



**THE TRUSTEE BANKS (BONDS AND SECURITIES)
REGULATIONS 1984**

DAVID BEATTIE, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 12th day
of March 1984

Present:

THE RIGHT HON. SIR ROBERT MULDOON PRESIDING IN COUNCIL

PURSUANT to section 49 (1) of the Trustee Banks Act 1983, 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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REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Trustee Banks (Bonds and Securities) Regulations 1984.

(2) These regulations shall come into force on the 1st day of April 1984.

2. Interpretation—In these regulations, unless the context otherwise requires,—

“Accident Compensation Corporation” has the same meaning as in the Accident Compensation Act 1982; and includes any fund established pursuant to that Act:

“Board” has the same meaning as in the Trustee Banks Act 1983:

“Insurance company” means a company within the meaning of the Life Insurance Act 1908; and includes any department, division, or office of any such company:

“Superannuation fund” means any superannuation fund or scheme that is a financial institution for the purposes of the Reserve Bank of New Zealand Act 1964.

3. Trustee banks may issue housing bonds—(1) Every trustee bank established pursuant to the Trustee Banks Act 1983 may receive deposits and issue bonds, to be known as housing bonds, in respect thereof, subject to the provisions of these regulations.

(2) No trustee bank shall issue any bonds or securities pursuant to the Trustee Banks Act 1983 other than housing bonds issued in accordance with these regulations.

4. Term of investment—The term of investment for deposits received shall be 5 years from the first day of the month next following the date of initial lodgment.

5. Interest—(1) The trustee bank may pay interest of not more than 9 percent per annum on the face value of the bond.

(2) Interest shall accrue from the date of initial lodgment, shall be calculated on a daily basis up to the first day of the month next following the date of initial lodgment, and shall then be calculated 6-monthly thereafter.

(3) Interest shall be paid to the registered holder of the bond at 6-monthly intervals calculated from the first day of the month next following the date of initial lodgment, and the first interest payment shall include interest for the period from the date of initial lodgment up to the first day of the month next following that date.

6. Subscription—(1) Housing bonds shall be issued at par and may be purchased by—

(a) Any individual of the age of 7 years and upwards who is not subject to any legal disability other than that resulting from the individual being a minor:

(b) Two or more such individuals in their own names either jointly or severally:

(c) Any corporation sole or body of persons whether corporate or unincorporate.

(2) Each investment in housing bonds shall be an amount of not less than \$200 and shall be in multiples of \$10.

(3) The maximum amount which may be invested by a depositor with any one trustee bank in any one year calculated from the date of the initial deposit shall be \$25,000.

(4) Nothing in this regulation applies to any insurance company or superannuation fund or the Accident Compensation Corporation.

7. Repayment—(1) Housing bonds shall on maturity be repaid at par to the registered holder.

(2) Where the sole original holder of any housing bonds dies, the personal representatives of that holder may redeem the housing bonds at par before maturity by giving not less than 30 days' notice that they wish to redeem the bonds.

(3) Subject to subclause (2) of this regulation, housing bonds may be redeemed before maturity by any holder, other than an insurance company or superannuation fund, subject to the following conditions:

(a) A bond shall not be redeemed within 30 days after the date of its issue:

(b) The Board may require up to 30 days' notice before redemption:

(c) A bond may be redeemed only by the original holder.

(4) Where a housing bond is redeemed before maturity pursuant to subclause (3) of this regulation the minimum penalty shall be an amount calculated at the rate of 2 percent per annum of the face value of the bond for each complete month from the date of redemption to the date of maturity:

Provided that the yield to redemption shall be not less than 3 percent per annum.

(5) On redemption of any bond, whether on or before maturity, the registered holder shall surrender to the Registrar any certificate of title issued in respect of that bond.

8. Registration—(1) Each housing bond issued to an insurance company or superannuation fund or the Accident Compensation Corporation shall be registered and shall be transferable

(2) Housing bonds issued to any purchaser other than an insurance company or superannuation fund or the Accident Compensation Corporation shall be registered but shall be transferable only if the purchaser so requests.

(3) Registration of the bonds shall, at the option of the trustee bank, be carried out either by the issuing bank or the Reserve Bank of New Zealand.

(4) The register of transferable bonds shall be held at the Reserve Bank of New Zealand pursuant to an agreement between the issuing bank and the Reserve Bank of New Zealand.

(5) A trustee bank may appoint the Reserve Bank of New Zealand as the agent of the issuing bank to make payments of interest on the bonds and payments on redemption or repayment of the bonds on terms to be agreed between the bank and the Reserve Bank of New Zealand.

(6) The provisions of section 9 of the Reserve Bank of New Zealand Act 1964 shall, so far as they are applicable and with the necessary modifications, apply in respect of any register of housing bonds held at the Reserve Bank of New Zealand and in respect of any payments of interest on the bonds and any payments in redemption or repayment of the bonds made by the Reserve Bank of New Zealand as the agent of the issuing bank.

(7) Part I of the Trustee Banks Regulations 1984 shall, so far as it is applicable and with the necessary modifications, apply in respect of any register held at a trustee bank.

9. Transfer of bonds—Every housing bond that is transferable may be transferred by lodging a memorandum of transfer at the Reserve Bank of New Zealand and by complying with such conditions as may be specified by the Reserve Bank of New Zealand.

10. Commission—The issuing bank may pay a commission, procurator fee, or brokerage, to any person obtaining subscriptions for the issuing of housing bonds.

11. Revocations—The Trustee Savings Banks (Housing Bonds) Notice 1976* and the Trustee Savings Banks (Housing Bonds) Notice 1976, Amendment No. 1† are hereby revoked.

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

*S.R. 1976/264
†S.R. 1977/164

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 1 April 1984, restrict the issue by trustee banks established under the Trustee Banks Act 1983 of bonds and securities to the issue of housing bonds. The terms on which such bonds may be issued are the same as those applying under the notices revoked by regulation 11.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 15 March 1984.
These regulations are administered in the Reserve Bank of New Zealand.