



## ANALYSIS

Title	3. Investment of money in local authority securities
1. Short Title	4. Investment accounts
2. Establishment of new savings banks	

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1957, No. 74

**An Act to amend the Trustee Savings Banks Act 1948**

[24 October 1957]

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

**1. Short Title**—This Act may be cited as the Trustee Savings Banks Amendment Act 1957, and shall be read together with and deemed part of the Trustee Savings Banks Act 1948 (hereinafter referred to as the principal Act).

**2. Establishment of new savings banks**—The principal Act is hereby amended by inserting, after section three, the following section:

“3A. (1) With the consent of the Governor-General in Council, there may be established a trustee savings bank in such city or borough, upon such terms, and subject to such conditions as are specified in the Order in Council or in any subsequent Order in Council.

“(2) Every trustee savings bank established under this section shall be deemed to be a trustee savings bank within the meaning of this Act, and the provisions of this Act, with such modifications and exceptions as may from time to time be specified by the Governor-General by Order in Council, shall apply to the savings bank.

“(3) With the consent of the Minister, every trustee savings bank established under this section may from time to time borrow from its bankers by way of overdraft, or from any person or persons, such amounts, upon such terms, and subject to such conditions as the Minister thinks fit.”

**3. Investment of money in local authority securities—**Section twenty-four of the principal Act is hereby amended as follows:

- (a) By adding to paragraph (c) of subsection one the words “that are authorised investments for the investment of trust funds under the provisions of section four of the Trustee Act 1956”:
- (b) By repealing subsection six.

**4. Investment accounts—**(1) The principal Act is hereby amended by inserting, after section thirty-six A (as inserted by section three of the Trustee Savings Banks Amendment Act 1956), the following section:

“36B. (1) The Board may receive investments by way of deposits in investment accounts, lodged on the condition that they shall not be withdrawn within such period as may be agreed upon between the Board and the depositor, being not less than one year.

“(2) The whole or any portion of any sum deposited in an investment account under this section may, in accordance with regulations under this Act, be withdrawn at any time before the expiration of the period for which the sum was so deposited:

“Provided that the rate of interest, if any, payable in respect of money withdrawn as aforesaid shall be such rate as is fixed from time to time by Order in Council under section twenty-three of this Act, but in no case shall the rate of interest exceed the rate payable in respect of ordinary deposits at the time when the withdrawal is made.

“(3) Nothing in subsections five and six of section twenty-two of this Act shall apply with respect to money deposited in an investment account.”

(2) Section twenty-two of the principal Act is hereby amended by inserting in subsection two, after the words “any depositor”, the words “(not being money deposited in a home lay-by account or in an investment account)”.

(3) Section twenty-two of the principal Act is hereby further amended by inserting, after subsection two, the following subsection:

“(2A) No interest shall be payable on any amount standing to the credit of any depositor in any one or more investment accounts in excess of a total of one thousand pounds, or such smaller amount as may for the time being be prescribed by the rules of the bank.”

(4) Section twenty-four of the principal Act is hereby amended by inserting in subsection four, after the words “deposited in the bank”, the words “(not being money deposited in investment accounts)”.

(5) Section twenty-four of the principal Act is hereby further amended by inserting, after subsection four, the following subsection:

“(4A) A savings bank shall not invest any money deposited in the bank in investment accounts otherwise than in New Zealand Government securities.”

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