

1975/104



THE PRIVATE SAVINGS BANKS INTEREST ORDER 1975

—
DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 19th day of May 1975

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 1975.

(2) This order shall come into force on the 23rd day of May 1975.

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 was made before or after the commencement of this order) shall be such rate in respect of each class of account as may be determined from time to time by each savings bank company, but not exceeding 3 percent per annum.

3. Rates of interest for 6-month investment accounts—In the case of deposits in 6-month investment accounts, the rates of interest shall be such rates as may be determined from time to time by each savings bank company, but not exceeding—

(a) On deposits for any period not Nil:
exceeding 30 days

(b) On deposits for any period $2\frac{1}{2}$ percent per annum:
exceeding 30 days but less
than 6 months

- (c) On deposits for a period of 6 months and each subsequent period of 6 months or less
- (i) $4\frac{1}{2}$ percent per annum in respect of the first and each subsequent 6-monthly period of deposit; and
- (ii) $2\frac{1}{2}$ percent per annum in respect of money withdrawn before the expiration of the second or any subsequent 6-monthly period of deposit.

4. 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 such rates as may be determined from time to time by each savings bank company, but not exceeding—

- (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) $5\frac{1}{2}$ 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 but on or after the 31st day of May 1974 shall be 5 percent per annum on money which remains deposited until the expiry of that period, and in respect of any 12-monthly period of deposit which commenced before the 31st day of May 1974 shall be $4\frac{1}{2}$ percent per annum on money which remains deposited until the expiry of that period.

5. 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 such rates as may be determined from time to time by each savings bank company, but not exceeding—

- (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) 6 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 but on or after the 31st day of May 1974 shall be $5\frac{1}{2}$ percent per annum on money which remains deposited until the expiry of that period, and in respect of any 24-monthly period of deposit which commenced before the 31st day of May 1974 shall be 5 percent per annum on money which remains deposited until the expiry of that period.

6. Rates of interest for 3-year investment accounts—In the case of deposits in 3-year investment accounts, the rates of interest shall be such rates as may be determined from time to time by each savings bank company, but not exceeding—

- (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 36 months 3 percent per annum:
- (d) On deposits for a period of 36 months and each subsequent period of 36 months or less
 - (i) $6\frac{1}{2}$ percent per annum in respect of the first and each subsequent 36-monthly period of deposit; and
 - (ii) 3 percent per annum in respect of money withdrawn before the expiration of the second or any subsequent 36-monthly period of deposit.

7. 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.

8. Revocation—The Private Savings Banks Interest Order 1974* is hereby revoked.

*S.R. 1974/127

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 provides that the rate of interest payable on accounts other than investment accounts shall not exceed 3 percent per annum.

Clause 3 fixes the maximum rates of interest payable on 6-month investment accounts.

Clauses 4 and 5 raise the maximum rate of interest payable on 1-year and 2-year investment accounts by $\frac{1}{2}$ percent per annum. The higher rates will be payable only in respect of 1-year and 2-year periods of deposit which commence on or after 23 May 1975.

Clause 6 fixes the maximum rates of interest payable on 3-year investment accounts.

Clause 7 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 are 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*: 22 May 1975.

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