

1974/324

**THE TRUSTEE SAVINGS BANKS (GOVERNMENT
SECURITIES) ORDER (NO. 3) 1974**

DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 16th day of December 1974

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to section 34C of 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 Trustee Savings Banks (Government Securities) Order (No. 3) 1974.

(2) This order shall come into force on the 16th day of December 1974.

2. Minimum holdings of Government securities—(1) Every trustee savings bank established under the Trustee Savings Banks Act 1948 shall hold Government securities of an amount equal to not less than 50 percent of the difference between all money deposited in the bank and the amount required by subsections (3) and (3A) of section 24 of that Act to be kept immediately available.

(2) A trustee savings bank shall be deemed to comply with subclause (1) of this clause if by the 15th day of each month and until the 15th day of the next succeeding month it has invested in Government securities an amount equal to not less than 50 percent of the said difference as it existed at the close of business on the last day of the month immediately preceding the first-mentioned month.

(3) Notwithstanding the provisions of subclauses (1) and (2) of this clause, where any bank is for the time being designated by the Minister of Finance as a bank to which this subclause applies, those provisions shall, in their application to that bank, be read as if for the words "50 percent" there were substituted in subclause (1), and also in subclause (2), the words "48 percent".

(4) Notwithstanding the provisions of subclauses (1) and (2) of this clause, where any bank is for the time being designated by the Minister of Finance as a bank to which this subclause applies, those provisions shall, in their application to that bank, be read as if for the words "50 percent" there were substituted in subclause (1), and also in subclause (2), the words "46 percent".

3. Securities to be held against current account balances—(1) Every trustee savings bank which for the time being may accept money for deposit to the credit of current accounts pursuant to section 18A of the Trustee Savings Banks Act 1948 shall hold Government securities with not more than 1 year to maturity of an amount equal to not less than the percentage which is required to be held in Government securities pursuant to subclause (1) or subclause (3) or subclause (4) of clause 2 of this order (whichever subclause is applicable to the bank) of the difference between the total amount deposited in current accounts and the amount required by section 24 (3A) of the Trustee Savings Banks Act 1948 to be kept immediately available.

(2) The amount of Government securities held pursuant to subclause (1) of this clause shall be deemed to form part of the amount of Government securities which a bank is required to hold in terms of subclause (1) or subclause (3) or subclause (4) of clause 2 of this order, as the case may require.

4. Revocations—The following orders are hereby revoked:

- (a) The Trustee Savings Banks (Government Securities) Order (No. 2) 1974*:
- (b) The Trustee Savings Banks (Government Securities) Order (No. 2) 1974, Amendment No. 1†.

P. G. MILLEN,

Clerk of the Executive Council.

*S.R. 1974/192
†S.R. 1974/266

EXPLANATORY NOTE

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

This order reduces the minimum amounts of Government securities required to be held by trustee savings banks. The present ratio of 51 percent is reduced to 50 percent. Provision is also made for the Minister of Finance to designate particular banks which may reduce their ratios to either 48 percent or 46 percent, which is also a reduction of 1 percent of the ratios in such cases.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 19 December 1974.

This order is administered in the Reserve Bank.