



HOUSE OF REPRESENTATIVES

Supplementary Order Paper

Tuesday, 14 March 1995

RESERVE BANK OF NEW ZEALAND AMENDMENT BILL (NO. 2)

*Proposed Amendments*

JIM ANDERTON, in Committee, to move the following amendments:

*Clause 2A:* To insert on page 2, after clause 2, the following clause:

**2A. Bank to act as lender of last resort**—The principal Act is hereby amended by repealing section 31, and substituting the following section:

“31. The Bank shall, where necessary, act as lender of last resort—

“(a) By loaning moneys to registered banks at an interest rate (to be called for the purposes of this Act ‘the liquidity rate’) above current market rates for a period not exceeding 3 months against specified collateral valued in accordance with the scope for realising those assets:

“(b) By making other loans, at current market rates above the liquidity rate as defined by paragraph (a) of this section and on other specified terms, necessary to maintain confidence in the financial system.”

*Clause 3B:* To insert on page 3, after clause 3A, the following clause:

**3B. Reported banks to make returns to Reserve Bank**—The principal Act is hereby amended by inserting, after section 80, the following heading and section:

*“Regulation of Banking*

“80A. (1) Every registered bank shall send to the Head Office of the Bank at Wellington a weekly and a monthly return of its principal liabilities and assets made up to the close of business on the appointed day and signed by two of the principal officers of the bank to which the return relates.

“(2) Every such return shall be in the form specified in Schedule A1 to this Act, and shall be prepared in accordance with the directions specified in that form and with such instructions not inconsistent with these directions, as may from time to time be given by the Bank by notice in writing to the registered banks:

“Provided that, without limiting the provisions of the Acts Interpretation Act 1924, minor variations in the form and in the directions specified therein, recommended by the Bank after consultation with the registered banks and approved by the Minister, shall not vitiate the form or the returns made thereby so long as the form retains its essential nature as a weekly or, as the case may be, monthly statement of principal liabilities and assets.

“(3) A summary of the weekly returns or, as the case may be, monthly returns made under this section in a form to be determined from time to time by the Bank and approved by the Minister, shall be sent forthwith by the Bank to the Minister, and to the Treasury for publication in the *Gazette*. Any such summary may disclose any information supplied in the weekly or monthly returns by particular registered banks.

“(4) The Bank may from time to time by notice in writing to registered banks require them to supply to the Head Office of the Bank at Wellington, in addition to the weekly and monthly returns, such other returns or information relating to their New Zealand business as may be specified in the notice and as may reasonably be ascertained by the registered banks from their records; and may from the information so obtained prepare and publish such statements as the Bank thinks fit; but no such statement shall disclose any information so supplied by any particular registered bank unless—

“(a) The same information has been supplied by that bank in a weekly or monthly return made by that bank under **subsection (2)** of this section; or

“(b) That bank has agreed to the disclosure.

“(5) No registered bank shall be required under this section to furnish any information with respect to the identity or affairs of any particular customer.

“(6) If, without lawful justification or excuse, any registered bank—

“(a) Fails to comply in any respect with any of the provisions of this section or of any requirements of the Bank thereunder; or

“(b) makes any return or statement or furnishes any information, required to be made or furnished by or under this section, which is incorrect in any material particular,—

that bank commits an offence against this Act.”

*New clause 9A:* To insert on page 11, after clause 9, the following new clause:

**9A. New Schedule inserted**—The principal Act is hereby amended by inserting, before the First Schedule, the following Schedule:

**SCHEDULE**

Section 9A

**“SCHEDULE A1**

Section 80A

**WEEKLY OR MONTHLY\* RETURN TO BE MADE BY REGISTERED BANKS**

*\*Delete as appropriate*

**Balance Sheets Items**

*(Note 1)*

(as at week or month end)

<b>LIABILITIES:</b>	<i>NZ \$ Million to One Decimal Point</i>
1. NEW ZEALAND DOLLAR FUNDING (including all deposits and other borrowings) from <i>Note (2)</i>	.....
(i) New Zealand Residents ( <i>Note 3</i> )     ...     ...	.....
(ii) Non-Residents.....	.....
(iii) Subtotal .....	.....
2. FOREIGN CURRENCY FUNDING from <i>Note (4)</i>	.....
(i) New Zealand Residents ( <i>Note 3</i> ).....	.....
(ii) Non-Residents.....	.....
(iii) Subtotal .....	.....
3. FUNDING FROM ASSOCIATES ( <i>Note 5</i> ) (included in items 1 and 2).....	.....
4. UNUSED COMMITTED BORROWING LINES AND STANDBY FACILITIES AVAILABLE TO RETURNING INSTITUTIONS .....	.....
5. <b>TOTAL LIABILITY</b> ( <i>Note 6</i> ) Sum of items 1 and 2.	.....
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<b>ASSETS:</b>	<i>(nominal) NZ \$ Million to One Decimal Point</i>
6. NEW ZEALAND GOVERNMENT STOCK AND TREASURY BILLS.....	.....
7. (i) NEW ZEALAND CURRENCY ( <i>Notes and Coin</i> ).....	.....
(ii) BALANCES WITH THE RESERVE BANK ( <i>Exclude Reserve Bank Bills</i> ) .....	.....
8. NEW ZEALAND DOLLAR CLAIMS (including all loans and deposits other than those in 6 and 7 above) ( <i>Note 21</i> )	.....
(i) New Zealand Residents.....	.....
(ii) Non-Residents.....	.....
(iii) Subtotal .....	.....
9. FOREIGN CURRENCY CLAIMS ( <i>Note 4</i> )	.....
(i) New Zealand Residents.....	.....
(ii) Non-Residents.....	.....
(iii) Subtotal .....	.....
10. FOREIGN CURRENCY FIXED ASSETS and EQUITY INVESTMENTS .....	.....
11. SHARES (in New Zealand companies) (ordinary capital, mandatorily convertible and non-redeemable preference shares only) ( <i>Note 7</i> ).....	.....
12. FIXED ASSETS (in New Zealand).....	.....
FIGURES FOR ITEM 13 NEED ONLY BE SUPPLIED FOR THE END OF MARCH, JUNE, SEPTEMBER AND DECEMBER	
13. <b>TOTAL ASSETS</b> ( <i>Note 8</i> ) Sum of items 6, 7, 8, 9, 10, 11, and 12.....	.....