



THE TRUSTEE BANKS (INVESTMENT) REGULATIONS 1986

PAUL REEVES, Governor-General

ORDER IN COUNCIL

At Wellington this 24th day of November 1986

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL 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.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Trustee Banks (Investment) Regulations 1986.

(2) These regulations shall come into force on the 14th day after the date of their notification in the *Gazette*.

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

“Bill of exchange” means a bill of exchange within the meaning of section 3 of the Bills of Exchange Act 1908:

“Debt security” has the same meaning as in section 2 of the Securities Act 1978, but does not include an interest in a contributory mortgage:

“Equity security” has the same meaning as in section 2 of the Securities Act 1978:

“Monetary assets” means—

(a) Cash, bank balances, and amounts receivable at any time (less provisions, if appropriate, for income yet to mature and for doubtful debts):

(b) Equity securities which are held for the purpose of being available for conversion into cash, or which are expected to be converted into cash within a period not exceeding one year:

(c) Any other assets regarded as monetary assets according to generally accepted accounting principles:

“Promissory note” means a promissory note within the meaning of section 84 of the Bills of Exchange Act 1908:

“Qualifying financial institution” means any financial institution within the meaning of section 2 of the Reserve Bank of New Zealand Act 1964, the latest balance sheet of which, being a balance sheet required to be prepared in accordance with the provisions of any enactment to which the financial institution is subject, shows monetary assets exceeding two-thirds of total tangible assets:

“Subsidiary” has the same meaning as in section 158 of the Companies Act 1955:

“Transferable certificate of deposit” has the same meaning as in section 2 of the Stamp and Cheque Duties Act 1971.

3. Trustee banks authorised to invest money—Every trustee bank may invest any money deposited in the bank or belonging to the bank—

(a) In any bonds, debentures, or other debt securities issued by any qualifying financial institution:

(b) In purchasing any bill of exchange or promissory note:

(c) In any bonds, debentures, or other debt securities issued by—

(i) Any statutory body, or a subsidiary of a statutory body; or

(ii) Any company incorporated under the Companies Act 1955 and owned by the Crown, or a subsidiary of any such company:

(d) In any bonds, debentures, or other debt securities guaranteed by—

(i) Any statutory body; or

(ii) Any company incorporated under the Companies Act 1955 and owned by the Crown:

(e) In any bonds, debentures, or other debt securities—

(i) Which are issued by any company incorporated under the Companies Act 1955 that is listed on the New Zealand Stock Exchange; or

(ii) Which are listed on the New Zealand Stock Exchange:

(f) In any transferable certificate of deposit.

4. Revocations—The Trustee Banks (Investment) Regulations 1984* and the Trustee Banks (Investment) Regulations 1984, Amendment No. 1† are hereby revoked.

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

*S.R. 1984/57

†S.R. 1984/153

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations replace the Trustee Banks (Investment) Regulations 1984, and extend the investment powers of trustee banks. They authorise trustee banks to invest money deposited in or belonging to the banks in the following forms of investments—

- (a) Bonds, debentures or other debt securities issued by any qualifying financial institution (as that term is defined);
- (b) In purchasing any bill of exchange or promissory note;
- (c) In any bonds or debentures or other debt securities issued by any statutory body, or a subsidiary of a statutory body, or by any company incorporated under the Companies Act 1955 and owned by the Crown, or a subsidiary of any such company;
- (d) In any bonds, debentures, or other debt securities guaranteed by a statutory body, or a company incorporated under the Companies Act 1955 and owned by the Crown;
- (e) In any bonds or debentures or other debt securities issued by any company that is listed on the New Zealand Stock Exchange or which are themselves listed on the New Zealand Stock Exchange;
- (f) In transferable certificates of deposit (as that term is defined).

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 27 November 1986.

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