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THE PRIVATE SAVINGS BANKS INTEREST ORDER 1974

DENIS BLUNDELL, Governor-General
ORDER IN COUNCIL

At the Government House at Wellington this 27th day of May 1974

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Reserve Bank of New Zealand Act 1964 and the Private Savings Banks 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 Private Savings Banks Interest Order 1974.

(2) This order shall come into force on the 31st day of May 1974.

2. Rate of interest on accounts other than investment accounts—The rate of interest to be paid by any savings bank company on money deposited with the bank in any class of account, other than an investment account, (whether the deposit is made before or after the commencement of this order) shall be 3 percent per annum.

3. Rates of interest for 1-year investment accounts—In the case of deposits in 1-year investment accounts (whether the deposit was made before or after the commencement of this order), the rates of interest shall be—

- (a) On deposits for any period not exceeding 30 days Nil:
- (b) On deposits for any period exceeding 30 days but less than 12 months $2\frac{1}{2}$ percent per annum:

- (c) On deposits for a period of 12 months and each subsequent period of 12 months or less
- (i) 5 percent per annum in respect of the first and each subsequent 12-monthly period of deposit; and
- (ii) 3 percent per annum in respect of money withdrawn before the expiration of the second or any subsequent 12-monthly period of deposit:

Provided that the rate of interest payable in respect of any 12-monthly period of deposit which commenced before the commencement of this order shall be $4\frac{1}{2}$ percent per annum on money which remains deposited until the expiry of that period.

4. Rates of interest for 2-year investment accounts—In the case of deposits in 2-year investment accounts (whether the deposit was made before or after the commencement of this order), the rates of interest shall be—

- (a) On deposits for any period not exceeding 30 days Nil:
- (b) On deposits for any period exceeding 30 days but less than 12 months $2\frac{1}{2}$ percent per annum:
- (c) On deposits for any period of not less than 12 months but less than 24 months 3 percent per annum:
- (d) On deposits for a period of 24 months and each subsequent period of 24 months or less
- (i) $5\frac{1}{2}$ percent per annum in respect of the first and each subsequent 24-monthly period of deposit; and
- (ii) 3 percent per annum in respect of money withdrawn before the expiration of the second or any subsequent 24-monthly period of deposit:

Provided that the rate of interest payable in respect of any 24-monthly period of deposit which commenced before the commencement of this order shall be 5 percent per annum on money which remains deposited until the expiry of that period.

5. Maximum amounts on which interest payable—In respect of depositors in special-purpose accounts, no interest shall be paid on any amount standing to the credit of any depositor in excess of \$1,000 in respect of any 1 account.

6. Revocation—The Private Savings Banks Interest Order 1972* is hereby revoked.

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

EXPLANATORY NOTE

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

Clause 2 repeats the provision fixing the rate of interest on accounts, other than investment accounts, at 3 percent per annum.

Clauses 3 and 4 increase the rate of interest for 1-year and 2-year investment accounts by $\frac{1}{2}$ percent per annum. The higher rate will be payable only in respect of 1 year and 2 year periods of deposit which commence on or after the commencement of this order.

Clause 5 repeats the provision fixing the maximum amount in a special purpose account on which interest is payable at \$1,000.

NOTE—The maximum amounts in other types of accounts on which interest is payable is fixed by the Private Savings Banks Act 1964, namely \$12,000 in respect of depositors other than institutions, and \$40,000 in respect of institutions.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 30 May 1974.

This order is administered in the Reserve Bank of New Zealand.