

BANKING RULES 2004

1 Name

PART 1 SAVINGS BANK

2 Interpretation
3 Incorporation
4 Purposes
5 Management
6 Savings fund
7 Official documents
8 Financial reporting
9 Legal proceedings
10 Investment
11 Security to account holders
12 Accounts

13 Interest

14 Unclaimed deposits
15 Savings account schedule
16 Powers of the General Manager

PART 2 DEVELOPMENT BANK

17 Establishment
18 Purposes
19 Management
20 Development fund
21 Official documents
22 Financial reporting
23 Legal proceedings
24 Transitional Provision

1 Name

These are the Banking Rules 2004.

PART 1 TOKELAU SAVINGS BANK

2 Interpretation

In rules 2 to 16 —

“account” means a savings account in the Bank;

“account holder” means the person in whose name a passbook is issued in accordance with these Rules;

“authorised person” means a person authorised by the account holder to transact on the account of the account holder;

“demand deposit” means money deposited in an account which is able to be withdrawn on demand;

“deposit” means demand deposit and fixed deposit;

“due date” in relation to a fixed deposit, means the date of expiry of the period of the deposit;

“fixed deposit” means money deposited in an account for a minimum of six months that cannot be withdrawn in that period;

“Fund” means the Tokelau Savings Fund;

“transaction” means the deposit in, or withdrawal from, an account.

3 Incorporation of Tokelau Saving Bank

(1) There is established for Tokelau savings purposes a corporation to be known as the Tokelau Savings Bank.

- (2) The Bank has perpetual succession and a common seal.
- (3) The main office of the Bank shall be in Tokelau in such village as the General Manager designates.
- (4) Subject to these Rules, and for the purposes of the Bank, the Bank shall have all the rights, powers and privileges, and may incur all the liabilities and obligations, of a natural person of full age and capacity.

4 Purposes

The Bank shall, subject to these Rules —

- (i) provide for the safekeeping of money in Tokelau;
- (ii) accept deposits;
- (iii) calculate and pay interest on deposits;
- (iv) pay out withdrawals.

5 Management

- (1) The General Manager of the Bank shall be the Director of Finance of the Tokelau Public Service.
- (2) The General Manager shall be responsible for the daily management of the Bank.
- (3) The officers of the Bank shall be those members of the Tokelau Public Service designated for the purpose by the Director of Finance.
- (4) Subject to these Rules, banking operations shall be conducted in accordance with the Tokelau Savings Scheme Manual published by the Director of Finance.

6 Savings fund

All money received from or on behalf of account holders shall be paid into a fund called the Tokelau Savings Fund.

7 Official documents

Every document required to be signed by the Bank shall be signed by the General Manager.

8 Financial reporting

The Bank shall comply with the audit and reporting requirements for a department of the Government of Tokelau set out in the Finance Rules 1998.

9 Legal proceedings

- (1) The Bank may sue or be sued in its corporate name.
- (2) Service of any document required to be served by or on the Bank may be effected by service on behalf of or on the General Manager.

10 Investment

- (1) There shall be no investment of the Fund, except as provided in these Rules.
- (2) Subject to paragraph (3), the General Manager shall decide the amount of money in the Fund which is available for investment and may invest that money in such places and on such terms as the General Fono may approve.
- (3) A minimum cash balance equivalent to such percentage of total deposits in the Fund as the General Manager may direct shall be kept in the Fund for its general administration and operation.

11 Security to account holders

The value of the Fund investments included shall not be permitted to fall below a level sufficient to defray all liabilities to account holders and other creditors of the Bank.

12 Accounts

- (1)
 - (i) A person who wishes to open an account shall make application on the official bank form and designate any authorised persons on the form.
 - (ii) An authorised person shall sign the form in the presence of the bank officer.
 - (iii) The form shall be filed by the bank officer in the Register of Account Holders.
- (2) A bank officer shall not issue a passbook to any person until paragraph (1) has been complied with and a deposit of at least \$10 has been tendered.
- (3) When a passbook is issued, the account holder shall in the presence of the bank officer, sign the front of the passbook in the designated area.
- (4) No person other than an account holder or an authorised person shall withdraw money from an account.

- (5) Failure by the bank officer to comply with these Rules constitutes improper conduct in the performance of the duties of that officer.

13 Interest

- (1) Interest shall be payable on deposits at such rates as may be fixed by the General Manager after consultation with the General Fono.
- (2) Subject to paragraph (5), interest on a demand deposit shall be —
- (i) calculated half-yearly to 31 March and 30 September, on the average end of month balances of deposits during each six month period; and
 - (ii) credited to the capital remaining on deposit.
- (3) Interest on a fixed deposit shall be —
- (i) calculated to the due date; and
 - (ii) payable to the account holder or if the account holder so directs credited to a demand deposit account in the name of the account holder.
- (4) Unless otherwise arranged, a fixed deposit shall from the maturity date earn interest as a demand deposit.
- (5) No interest shall be payable on a demand deposit where the balance in the account is less than \$50.

14 Unclaimed deposits

- (1) No interest shall be payable in respect of any account —
- (i) in the case of a demand deposit, after 5 years from the date of the last transaction;
 - (ii) in the case of fixed deposit, after 5 years from the due date.
- (2) Where interest ceases to be payable on an account under paragraph (1) the General Manager shall close the account and, subject to paragraph (3), any money in the account shall be held in an unclaimed deposit account.
- (3) Where a person establishes to the satisfaction of the General Manager a claim to the money vested in the Bank under paragraph (2) the General Manager shall pay such money to the claimant.

15 Savings account schedule

Every transaction shall be evidenced with writing and signed by —

- (i) the account holder or authorised person, as the case may be; and
- (ii) the bank officer, on the savings account schedule.

16 Powers of the General Manager

Where in the opinion of the General Manager there is good reason to do so, the General Manager may —

- (i) refuse to open an account;
- (ii) close an existing account.

PART 2 TOKELAU DEVELOPMENT BANK

17 Establishment of Tokelau Development Bank

- (1) There is established for Tokelau economic development purposes a corporation to be known as the Tokelau Development Bank.
- (2) The Bank shall have perpetual succession and a common seal.
- (3) The main office of the Bank shall be in Tokelau in such village as the General Manager designates.
- (4) Subject to these Rules, and for the purposes of the Bank, the Bank shall have all the rights, powers and privileges and may incur all the liabilities and obligations of a natural person of full age and capacity.

18 Purposes

- (1) The Bank shall for the purposes of encouraging and sustaining economic development in Tokelau at the national and village level —
 - (i) provide loans at interest to approved individuals and companies;
 - (ii) provide business skills training at the community level or otherwise;
 - (iii) operate as an information resource and support base.
- (2) The General Fono will set the interest rates at which the Bank may lend.

19 Management

- (1) The General Manager of the Bank shall be the Director of Finance of the Tokelau Public Service.

- (2) The General Manager of the Bank shall be responsible for the management of the affairs of the Bank.
- (3) The officers of the Bank shall be the members of the Tokelau Public Service designated for the purpose by the Director of Finance.

20 Development fund

All money received by the Bank shall be invested by the Bank on terms approved by the General Fono.

21 Official documents

Every document required to be signed by the Bank shall be signed by the General Manager.

22 Financial reporting

The Bank shall comply with the audit and reporting requirements for a department of the Government of Tokelau set out in the Finance Rules 1998.

23 Legal proceedings

- (1) The Bank may sue and be sued in its corporate name.
- (2) The service of any document required to be served by or on the bank may be effected by service on behalf of or on the General Manager.

PART 3 TRANSITIONAL PERIOD

24 [Spent]
