

1972/226



**THE PRIVATE SAVINGS BANKS REGULATIONS 1964,  
AMENDMENT NO. 5**

DENIS BLUNDELL, Governor-General  
ORDER IN COUNCIL

At the Government House at Wellington this 24th day of October 1972

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to 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 regulations.

REGULATIONS

**1. Title and commencement**—(1) These regulations may be cited as the Private Savings Banks Regulations 1964, Amendment No. 5, and shall be read together with and deemed part of the Private Savings Banks Regulations 1964\* (hereinafter referred to as the principal regulations).

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

**2. Institutions' special funds**—Regulation 11 of the principal regulations is hereby amended by revoking subclause (2).

**3. Time of payment of interest**—(1) The principal regulations are hereby further amended by revoking regulation 56A (as inserted by regulation 9 of the Private Savings Banks Regulations 1964, Amendment No. 4), and substituting the following regulation:

“56A. Interest payable on money in a 1-year investment account shall be paid on the expiry of the term of investment or, in the case of money withdrawn before such expiry, the interest shall be paid when the withdrawal is made:

\*S.R. 1964/138

Amendment No. 1: S.R. 1966/128

Amendment No. 2: S.R. 1967/256

Amendment No. 3: S.R. 1969/270

Amendment No. 4: S.R. 1970/166

“Provided that the depositor may elect to have any interest paid to him at such other times as the company may, with the consent of the Minister, approve.”

(2) Regulation 9 of the Private Savings Banks Regulations 1964, Amendment No. 4, is hereby consequentially revoked.

**4. Adjustment of interest**—The principal regulations are hereby further amended by inserting after regulation 56A (as substituted by regulation 3 of these regulations), the following regulation:

“56B. Where money is withdrawn from a 1-year investment account before the expiry of the term of investment, the company shall deduct therefrom any interest paid in excess of the appropriate amount by reason of such withdrawal or may recover the excess interest as a debt due to the company by the depositor.”

**5. Payment of interest**—Regulation 57 of the principal regulations is hereby amended by omitting the words “or, if the depositor has no ordinary account,”, and substituting the words “or to his current account with a trading bank, or”.

**6. Computation of interest**—(1) The principal regulations are hereby further amended by revoking regulation 58, and substituting the following regulation:

“58. Interest payable on money in a 1-year investment account shall be computed with daily rests from the date the money was deposited up to and including the expiry of the term of investment or the earlier withdrawal of the money.”

(2) Regulation 10 of the Private Savings Banks Regulations 1964, Amendment No. 4, is hereby consequentially revoked.

**7. Computation of interest**—The principal regulations are hereby further amended by revoking regulation 58B (as inserted by regulation 11 of the Private Savings Banks Regulations 1964, Amendment No. 4), and substituting the following regulation:

“58B. Interest payable on money in a 2-year investment account shall be computed with daily rests from the date the money was deposited up to and including the expiry of the term of investment or the earlier withdrawal of the money, and, except where interest is payable in accordance with the proviso to regulation 56A of these regulations, any interest payable in respect of the first year of the term of investment shall be added to and become part of the investment for the purpose of calculating the interest payable in respect of any subsequent portion of the term of investment.”

**8. Special-purpose accounts**—Regulation 67 of the principal regulations is hereby amended by revoking subclause (3).

P. J. BROOKS,  
Clerk of the Executive Council.

## EXPLANATORY NOTE

*This note is not part of the regulations, but is intended to indicate their general effect.*

Regulation 2 revokes regulation 11 (2) of the principal regulations which enabled an institution to open a separate set of ordinary accounts for special funds.

Regulation 3 provides for optional times for the payment of interest on money in 1-year investment accounts.

Regulation 4 provides for an adjustment on the withdrawal of money from a 1-year investment account before the expiry of the term of investment if interest has been paid previously at a rate in excess of the rate applicable by reason of the withdrawal.

Regulation 5 enables interest on an investment account to be paid into the depositor's current account at a trading bank.

Regulation 6 rewrites with slight amendments the existing provision relating to the computation of interest on money in 1-year investment accounts.

Regulation 7 provides for the computation of interest on money in a 2-year investment account and gives depositors the option to elect to receive simple interest instead of compound interest.

Regulation 8 revokes the limit on deposits in a special-purpose account. That limit is now contained in the Private Savings Banks Interest Order 1972.

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Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 26 October 1972.

These regulations are administered in the Treasury.