Please enter amount of undermentioned assets held at balance date—
(Nominal) (Cost)

(i) New Zealand Government securities \$..... \$.....

(ii) Local authority securities \$..... \$.....

(iii) Housing investments (please specify type) \$.....

.....
\$..... \$.....
=====

(If securities are registered in the name of a nominee company, please state name))

I hereby certify that this return is correct and that the Fund has complied with the provisions of the Superannuation Funds Investment Order 1975.

.....
(Trustee/Manager)

.....
[Date]

*As defined in the Superannuation Funds Investment Order 1975.”

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

EXPLANATORY NOTE

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

The effect of this order is as follows:

- (a) Housing bonds issued by the Post Office and trustee savings banks will qualify as housing investments by superannuation funds:
- (b) Any future issues of securities by the Housing Corporation of New Zealand do not qualify as housing investments for the purposes of the principal order.

The other amendments (except clause 2 (4)) are consequential on these provisions.

Clause 2 (4) widens the scope of securities issued by local authorities that qualify as local authority securities for the purposes of the principal order.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 2 September 1976.

This order is administered in the Reserve Bank of New Zealand.