

## PRIVATE SAVINGS BANK.

15° GEO. V., No. XVII.

No. 17 of 1924.

**AN ACT to make provision for the regulation of the carrying on of Savings Bank business by private persons.**

[Assented to 9th December, 1924.]

**B**E it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title and commencement.

1. This Act may be cited as the *Private Savings Bank Act*, 1924, and shall come into operation on a date to be fixed by proclamation.

Application of Act.  
See Q. 1923, No. 43,  
s. 2.

2. (1.) This Act shall not apply to the Government Savings Bank or the Savings Bank Department of the Commonwealth Bank of Australia.

(2.) The Governor may, by proclamation, exempt any private savings bank either wholly or to any special extent from the operation of this Act: Provided that any such proclamation may be revoked or varied at any time.

Interpretation.  
See *ibid.*, s. 2.

3. In this Act, subject to the context—

“Deposits” in a bank include all interest earned on sums deposited therein.

“Licensed Savings Bank” means a private savings bank licensed under this Act.

“Minister” means the Colonial Treasurer, or such other Minister of the Crown to whom the administration of this Act is committed by the Governor.

“Private Savings Bank” means any bank, company, co-partnership, society, institution, or person which or who is competent, or but for the prohibition contained in this Act would be competent to undertake savings bank business in this State, and is either actually engaged in such business or has made the necessary preparations and provided the necessary means for so engaging.

“Savings Bank Business” means the business of receiving small sums of money by deposit (although the aggregate amount so deposited may be unlimited) and the allowance of interest thereon or on a limited portion thereof, so that, subject to withdrawals, such moneys may accumulate at compound interest: The expression also includes any business ordinarily carried on by a savings bank having relation to any moneys so deposited and withdrawals from such deposits, but does not include or extend to—

- (a) the business of receiving moneys on deposit for fixed periods at interest by joint stock or incorporated banks engaged in or carrying on ordinary commercial banking business; or
- (b) any building society or mutual co-operative or benefit society receiving deposits or loans at interest from its members or others, provided that deposits or loans received from other than members are in sums of not less than one hundred pounds.

“Withdrawals” from a bank include all sums, whether of principal or interest, withdrawn from a bank out of deposits therein.

4. Save as in this Act otherwise provided, the carrying on of savings bank business in the State, except under the authority of a license granted under this Act, is hereby prohibited.

Savings bank business not to be carried on without license.

See *ibid.*, s. 4.

Penalty: £500, or a daily penalty of £100.

5. (1.) Licenses may be granted by the Governor to private savings banks for the purposes of this Act.

Application for license.

See *ibid.*, s. 5.

(2.) Every application for a license shall be in the prescribed form, and shall be lodged with the Minister.

(3.) The application shall be accompanied by—

- (a) a certificate under the hand of the Minister stating that the deposit required to be made under subsection (1) of section six of this Act has been made;
- (b) a copy of the last balance-sheet issued by the applicant, or a statement of the assets and liabilities of the applicant certified as correct by an accountant being a member of an incorporated society of accountants;
- (c) such other evidence or information, if any, as may be prescribed.

(4.) The application shall also be accompanied by—

- (a) in case the applicant is a company incorporated under any law of the State, a copy of the memorandum and articles of association or deed of settlement of the company or other equivalent document verified by statutory declaration; or
- (b) in case the applicant is a company or corporation incorporated under the law of any place or country outside the State, copies of the documents filed under Part 8 of the Companies Act, 1893, certified as correct by the Registrar of Companies; or
- (c) in case the applicant is a member of a co-partnership, a copy of the articles of partnership certified as correct by the partners or their attorney; or
- (d) in case the applicant is a society or institution, a copy of the rules of such society or institution certified as correct by the directors, council, or other governing body of the society or institution.

(5.) The Minister may call upon the applicant to furnish any additional evidence or information which he may consider necessary.

(6.) The Governor, upon being satisfied that the requisitions of this Act have been complied with, may grant the applicant a license in the prescribed form authorising such applicant to carry on savings bank business in this State.

(7.) Save as hereinafter provided, such license shall be irrevocable, but may be surrendered by the licensee at any time.

6. (1.) Every licensed savings bank shall deposit with the Minister either —

Licensed savings banks to deposit securities with Minister.

(a) the sum of £10,000 to be invested by the Minister in debentures, stock, Treasury bills or other securities of the State Government; or

See *ibid.*, s. 6.

(b) securities of the value of £10,000 consisting of debentures, stock, Treasury bills or other securities of the said Government.

(2.) The decision of the Minister as to the value of any securities shall be conclusive for the purposes of this section.

(3.) A licensed savings bank may at any time deposit with the Minister any securities of any kind, and to any amount, besides and beyond the deposit hereinbefore prescribed, and may, upon giving to the Minister reasonable notice in that behalf, from time to time withdraw any securities deposited under the provisions of this subsection.

Further deposits may be made.

(4.) Every licensed savings bank shall be entitled to receive the income derived from investments of moneys deposited with the Minister by the bank under this section and from securities deposited in accordance therewith.

Income from deposits.

7. (1.) During the months of January, April, July, and October in each year every licensed savings bank shall invest with the Minister a sum equal to seventy per centum of the excess of the total deposits made in the savings bank over the total withdrawals from the same during the last preceding quarter, and the sum so invested as aforesaid shall bear interest payable to the bank at the rate of one pound per centum per annum higher than the rate per centum which the bank has allowed during such last preceding quarter by way of interest on savings bank deposits: Provided that for the purpose of this subsection, but not otherwise, the deposit referred to in section six shall be deemed to be an investment of the first £10,000 which the bank making such deposit would but for this proviso be required to make under this section.

Quarterly investments with Minister.

See *ibid.*, s. 7.

(2.) If at the close of any quarter it is ascertained that the total withdrawals from the bank during that quarter have exceeded the total deposits made therein during that quarter, and the bank makes application during the month of January, April, July, or October in the next succeeding quarter to the Minister in that behalf, the Minister shall refund to the bank from the moneys invested with the Minister under subsection one of this section a sum equal to seventy per

Refund of part of investment in certain cases.

centum of the amount by which the total withdrawals as aforesaid have exceeded the total deposits as aforesaid during the quarter preceding the said month of January, April, July, or October.

(3.) The Governor may from time to time, by order published in the *Gazette*, exempt any bank from complying with the provisions of this section for such period of time as shall be fixed by such order, and during such period the provisions of this section shall not apply to such bank, or may from time to time, by like order, for such period of time as shall be fixed by such order, reduce in favour of any bank the percentage of excess deposits as aforesaid, which under the provisions of subsection one of this section it is required to invest with the Minister, to such percentage thereof as the Governor thinks proper.

(4.) A contravention of this section on the part of any licensed savings bank shall render such bank liable to have its license revoked by the Governor.

Deposits to be a  
security.  
See *ibid.*, s. 8.

8. All moneys and securities for the time being deposited or invested with the Minister under the provisions of this Act shall be charged with the payment and satisfaction of all final judgments given against the bank in respect of deposits with the bank in this State which are not otherwise satisfied, and also shall be and remain as a security for the payment of all such deposits upon the winding up of the business of the bank, and shall not be liable for any debts or contracts of the bank other than to or with the bank's depositors upon the winding up of the business of the bank until payment in full of the deposits has been made.

Savings bank  
fund.  
See *ibid.*, s. 9.

9. (1.) A private savings bank which transacts other business besides that of a savings bank business shall keep a separate account of all moneys received in respect of the savings bank business of the bank.

There shall be established a separate fund, to be called the "Savings Bank Fund" of the bank, to the credit of which all moneys so received shall be placed.

Such fund, however invested, shall be as absolutely the security of the depositors as though it belonged to a bank carrying on no other business than that of a savings bank business, and shall not be liable for any contracts of the bank

for which it would not have been liable had the business of the bank been only savings bank business.

(2.) The provisions of this Act shall (except in so far as a contrary intention appears) be so construed in reference to any such bank as is mentioned in this section as to apply only to the savings bank business of such bank, and to the bank only in so far as it is engaged in such business.

(3.) If any such bank contravenes this section, the Governor may revoke its license.

10. (1.) Every private savings bank shall have a registered office in the State, and such office shall be in charge of either one or more of the principals in the bank or of the principal attorney of the bank in the State.

Registered office and attorney.  
See *ibid.*, s. 10.

(2.) Notice in writing of the situation of the registered office and of the name of the attorney (if any) of the bank, and of any change of registered office or attorney, shall be lodged with the Minister for registration as soon as practicable.

(3.) Every contravention of this section shall be an offence punishable on summary conviction by a fine of £100, or a daily penalty of £5.

11. Parts VI. and VIII. of the Companies Act, 1893, shall have such application to any licensed savings bank as it would have if section five of such Act were omitted therefrom, and such application shall be deemed to extend to the bank as a whole when savings bank business is only part of its business.

Parts VI. and VIII. of the Companies Act, 1893, to apply to private savings banks.

12. No attorney shall be deemed to be duly appointed or authorised to act on behalf of any private savings bank unless the power of attorney appointing him has been deposited under Part VIII. of the Companies Act, 1893, or the Powers of Attorney Act, 1896.

Powers of attorney to be deposited.

13. In the event of a private savings bank ceasing to carry on savings bank business in Western Australia, such bank (on satisfying the Minister that, including the deposits and securities held on its behalf by the Minister, it is able to discharge all liabilities arising under its savings bank business in the State) shall be entitled, after the date of so satisfying the Minister, to have transferred to such bank any deposits or securities for the time being held by the Minister on such

Ceasing to carry on business.  
See *ibid.*, s. 11.

bank's account under this Act, and thereupon the bank's license shall be deemed to have been surrendered and this Act shall no longer apply to it.

Three months' grace  
to existing private  
savings banks.

14. Sections four and six of this Act shall not apply to any private savings bank carrying on business at the commencement of this Act, until three months after the date of such commencement.

Regulations.

15. The Governor may make regulations prescribing all matters which by this Act are required or permitted to be prescribed or which may be necessary or convenient to be prescribed for the purpose of giving effect to this Act, and in particular (without limiting the generality of the foregoing provision) for prescribing—

- (a) the fees to be payable in respect of any proceeding under this Act, and by whom such fees shall be payable;
  - (b) the rate of interest which shall be allowed on deposits with a licensed savings bank, but so that such rate shall not be lower than the rate for the time being allowed on deposits in the Government Savings Bank;
  - (c) a penalty not more than five pounds for the breach of any regulation.
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