

1929-30-31.

THE PARLIAMENT OF THE COMMONWEALTH.

HOUSE OF REPRESENTATIVES.

Read 1° 24th March, 1931.

(Brought in by the Treasurer, the Honorable E. G. Theodore.)

A BILL

FOR

AN ACT

Relating to Rates of Interest and Discount
and for other purposes.

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

1. This Act may be cited as the *Bank Interest Act* 1931.

Short title.

5 2.—(1.) In this Act, unless the contrary intention appears—
“the Board” means the Bank Interest Board constituted under
this Act;
“Bank” or “Banks” includes the Commonwealth Bank and
10 such corporations carrying on the business of banking
as are specified by Proclamation, but does not include
any State Bank.

Definitions.

3.—(1.) For the purposes of this Act, there shall be a Bank
Interest Board.

Bank Interest Board.

(2.) The Board shall consist of five members who shall be
15 appointed by the Governor-General.

(3.) Every person who is appointed a member of the Board shall hold office for such period not exceeding five years as is fixed in the instrument by which he is appointed and, upon the expiration of that period, shall be eligible for re-appointment.

[140]—690/24.3.31.—F.309.

(4.) Of

(4.) Of the members of the Board one shall be a representative of the Treasury, one shall be a representative of the Commonwealth Bank and one shall be a representative of private banks.

(5.) The representative of private banks shall be selected for appointment in such manner as is prescribed. 5

Chairman of Board.

4.—(1.) The Governor-General shall appoint one of the members of the Board to be the Chairman of the Board.

(2.) At any meeting from which the Chairman is absent the members present may appoint one of their number to preside at that meeting.

Quorum.

5. At any meeting of the Board three members shall constitute a 10 quorum for the transaction of the business of the Board.

Voting.

6.—(1.) Any question before the Board shall be decided according to the majority of votes on that question.

(2.) The Chairman, or, in his absence, the member presiding at any meeting of the Board, shall have a deliberative vote, and, in the 15 event of an equality of votes, a second or casting vote.

Remuneration of members.

7. Members of the Board shall receive such remuneration as is determined by the Governor-General.

Vacancy in office of member.

8. The Board shall be deemed to be constituted for the purposes of this Act notwithstanding that there is a vacancy in the office of 20 any member of the Board.

Powers of Board.

9. The Board may make recommendations to the Treasurer from time to time as to—

(a) the maximum rates of interest which should be payable within the Commonwealth— 25

(i) on deposits lodged with Banks; and

(ii) on advances by Banks by way of loan, overdraft or otherwise; and

(b) the maximum discount rates which should be charged by Banks on bills, drafts and other securities. 30

Governor-General may declare maximum rates of interest, &c.

10.—(1.) The Governor-General may, from time to time, by notice published in the *Gazette*, declare—

(a) the maximum rates of interest which may be payable within the Commonwealth by Banks on deposits;

(b) the maximum rates of interest which may be charged by 35 Banks on advances by way of loan, overdraft or otherwise; and

(c) the maximum discount rates which may be charged by Banks on bills, drafts and other securities.

(2.) Any

1931.

Bank Interest.

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(2.) Any notice under this section may be declared to come into operation upon the publication thereof in the *Gazette* or upon such later date as is specified in the notice.

(3.) Notwithstanding anything contained in any notice published under this section, interest in respect of any deposit or advance made for a fixed period under any contract in force at the date of the publication of the notice or the date specified in the notice, as the case may be, may continue to be payable for that period at the rate fixed by the contract.

10 11.—(1.) The Treasurer may, upon the recommendation of the Board, by notice in writing directed to any Bank, require it to furnish to him, within the time specified in the notice, information as to the rates of interest and discount paid or charged by the Bank. Information to be furnished.

(2.) Any Bank which refuses or fails to comply with any notice directed to it under this section shall be guilty of an offence.

Penalty : Five hundred pounds.

12. Any Bank which pays on any deposit lodged with it, or charges in respect of any advance, bill, draft or other security made or discounted by it, interest or discount at a rate in excess of the maximum rate allowed under this Act shall be guilty of an offence. Penalty in respect of excessive interest.

Penalty : One thousand pounds.

13. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Act. Regulations.

