

New Zealand.



ANALYSIS.

- | | |
|--|---|
| <p>Title.</p> <ol style="list-style-type: none"> 1. Short Title. 2. Interpretation. Application of Act. 3. Act to bind the Crown. <p style="text-align: center;"><i>Right to apply for or dissent from Conversion.</i></p> <ol style="list-style-type: none"> 4. Application for conversion. 5. Conversion of securities of holders who do not dissent. 6. Existing securities to be surrendered before receipt of remaining interest thereon or delivery of new securities. 7. Time within which dissent may be signified. 8. Form of dissent. 9. In case of dissent, existing securities to be exchanged for inscribed stock, but not otherwise altered. <p style="text-align: center;"><i>Date of Conversion, and Payment of Interest up to that Date.</i></p> <ol style="list-style-type: none"> 10. Date of conversion. 11. Payment of interest on existing securities. <p style="text-align: center;"><i>New Securities.</i></p> <ol style="list-style-type: none"> 12. Authority for issue of new securities. 13. Death duty stock. 14. Provision as to securities free of income-tax. 15. Currency of new securities. | <ol style="list-style-type: none"> 16. Interest on new securities. 17. Where interest not reduced by more than 20 per cent., new securities to be for same amount as existing securities. 18. Premium to be added in other cases in compensation for reduction of interest by more than 20 per cent. 19. Premium to be in form of additional new securities, subject to cash adjustments of fractions of £5. 20. Place for payment of principal and interest. <p style="text-align: center;"><i>Securities held by Trustees.</i></p> <ol style="list-style-type: none"> 21. Authority for trustees to convert existing securities. 22. Adjustment of premium as between capital and income. 23. Trustees' powers in certain cases. 24. Application to Court by certain persons. 25. Application to new securities of trusts, powers, &c., affecting former securities. As to construction of previous Acts and instruments. <p style="text-align: center;"><i>Miscellaneous.</i></p> <ol style="list-style-type: none"> 26. Power of Public Debt Commission to purchase new securities in cases of hardship. 27. Closing of Register of Stock. 28. Regulations. <p style="text-align: center;">Schedule.</p> |
|--|---|

1932-33, No. 37.

AN ACT to make Provision for the Conversion of the Internal Public Debt of New Zealand, and for Matters incidental thereto. [4th March, 1933.]

Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the New Zealand Debt Conversion Act, 1932-33.

Short Title.

2. (1) In this Act, unless the context otherwise requires,—

Interpretation.

“Existing securities” means bonds, debentures, or stock charged upon the public revenues of New Zealand and issued at any time before the first day of April, nineteen hundred and thirty-three :

“Minister” means the Minister of Finance :

“New securities” means securities issued pursuant to this Act in conversion of existing securities.

(2) This Act shall apply with respect to all existing securities if—

Application of Act.

(a) The rate of interest payable thereon exceeds four per centum per annum ; and

(b) Either the place fixed, as at the thirty-first day of March, nineteen hundred and thirty-three, for the payment of interest or the place so fixed for the repayment of principal is in New Zealand.

(3) If any dispute arises in relation to this section as to the place fixed for the payment of any interest or principal, such dispute shall be determined by the Minister.

3. This Act shall bind the Crown.

Act to bind the Crown.

Right to apply for or dissent from Conversion.

4. (1) The holder of any existing securities to which this Act applies may make application to the Treasury in writing in a form to be supplied by the Treasury for the conversion of such securities into new securities in accordance with this Act.

Application for conversion.

(2) Every application under this section relating to bonds or debentures shall be accompanied by the

securities to which it relates, and every such application relating to stock in respect of which any certificate of title or stock certificate is in force shall be accompanied by such certificate.

Conversion of securities of holders who do not dissent.

5. If the holder of any existing securities to which this Act applies does not, within the time and in the manner provided by this Act, signify his dissent from the conversion of such securities into new securities, the existing securities shall be converted into new securities in the same manner as if application had been made under the last preceding section.

Existing securities to be surrendered before receipt of remaining interest thereon or delivery of new securities.

6. The holder of any existing securities converted into new securities under this Act (whether the conversion is on application or after failure to dissent) shall not be entitled to demand payment of any interest payable on the existing securities, or to receive the new securities or any interest thereon, until he has surrendered to the Treasury the existing securities, or, in the case of stock, the certificate of title or stock certificate (if any) for the time being in force.

Time within which dissent may be signified.

7. Dissent from the conversion of any existing securities may be signified—

- (a) On or before the twenty-fourth day of March, nineteen hundred and thirty-three; or
- (b) If the holder of the securities (or where the holder of the securities is a trustee, any person whose consent would, but for this Act, be required for conversion) is during the whole of the time between the passing of this Act and the date referred to in the last preceding paragraph absent from New Zealand—on or before the first day of June, nineteen hundred and thirty-three; or
- (c) In the case of any particular holder—within such further time as the Minister may, on account of special circumstances, in his discretion allow.

Form of dissent.

8. The dissent of the holder of any existing securities from the conversion of those securities into new securities shall be signified in writing in a form to be supplied by the Treasury, and shall be deemed to be signified when such form, duly completed, is received by the Treasury or by any person authorized by the Treasury to receive it.

9. (1) Where dissent is signified from the conversion of any existing bond or debenture into new securities, such bond or debenture shall be forwarded to the Treasury, and shall be exchanged for inscribed stock for the amount of the existing security, conforming with the conditions of the existing security in respect of maturity date, redemption, and rate of interest, and in all other respects.

In case of dissent, existing securities to be exchanged for inscribed stock, but not otherwise altered.

(2) Where dissent is signified from the conversion into new securities of any stock in respect of which a stock certificate is in force, such certificate, with all unpaid coupons belonging thereto, shall be forwarded to the Treasury and cancelled, and the stock shall be re-entered in the Register of Stock.

(3) No interest that becomes payable on or after the first day of April, nineteen hundred and thirty-three, on any existing security to which subsection one or subsection two hereof applies shall be paid until the foregoing provisions of this section have been complied with.

(4) Except as may be directed by the Minister, existing stock in respect of which dissent from conversion is signified in accordance with this Act, and stock issued in exchange for existing bonds or debentures under subsection one hereof, shall not be exchanged for any other form of security, and no stock certificate shall be issued in respect of any such stock.

Date of Conversion, and Payment of Interest up to that Date.

10. (1) The date from which the conversion of existing securities into new securities shall take effect shall be the thirty-first day of March, nineteen hundred and thirty-three.

Date of conversion.

(2) Interest on existing securities so converted shall in respect of the period ending on that date be paid at the existing rate applicable to those securities, and from that date interest on the new securities issued in conversion thereof shall be paid at a reduced rate determined in accordance with the provisions of this Act.

11. Subject to section six hereof, the interest on any such existing securities for the period ending on the said date of conversion shall be payable on the fifteenth day of May, nineteen hundred and thirty-three.

Payment of interest on existing securities.

New Securities.

Authority for
issue of new
securities.

12. (1) The Minister may, without further authority than this Act, issue new securities under the New Zealand Loans Act, 1932, in conversion of existing securities in accordance with this Act.

(2) Such new securities shall be called New Zealand Government stock, or New Zealand Government debentures, or by such other name as the Minister may direct, and in the case of stock shall be inscribed under Part IV of the said New Zealand Loans Act, 1932.

Death duty
stock.

13. Where any existing securities have been issued with the condition of availability for payment of death duties attached thereto, any new securities issued in the form of stock in conversion of such existing securities shall be issued with the same condition attached thereto, and the provisions of the New Zealand Loans Act, 1932, shall apply to such new stock as if it had been issued under section forty of that Act.

Provision as to
securities free
of income-tax.

14. (1) Where any existing securities have been issued with the condition that the income derived therefrom shall be exempt from income-tax, then, notwithstanding anything to the contrary in section fifty-five of the New Zealand Loans Act, 1932, or in any other Act, the interest on the new securities issued in conversion thereof for the period from the date of conversion up to the half-yearly interest date next following the maturity date of the existing securities, or up to such maturity date if it is a half-yearly interest date, shall be exempt from taxation under the Land and Income Tax Act, 1923, but the interest on the new securities for any period thereafter shall be subject to such taxation:

Provided that the holder of any such existing securities shall be entitled, at his option, to receive in conversion thereof new securities the interest on which is not exempt from such taxation for any period.

(2) All new securities the interest on which is exempt from taxation under the Land and Income Tax Act, 1923, for any period shall be issued in the form of stock, and during the period of such exemption (except as may in any special case be otherwise directed by the Minister), such stock shall not be exchanged for any other form of

security, nor shall any stock certificate be issued in respect thereof.

15. (1) Every new security shall be redeemable at par on one of the appropriate maturity dates specified in the next succeeding subsection, or, at the option of the Minister, on such earlier date (within three years before such maturity date) as the Minister may specify in a notice in that behalf to be published in the *Gazette* at least three months before such earlier date.

Currency of
new securities.

(2) The maturity dates for new securities shall be as follows:—

(a) In the case of new securities the interest on which is exempt for any period from taxation under the Land and Income Tax Act, 1923,—

(i) The fifteenth day of March, nineteen hundred and forty-three; and

(ii) The fifteenth day of May, nineteen hundred and fifty-two:

(b) In all other cases,—

(i) The fifteenth day of January, nineteen hundred and forty;

(ii) The fifteenth day of February, nineteen hundred and forty-six;

(iii) The fifteenth day of April, nineteen hundred and forty-nine; and

(iv) The fifteenth day of June, nineteen hundred and fifty-five.

(3) Except as may in any special case be otherwise directed by the Minister, the new securities issued to any holder of existing securities shall as nearly as practicable be allotted equally among the appropriate maturity dates.

16. (1) The rate of interest payable on new securities shall be—

Interest on
new securities.

(a) In the case of new securities the interest on which is exempt from taxation under the Land and Income Tax Act, 1923, for any period: Three and one-half per centum per annum for that period, and thereafter four per centum per annum:

(b) In all other cases: Four per centum per annum.

(2) The interest on new securities shall be payable half-yearly on days corresponding to the maturity dates of the securities:

Provided that in the following cases the first instalment of interest shall be payable in accordance with the following provisions:—

- (a) Where the first instalment is for the period ending on the fifteenth day of April, nineteen hundred and thirty-three, it shall be added to and paid with the instalment due on the fifteenth day of October, nineteen hundred and thirty-three.
- (b) Where the first instalment is for the period ending on the fifteenth day of May, nineteen hundred and thirty-three, it shall be payable on the first day of July next following.
- (c) Where the first instalment is for the period ending on the fifteenth day of June, nineteen hundred and thirty-three, it shall be payable on the fifteenth day of July next following.

Where interest not reduced by more than 20 per cent., new securities to be for same amount as existing securities.

17. Where the difference between the rate of interest payable on the existing securities and the rate of interest payable on the new securities as at the first day of April, nineteen hundred and thirty-three, is not more than twenty per centum of such first-mentioned rate, the holder of the existing securities shall on the conversion thereof be entitled to receive new securities for the same aggregate amount of principal as is secured by the existing securities.

Premium to be added in other cases in compensation for reduction of interest by more than 20 per cent.

18. The holder of any existing securities bearing interest at any of the rates specified in the Schedule hereto (being rates involving on conversion a reduction of more than twenty per centum) shall on the conversion of such securities be entitled to receive new securities for the same aggregate amount of principal as is secured by the existing securities, and, in addition thereto, shall be entitled to receive a premium on such principal calculated at the appropriate rate specified in the said Schedule, according to the number of half-years unexpired between the first day of April, nineteen hundred and thirty-three, and the maturity date of the existing securities. For the purpose of computing the number of half-years in any such period, any fraction of a half-year that is not less than three months shall be counted as a half-year, and any such fraction that is less than three months shall not be taken into account.

19. (1) Subject to the provisions of this section as to fractions of five pounds, every premium to which any person is entitled under the last preceding section shall be satisfied by issuing to him additional new securities for the amount of such premium.

Premium to be in form of additional new securities, subject to cash adjustments of fractions of £5.

(2) Where the aggregate amount of all such premiums to which any person is entitled in respect of securities converted into new securities all bearing interest at the same rate is not five pounds, or a multiple of five pounds, such person may at his option either—

(a) Pay to the Treasury in cash, or authorize the Treasury to deduct from any interest becoming payable to him on any securities on or before the fifteenth day of October, nineteen hundred and thirty-three, the amount required to increase the premium to five pounds or the nearest multiple of five pounds, and receive additional new securities for the amount of the premium as so increased; or

(b) Receive in cash (at any time after the thirtieth day of June, nineteen hundred and thirty-three) the amount required to reduce the premium to the nearest multiple of five pounds, and receive additional new securities for the amount of the premium as so reduced.

(3) Payments of cash in accordance with paragraph (b) of the last preceding subsection shall be made by the Minister without further appropriation than this section. Every amount so paid shall be deemed to be part of the costs, charges, and expenses of the conversion, and shall be subject to the provisions of the New Zealand Loans Act, 1932, accordingly.

(4) The power of issuing new securities conferred on the Minister by this Act shall be deemed to include the power to issue any additional new securities required for the purposes of this section. Interest shall be payable on all such additional new securities as from the first day of April, nineteen hundred and thirty-three, notwithstanding that any amount to be paid to the Treasury or deducted from interest as provided in paragraph (a) of subsection two of this section may not be so paid or deducted until after that date.

Place for
payment of
principal and
interest.

20. Subject to the provisions of section fifty-six of the New Zealand Loans Act, 1932 (relating to changes of the place for payment by direction of the Minister), the principal and interest in respect of new securities shall be payable in New Zealand.

Securities held by Trustees.

Authority for
trustees to
convert existing
securities.

21. Notwithstanding anything to the contrary in any Act or rule of law, or in the terms of any trust, any trustee or other person acting in a fiduciary capacity may convert into new securities any existing securities held by him, or may refrain from signifying dissent from any such conversion, and shall not be liable for any loss resulting from any such conversion.

Adjustment of
premium as
between capital
and income.

22. Where immediately before the first day of April, nineteen hundred and thirty-three, the beneficial interest in the income of any existing securities is not vested in the same person and to the same extent as the beneficial interest in the capital thereof, then, as between persons for the time being having any beneficial interest in the new securities into which such existing securities are converted, the following provisions shall apply with respect to the premium payable in respect of such existing securities under section eighteen hereof, namely:—

- (a) Where the amount of such premium is less than ten pounds, it shall belong to the person entitled to the income of the existing security immediately before the first day of April, nineteen hundred and thirty-three.
- (b) Where the amount of such premium is not less than ten pounds, such amount shall be deemed to be income accruing from day to day, and shall be applicable accordingly, firstly out of so much of the premium as is paid in cash (if any), and thereafter out of the capital of the new securities, to augment from day to day the interest on the new securities for the period commencing on the first day of April, nineteen hundred and thirty-three, so as to make it (so far as such premium will extend) as nearly as may be equal to an amount that is twenty per centum less than the interest payable on the existing security as at the thirty-first day of March, nineteen hundred and thirty-three.

23. Where any new securities referred to in paragraph (b) of the last preceding section are vested in a trustee, such trustee shall have power—

Trustees' powers in certain cases.

(a) At any time and from time to time to raise out of the capital of the new securities, by selling, mortgaging, or charging the same or any part thereof, such sum as may be required to provide any money by the said paragraph deemed to be accrued income which has not been paid or applied :

(b) To raise in manner aforesaid a sum of money equal to the amount of the additional new securities issued in respect of the premium, or equal to so much of such amount as shall not have been already raised, and to appropriate the sum so raised for the purpose of future payments or applications under the said paragraph :

(c) At any time and from time to time to provide any money which is so deemed to be accrued income out of any capital moneys forming part of any property held subject to the same beneficial trusts as the new securities.

24. Any person who is for the time being entitled to receive or to cause to be applied money which is by paragraph (b) of section twenty-two hereof deemed to be accrued income may apply to the Supreme Court for an order that such money may be raised, set aside, paid, or applied as the Court may direct, and the Court may make such order as in the circumstances it thinks fit, including an order for the payment by any party of the costs of the other parties where justified by the circumstances.

Application to Court by certain persons.

25. (1) Where any existing securities are converted into new securities, the new securities and the interest thereon shall, subject to the provisions of this Act, be subject to the same trusts, powers, rights, testamentary and other dispositions, provisions, and encumbrances as affect the securities so converted and the interest thereon respectively.

Application to new securities of trusts, powers, &c., affecting former securities.

(2) In any Act or instrument that has been or may be passed or executed before the first day of April, nineteen hundred and thirty-three, references to any securities that are existing securities within the meaning of this Act shall, unless the circumstances otherwise require, be construed as references to new securities, and in

As to construction of previous Acts and instruments.

the case of a testamentary instrument that has been or may be executed before the conversion of any existing securities into new securities, any disposition which but for such conversion would have operated as a specific bequest, of any existing securities or of any interest therein shall be operative with respect to the new securities issued on the conversion as if they were the existing securities.

Miscellaneous.

Power of
Public Debt
Commission to
purchase new
securities in
cases of
hardship.

26. (1) For the purpose of preventing undue hardship, arising out of conversion under this Act, to persons beneficially interested in any new securities, the Public Debt Commission constituted under the Repayment of the Public Debt Act, 1925, may from time to time, if it thinks fit, purchase such securities at a price in excess of the market price, not being above par.

(2) This section shall not be construed as limiting in any way any other powers of the Public Debt Commission.

Closing of
Register of
Stock.

27. From the sixth day of March, nineteen hundred and thirty-three, until the twentieth day of April next following, or until such earlier date as the Minister may direct, the Register of Stock shall be closed except for the purpose of recording transactions required for the purposes of this Act.

Regulations.

28. The Governor-General may from time to time, by Order in Council, make all such regulations as may be deemed necessary for the purpose of giving full effect to the provisions of this Act.

SCHEDULE.

Schedule.

RATES OF PREMIUMS ON CONVERSION OF EXISTING SECURITIES, TO
COMPENSATE FOR REDUCTIONS OF INTEREST RATES BY MORE
THAN TWENTY PER CENTUM.

Period in Half-years from 1st April, 1933, to Maturity Date of Expiring Securities, counting Broken Periods not less than Three Months as Half-years, and disre- garding Broken Periods less than Three Months.	Rate of Premium—to be computed on Amount of Principal secured by Existing Securities.			
	Where Rate of Interest on Existing Securities is 6 per Cent.	Where Rate of Interest on Existing Securities is 5½ per Cent.	Where Rate of Interest on Existing Securities is 5½ per Cent.	Where Rate of Interest on Existing Securities is 5½ per Cent. (or in case of Tax-free Securities con- verted into 3½-per-cent. Securities) 4½ per Cent.
1	Per Cent. 0·39216	Per Cent. 0·19608	Per Cent. 0·09804	Per Cent. 0·04902
2	0·77662	0·38331	0·19416	0·09708
3	1·15355	0·57678	0·28839	0·14419
4	1·52309	0·76155	0·38077	0·19039
5	1·88538	0·94269	0·47135	0·23567
6	2·24057	1·12029	0·56014	0·28007
7	2·58880	1·29440	0·64720	0·32360
8	2·93019	1·46510	0·73255	0·36627
9	3·26489	1·63245	0·81622	0·40811
10	3·59303	1·79652	0·89826	0·44913
11	3·91474	1·95737	0·97868	0·48934
12	4·23014	2·11507	1·05753	0·52877
13	4·53935	2·26967	1·13484	0·56742
14	4·84250	2·42125	1·21062	0·60531
15	5·13971	2·56985	1·28493	0·64246
16	5·43108	2·71554	1·35777	0·67889
17	5·71675	2·85837	1·42919	0·71459
18	5·99681	2·99841	1·49920	0·74960
19	6·27138	3·13569	1·56785	0·78392
20	6·54057	3·27029	1·63514	0·81757
21	6·80448	3·40224	1·70112	0·85056
22	7·06322	3·53161	1·76580	0·88290
23	7·31688	3·65844	1·82922	0·91461
24	7·56557	3·78279	1·89139	0·94570
25	7·80938	3·90469	1·95235	0·97617
26	8·04841	4·02421	2·01210	1·00605
27	8·28276	4·14138	2·07069	1·03534
28	8·51251	4·25625	2·12813	1·06406
29	8·73775	4·36888	2·18444	1·09222
30	8·95858	4·47929	2·23965	1·11982
31	9·17508	4·58754	2·29377	1·14689
32	9·38733	4·69367	2·34683	1·17342
33	9·59543	4·79771	2·39886	1·19943
34	9·79944	4·89972	2·44986	1·22493
35	9·99945	4·99972	2·49986	1·24993
36	10·19544	5·09777	2·54888	1·27444
37	10·38778	5·19389	2·59695	1·29847
38	10·57626	5·28813	2·64406	1·32203
39	10·76104	5·38052	2·69026	1·34513
40	10·94219	5·47110	2·73555	1·36777
41	11·11980	5·55990	2·77995	1·38997
42	11·29392	5·64696	2·82348	1·41174
43	11·46462	5·73231	2·86616	1·43308
44	11·63199	5·81599	2·90800	1·45400
45	11·79606	5·89803	2·94902	1·47451

RATES OF PREMIUMS ON CONVERSION OF EXISTING SECURITIES, TO COMPENSATE FOR REDUCTIONS OF INTEREST RATES BY MORE THAN TWENTY PER CENTUM—*continued.*

Period in Half-years from 1st April 1933, to Maturity Date of Existing Securities counting Broken Periods not less than Three Months Half-years and disregarding Broken Periods less than Three Months.	Rate of Premium—to be computed on amount of Principal secured by Existing Securities.			
	Where Rate of Interest on Existing Securities is 6 per Cent.	Where Rate of Interest on Existing Securities is 5½ per Cent.	Where Rate of Interest on Existing Securities is 5 per Cent.	Where Rate of Interest on Existing Securities is 5 per Cent. (or in case of Tax-free Securities converted into 3½-per-cent. Securities) 4½ per Cent.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
46	11·95693	5·97846	2·98923	1·49462
47	12·11463	6·05732	3·02866	1·51433
48	12·26925	6·13462	3·06731	1·53366
49	12·42083	6·21042	3·10521	1·55260
50	12·56944	6·28472	3·14236	1·57118
51	12·71514	6·35757	3·17878	1·58939
52	12·85798	6·42899	3·21449	1·60725
53	12·99802	6·49901	3·24950	1·62475
54	13·13531	6·56766	3·28383	1·64191
55	13·26992	6·63496	3·31748	1·65874
56	13·40188	6·70094	3·35047	1·67523
57	13·53125	6·76563	3·38281	1·69141
58	13·65809	6·82905	3·41452	1·70726
59	13·78244	6·89122	3·44561	1·72281
60	13·90435	6·95218	3·47609	1·73804