



ANALYSIS

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1972, No. 121

An Act to amend the Trustee Savings Banks Act 1948

[20 October 1972]

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 and commencement—(1) This Act may be cited as the Trustee Savings Banks Amendment Act 1972, and shall be read together with and deemed part of the Trustee Savings Banks Act 1948 (hereinafter referred to as the principal Act).

(2) This Act shall come into force on the 1st day of November 1972.

2. Interpretation—Section 2 of the principal Act is hereby amended by inserting, after the definition of the term “financial year”, the following definition:

“‘Institution’ means any incorporated or unincorporated association, body, club, committee, or society, which is not carried on for trade or profit.”.

3. Union of savings banks—The principal Act is hereby amended by inserting, after section 3A (as inserted by section 2 of the Trustee Savings Banks Amendment Act 1957), the following section:

“3B. (1) The Governor-General may, by Order in Council, on written application to the Minister of each of the savings banks concerned, declare any 2 or more savings banks to be united to form a new savings bank, and assign a name to that bank.

“(2) On the gazetting of such an Order in Council, the following provisions shall apply:

“(a) The original savings banks and their Boards of Trustees shall be dissolved:

“(b) All real and personal property belonging to the original banks shall become vested in the new bank:

“(c) All money payable to the original banks shall become payable to the new bank:

“(d) All liabilities, contracts, and engagements, and all rights and authorities of any nature whatever, of the original banks shall become liabilities, contracts, engagements, rights, and authorities of the new bank:

“(e) All proceedings pending by or against the original banks may be carried on or prosecuted by or against the new bank:

“(f) All depositors in the original banks shall become depositors in the new bank as if the amounts standing to their credit, with all accrued interest, had been deposited in the new bank.

“(3) The District Land Registrar, on receiving a written request from the new savings bank under the seal of the bank, incorporating the *Gazette* reference of the relevant Order in Council, shall without fee make such entries in his registers and on any outstanding documents of title and generally do all such things as may be necessary to give effect to the provisions of subsection (2) of this section in respect of land and interests in land specified in the request.

“(4) The provisions of subsections (2) and (3) of section 3A of this Act shall apply to every new savings bank formed under this section as if it were a new savings bank established under the said section.”

4. Transfer of operations of savings banks—The principal Act is hereby further amended by inserting, after section 3B (as inserted by section 3 of this Act), the following section:

“3c. (1) The Governor-General may, by Order in Council, dissolve any savings bank and transfer its operations to another specified savings bank or to other specified savings banks.

“(2) An Order in Council shall not be made under subsection (1) of this section except on the written application to the Minister of the bank to be dissolved and with the written consent of the bank or banks to which the operations are to be transferred.

“(3) On the gazetting of such an Order in Council, the following provisions shall apply, subject to subsection (4) of this section:

“(a) The Board of Trustees of the dissolved bank shall be dissolved:

“(b) All real and personal property belonging to the dissolved bank shall become vested in the other bank specified in the Order in Council:

“(c) All money payable to the dissolved bank shall become payable to the other bank:

“(d) All liabilities, contracts, and engagements, and all rights and authorities of any nature whatever, of the dissolved bank shall become liabilities, contracts, engagements, rights, and authorities of the other bank:

“(e) All proceedings pending by or against the dissolved bank may be carried on or prosecuted by or against the other bank:

“(f) All depositors in the dissolved bank shall become depositors in the other bank as if the amounts standing to their credit, with all accrued interest, had been deposited in the other bank.

“(4) If the operations of any dissolved bank are to be transferred to 2 or more other savings banks, the following provisions shall apply:

“(a) The Order in Council shall define the boundaries of each part of the area of operations which is to be transferred to each of the other banks, and, subject to such apportionment between those banks as may be specified in the Order in Council and to the provisions of this subsection, subsection (3) of this section shall, with the necessary modifications, apply accordingly:

- “(b) Subject to paragraph (d) of this subsection, all land and interests in land vested in the dissolved bank and situated within each part of the area of operations so transferred shall become vested in the bank to which the part is transferred, except as may be otherwise provided for in the same or in a subsequent Order in Council, and any such land or interests not so vested shall, on the gazetting of the relevant Order in Council, become vested in the other bank specified therein:
- “(c) Subject to paragraph (d) of this subsection, if any land or interest in land vested in the dissolved bank is situated outside that bank’s area of operations, the Governor-General shall, by the same or a subsequent Order in Council, specify which of the other banks in which the land or interest is to be vested, and, on the gazetting of the relevant Order in Council, the land or interest shall become vested in the bank specified therein:
- “(d) If 2 or more pieces of land, or if any interests in 2 or more pieces of land, are comprised in 1 document or instrument of title, the land or interests shall become vested in only 1 of the other banks, being such 1 of those banks as may be specified in the same or in a subsequent Order in Council:
- “(e) Before any bank forwards a written request to the District Land Registrar under subsection (6) of this section, the request shall be submitted to the Secretary to the Treasury who shall, on satisfying himself of the accuracy of the request, endorse on the request a certificate under his hand to the effect that the land and interests in land specified in the request have become vested in the bank.
- “(5) Any Order in Council made under this section may—
- “(a) Change the name or names of the bank or banks to which any operations of the dissolved bank are transferred:
- “(b) Provide that the number of trustees on the Board of any bank or banks to which any operations of a dissolved bank are to be transferred may, for a period not exceeding 5 years after the date of dissolution, exceed the maximum number permitted under subsection (2) of section 6 of this Act:
- “(c) Provide for such other matters as may be necessary or expedient for the transfer of operations.

“(6) The District Land Registrar, on receiving a written request from any savings bank to which operations have been so transferred, under the seal of the bank, incorporating the *Gazette* reference of the relevant Order in Council and, where applicable, the certificate referred to in paragraph (e) of subsection (4) of this section, shall without fee make such entries in his registers and on any outstanding documents of title and generally do all such things as may be necessary to give effect to the provisions of subsection (3) of this section. The receipt by the District Land Registrar of such a written request shall, in the absence of proof to the contrary, be sufficient evidence that the land and interests in land specified therein have become vested in the bank under subsection (3) of this section.”

5. Functions—Section 4 of the principal Act is hereby amended by omitting from subsection (1) the words “at interest”, and substituting the words “, with or without interest”.

6. Offices and branches—(1) Section 5 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) The head office of each savings bank shall be situated within its area of operations.”

(2) The following enactments are hereby consequentially repealed:

- (a) Subsection (5) of section 3 of the Trustee Savings Banks Amendment Act 1961:
- (b) Subsection (7) of section 2 of the Trustee Savings Banks Amendment Act 1964.

7. Deposits—Section 17 of the principal Act is hereby amended by repealing subsection (2).

8. Operation of current accounts—The principal Act is hereby further amended by inserting, after section 18, the following section:

“18A. With the prior written consent of the Minister, which may at any time be withdrawn, a savings bank may accept money for deposit with the bank to the credit of an account to be known as a current account, subject to the following requirements and conditions:

- “(a) The money is to be available for payment of any cheque drawn on, or for payment in accordance with any other written order given to, the bank by or on behalf of the person in whose name the account stands:
- “(b) No interest shall be paid by the bank on money standing to the credit of the account:
- “(c) No overdrafts shall be granted by the bank:
- “(d) The provisions of subsection (2) of section 18 of this Act shall not apply to current accounts:
- “(e) Such other requirements and conditions as may be prescribed by any regulations for the time being in force under this Act.”

9. Interest on deposits—(1) Section 22 of the principal Act is hereby amended by repealing subsection (2) (as substituted by section 7 (1) of the Trustee Savings Banks Amendment Act 1964), and substituting the following subsection:

“(2) No interest shall be paid on any amount standing to the credit of any depositor in excess of—

“(a) \$40,000 in respect of any 1 class of account, where the depositor is an institution:

“(b) \$12,000 in respect of any 1 account, where the depositor is not an institution—

or such smaller amount as may from time to time be prescribed by the Governor-General by Order in Council or by the rules of the bank.”

(2) The said section 22 is hereby further amended by repealing the proviso to subsection (2A) (as so substituted).

(3) The said section 22 is hereby further amended by adding to subsection (5) the following proviso:

“Provided that, with the approval of the Minister and subject to such conditions as he thinks fit to impose, a savings bank may in its discretion compute interest with daily rests in respect of money in any class of account specified by the Minister or in respect of money deposited by any class of depositor or group of depositors so specified.”

(4) Section 2 of the Trustee Savings Banks Amendment Act 1970 is hereby consequentially repealed.

10. Power to invest money—(1) Section 24 of the principal Act is hereby amended by inserting in subsection (3) (as substituted by section 2 of the Trustee Savings Banks Amendment Act 1958), after the words “in the bank” the words “(other than sums standing to the credit of depositors in current accounts opened under section 18A of this Act)”.

(2) The said section 24 is hereby further amended by inserting, after subsection (3) (as so substituted), the following subsection:

“(3A) Every savings bank shall at all times keep in cash or in its current account or imprest account, or in such other resources immediately available as may be approved in that behalf by the Minister, sums amounting in the aggregate to not less than such proportion of the total amount for the time being standing to the credit of depositors in current accounts opened under section 18A of this Act as may be prescribed from time to time by the Governor-General by Order in Council.”

(3) The said section 24 is hereby further amended by repealing subsection (5), and substituting the following subsection:

“(5) Any money invested by a savings bank under paragraph (b) of subsection (1) of this section shall—

“(a) Be secured to the bank by a real security as defined in subsection (3) of section 4 of the Trustee Act 1956 or by a second mortgage of an estate in fee simple:

“(b) In the case of a first mortgage, not exceed three-quarters of the value of the estate or interest mortgaged as assessed by a person whom the bank reasonably believes to be competent to make the assessment:

“(c) In the case of a second mortgage, not exceed the difference between three-quarters of the value of the estate mortgaged (as so assessed) and the principal outstanding under the first mortgage.”

(4) The said section 24 is hereby further amended by adding to paragraph (c) of subsection (6) (as added by section 2 of the Trustee Savings Banks Amendment Act 1966 and amended by section 28 (2) of the Public Bodies Leases Act 1969) the words “or unless the repayment of the advance is guaranteed by a local authority”.

11. Contracts—Section 35 of the principal Act is hereby amended by omitting from subsection (3) (as amended by section 7 (1) of the Decimal Currency Act 1964) the expression “\$100”, and substituting the expression “\$500”.

This Act is administered in the Treasury.
