



Commonwealth Banks Regulations

Statutory Rules 1960 No. 4 as amended

made under the

Commonwealth Banks Act 1959

This compilation was prepared on 24 November 2000
taking into account amendments up to SR 1991 No. 93

Prepared by the Office of Legislative Drafting,
Attorney-General's Department, Canberra

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Regulation 1

Part I Preliminary

1 Citation [see Note 1]

These Regulations may be cited as the Commonwealth Banks Regulations.

2 Commencement [see Note 1]

These Regulations shall come into operation on the day on which the *Commonwealth Banks Act 1959* comes into operation.

4 Interpretation

- (1) In these Regulations, unless the contrary intention appears:
authorized dealer in the short-term money market has the same meaning as in the Banking (Savings Banks) Regulations.
branch, in relation to a bank, includes the head office of the bank.
the Act means the *Commonwealth Banks Act 1959*.
- (2) A reference in these Regulations to a form by letter shall be read as a reference to the form so lettered in the Schedule to these Regulations.

Part II

Provisions relating to the Commonwealth Bank, the Savings Bank and the Development Bank

5 Interpretation

In this Part, *bank* means the Commonwealth Bank, the Savings Bank or the Development Bank.

6 Office hours

Branches and agencies of a bank shall be open for the transaction of business on such days, and during such hours, as the bank determines.

7 Information to be furnished by customers

A bank may require a person who wishes to transact banking business with the bank to furnish to the bank particulars of his name, address and occupation and such other particulars as, in the opinion of the bank, are necessary to enable the bank to conduct that business properly.

8 Bank not bound to inquire as to manner of operating on accounts etc

A bank shall not be under any liability by reason of its failure to ascertain that the method in accordance with which a firm, company, society, local authority, club or other body of persons desires to operate on an account, to deal with a security or to transact any other business with the bank is in accordance with any deed, articles, rules or other instrument of the firm, company, society, local authority, club or body.

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9 Powers of attorney etc

When any business is to be transacted with a bank under a power of attorney, probate of a will or letters of administration of an estate, the bank may require the original power of attorney, probate or letters of administration to be produced to the bank and may require a copy of the power of attorney, probate or letters of administration to be lodged with the bank.

10 Delivery of bonds etc on death

(1) Where:

- (a) a person dies;
- (b) any bonds, or securities of a like nature, of a face value not exceeding in the whole One thousand two hundred dollars are held on his behalf by a bank; and
- (c) within one month after his death, probate of his will or letters of administration of his estate are not produced to the bank or notice in writing of the existence of a will and of intention to prove it, or to take out letters of administration, is not given to the bank;

the bank may, in its discretion, deliver the bonds or securities to the widower or widow or some relation of that person or to such other person as the bank, in the circumstances, thinks fit.

- (2) A person shall not have any claim against a bank in respect of anything done in pursuance of this regulation, but this regulation does not operate to relieve the person receiving the bonds or securities from liability to account for, or deal with, them in accordance with law.

Part III Provisions relating to the Savings Bank

11 **Prescribed manner of investment**

Each of the following manners of investing money is a prescribed manner for the purposes of subparagraph (viii) of paragraph (c) of subsection (2) of section 42 of the Act:

- (a) the investment of money in a loan the repayment of which is guaranteed by, or by a person acting for and on behalf of, the Commonwealth, a State or a Territory of the Commonwealth;
- (b) the investment of money in a secured loan to an authorized dealer in the short-term money market; and
- (c) the investment of money in loans to depositors with the Savings Bank, being individuals, for the purpose of payment of:
 - (i) medical, dental, hospital and funeral expenses;
 - (ii) education expenses;
 - (iii) expenses of travelling in connexion with employment or in emergencies;
 - (iv) expenses of improving and maintaining real property;
 - (v) municipal rates and water rates; or
 - (vi) any other essential personal expenses;but so that the amount on loan at any time to any one depositor does not exceed Seven hundred and twenty dollars.

12 **Prescribed amount for purposes of section 53 (3) of Act**

For the purposes of subsection (3) of section 53 of the Act, the prescribed amount is Twenty dollars.

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13 Deposits may be refused in certain cases

- (1) The Savings Bank may, if it considers that to do so would be in accordance with established savings-bank practice:
 - (a) refuse to open an account for a person; and
 - (b) refuse to continue a person as a depositor.
- (2) Where the Savings Bank refuses to continue a person as a depositor, the Savings Bank shall pay to that person any money standing to the credit of his account, including accrued interest.

14 Joint accounts

Where money has been deposited with the Savings Bank in an account in the names of two or more persons, the Savings Bank may, on the death of any of those persons, pay the money standing to the credit of the account to the survivor or the survivors, and the receipt of the money by the survivor or the survivors is a good discharge to the Savings Bank.

15 Trustees

- (1) Where money has been deposited with the Savings Bank by a person or persons in trust for any other person:
 - (a) the Savings Bank may allow the name of another person, as a trustee, to be substituted for the name of an existing or deceased trustee;
 - (b) the Savings Bank may pay any amount standing to the credit of the account to the trustee or trustees, and the receipt of the money by the trustee or trustees is a good discharge to the Savings Bank;
 - (c) the Savings Bank may, on the death of a trustee, pay the money standing to the credit of the account to the surviving trustee or trustees, and the receipt of the money by that trustee or those trustees is a good discharge to the Savings Bank; and
 - (d) the Savings Bank may, on the death of a sole trustee or the last surviving trustee, pay the money standing to the credit of the account to the beneficiary, and the receipt of the money by the beneficiary is a good discharge to the Savings Bank.

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- (2) The Savings Bank may, if it thinks fit, before it makes a payment to a trustee or trustees under the last preceding subregulation, require the consent of the beneficiary.
- (3) Where money has been deposited with the Savings Bank by a person or persons in trust for any other person, a person, other than the trustee or trustees, shall not have any claim against the Savings Bank in respect of the money, but this regulation does not operate to relieve the trustee or trustees from any liability to account for or apply the money in accordance with law.

16 Accounts opened by proxies

Where a person opens an account as proxy for another person, the Savings Bank may withhold the pass book, and refuse to allow withdrawals from the account, until a specimen of the depositor's signature witnessed by the proxy or other person approved by the Savings Bank has been received by the Savings Bank.

17 Accounts of local authorities etc

- (1) Where a local authority, company, friendly society, co-operative society, or any other society, body or club, opens an account with the Savings Bank, it shall furnish to the Savings Bank through its secretary, treasurer or other appropriate officer:
 - (a) an authority in the form required by the Savings Bank specifying the names of the persons who may operate on the account; and
 - (b) any information that the Savings Bank requires.
- (2) Where a local authority, company, friendly society, co-operative society, or any other society, body or club, desires to make a change in the persons authorized to operate on its account, a further authority in the form required by the Savings Bank shall be furnished to the Savings Bank.
- (3) Where the Savings Bank:
 - (a) pays an amount standing to the credit of an account referred to in subregulation (1) of this regulation to a

Regulation 18

person whose name is specified in an authority furnished in relation to the account under this regulation; or

- (b) pays a cheque drawn on an account referred to in subregulation (1) of this regulation by a person whose name is specified in an authority furnished in relation to the account under this regulation;

the receipt of the amount by the person or the payment of the cheque, as the case may be, is a good discharge to the Savings Bank.

18 Authority to operate on account

Where a depositor wishes his account with the Savings Bank to be operated upon by a person other than himself, he may be required to furnish an authority in accordance with a form determined by the Savings Bank.

19 Pass books

- (1) Where a pass book is issued to a depositor, the pass book remains the property of the Savings Bank and shall be delivered to the Savings Bank when required by the Savings Bank.
- (2) Whenever a deposit or withdrawal is made in relation to an account for which a pass book has been issued to a depositor, the pass book shall be produced to the Savings Bank unless, in its discretion, the Savings Bank determines otherwise.

20 Production of pass books for inspection

- (1) A depositor who has been issued with a pass book shall, once in each year, produce his pass book for examination and verification with the books of the Savings Bank at such time and place as the Savings Bank determines.
- (2) The Savings Bank shall give notice of the times and places at which depositors' pass books are to be so produced.

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21 False entries in pass books

A person (not being a person authorized by the Savings Bank to do so) shall not:

- (a) make an entry in a pass book; or
- (b) erase or alter an entry in a pass book.

Penalty: One hundred dollars.

22 Lost pass books

- (1) If a depositor loses his pass book, he shall forthwith give notice in writing of the loss to the Savings Bank.
- (2) If the depositor desires to have a new pass book issued to him, or to close the account, the Savings Bank may require him:
 - (a) to make a statutory declaration as to the loss of the pass book;
 - (b) to satisfy the Savings Bank as to his identity; and
 - (c) to give an indemnity satisfactory to the Savings Bank.
- (3) The Savings Bank may, after the expiration of fourteen days from the date of receipt by the Savings Bank of the notice of the loss of the pass book, and subject to compliance with any requirements made under the last preceding subregulation, issue to the depositor a new pass book showing the amount standing to the credit of the depositor in the records of the Savings Bank, or pay that amount to him.

23 Deposits to be made at office

A depositor shall not have any claim against the Savings Bank in respect of any deposit unless the deposit was made at some branch or agency of the Savings Bank during the hours during which the branch or agency was open for the receipt of deposits.

24 Calculation of interest

- (1) Interest on deposits shall be calculated in such manner as the Savings Bank determines.

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- (2) Interest so calculated shall be credited to the depositors' accounts at such times as the Savings Bank determines.

25 Withdrawals

- (1) Before any money standing to the credit of an account is withdrawn, the Savings Bank may require a withdrawal form to be presented to the Savings Bank signed by the depositor or other person to whom the money is lawfully payable.
- (2) The money withdrawn may be paid to the person presenting the withdrawal form, and, if that person is not the depositor or other person to whom the money is lawfully payable, the receipt of the money by the person presenting the withdrawal form shall, for all purposes, have the same effect as the receipt of the money by the depositor or other person to whom the money is lawfully payable.
- (3) A depositor is entitled to withdraw money standing to his credit only after the expiration of such period (not exceeding one month) after the day on which the depositor gives notice to the Savings Bank of his intention to withdraw as the Savings Bank, in the particular case, requires.

26 Deposits by infants

- (1) The Savings Bank may receive deposits from, or for the use or benefit of, an infant.
- (2) The Savings Bank may pay to an infant who can sign his name any money standing to the credit of the infant in the Savings Bank in the same manner and upon the same conditions as are applicable to depositors other than infants, and the receipt of the money by the infant is a good discharge to the Savings Bank.
- (3) The Savings Bank may pay to the parent or guardian of an infant who cannot sign his name any money standing to the credit of the infant in the Savings Bank, and the receipt of the money by the parent or guardian is a good discharge to the Savings Bank.

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27 Married women's deposits

Every deposit in the name of a woman, whether made before or after her marriage, shall, as against her husband and any person claiming through or under him, be deemed to be her separate property and to belong to her in her own right as if she were unmarried.

28 Payment out of deposits not exceeding \$1,200

- (1) Where:
 - (a) a person dies leaving money deposited with the Savings Bank to an amount not exceeding One thousand two hundred dollars; and
 - (b) within one month after his death, probate of his will or letters of administration of his estate are not produced to the Savings Bank or notice in writing of the existence of a will and of intention to prove it, or to take out letters of administration, is not given to the Savings Bank;
the Savings Bank may, in its discretion, apply the money:
 - (c) in payment of the funeral expenses of the deceased depositor or in reimbursing any person who has paid those expenses; and
 - (d) in payment of the balance to the widower or widow or some relation of the deceased depositor or to such other person as the Savings Bank, in the circumstances, thinks fit.
- (2) A person shall not have any claim against the Savings Bank in respect of anything done in pursuance of this regulation, but this regulation does not operate to relieve the person receiving the money from any liability to account for or apply the money in accordance with law.

29 Payment on death of illegitimate depositor

Where a person, being illegitimate, dies intestate leaving any money deposited with the Savings Bank, the Savings Bank may pay the money to the widower or widow or such natural relation of the deceased depositor as, in the opinion of the Savings Bank, has the best claim to the money, and the receipt

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of the money by the person to whom the payment is made is a good discharge to the Savings Bank.

30 Insanity or other legal incapacity of depositor

Where a person having any money deposited with the Savings Bank becomes insane or otherwise becomes a person under a legal incapacity, the Savings Bank may, if it is satisfied as to the urgency of the case, pay the money standing to the credit of the depositor to such person as the Savings Bank thinks proper, and the receipt of the money by that person is a good discharge to the Savings Bank.

31 Death of depositors

The Savings Bank shall not be under any liability by reason of the withdrawal of, or other dealing with, any money standing to the credit of the account of a deceased depositor before it has received formal notice of his death.

32 Exchange on deposits and withdrawals

The Savings Bank may require a depositor to pay exchange, at such rate as the Savings Bank determines, on any amount transferred or remitted from one place to another, either by way of deposit or withdrawal.

Part IV Miscellaneous

33 **Prescribed form of declaration of secrecy**

For the purposes of section 15 of the Act, Form A is the prescribed form.

34 **Secrecy**

(1) In this regulation, *a body to which this regulation applies* means the Corporation, the Commonwealth Bank, the Savings Bank or the Development Bank.

(2) An officer, agent or other person carrying on any business of a body to which this regulation applies shall not:

(a) permit a person to have access to, or furnish to a person copies of, or extracts from, books or papers belonging to, or in the possession of, the body; or

(b) furnish to a person information relating to the business of the body, other than, where the body is a bank, information furnished to or on the order of a customer of the bank in respect of his own matters;

except by direction or authority of the body or under compulsion or obligation of law.

Penalty: One hundred dollars.

35 **Borrowing by officers**

The amount of \$12,000 is prescribed for the purposes of subsection 111 (3) of the Act.

36 **Prescribed form of financial statements**

(1) Subject to subregulation (2), for the purposes of paragraph 121 (1) (b) of the Act:

(a) Form B is the prescribed form in respect of the Corporation;

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- (b) Forms A and B in the Second Schedule to the *Banking Act 1959* are prescribed in respect of the Commonwealth Bank and the Development Bank; and
 - (c) Forms B and G in the Second Schedule to the *Banking Act 1959* are prescribed in respect of the Savings Bank.
- (2) The Board is not required to include in a financial statement furnished under section 121 of the Act an item included in a Form referred to in the last preceding subregulation if no amount is applicable to that item.

37 Section 4 of the Act — definition of *Securities Commission* — prescribed date

For the purposes of paragraph (b) of the definition of *Securities Commission* in section 4 of the Act, the date prescribed is 1 January 1991.

38 Subsection 27K (1) of the Act — exceptions (certain employees)

Subsection 27K (1) of the Act does not apply to an application for the issue of shares in the Commonwealth Bank made in accordance with the Commonwealth Bank's employees share ownership scheme by a foreign person who is an individual employed by:

- (a) Commonwealth Bank; or
- (b) ASB Bank Limited; or
- (c) CTB Australia Limited; or
- (d) National Bank of Solomon Islands Limited; or
- (e) Resources and Investment Finance Limited; or
- (f) SBV Asia Limited; or
- (g) Westland Bank Limited.

39 Subsection 27K (1) of the Act — exceptions (certain underwriters)

- (1) In this regulation:
- broker* means a person who is a member of the Australian Stock Exchange Limited.

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insurer means a body corporate:

- (a) authorised under the *Insurance Act 1973* to carry on insurance business; or
- (b) registered under the *Life Insurance Act 1945*.

sub-underwriter, in relation to an issue of shares, means a person who is a party to an agreement with an underwriter that obliges the first-mentioned person to subscribe for any of the shares in circumstances specified in the agreement.

underwriter, in relation to an issue of shares, means a person who is a party to an agreement with the company issuing the shares that includes a provision obliging the person to subscribe for any of the shares in the event of a shortfall in public subscriptions below an amount specified in the agreement.

- (2) Subsection 27K (1) of the Act does not apply to an application for the issue of shares in the Commonwealth Bank made:
 - (a) in the course of, or arising out of, the underwriting of the issue of shares in the Commonwealth Bank under its first registered prospectus; and
 - (b) by, or to, a foreign person who is:
 - (i) an underwriter and an insurer; or
 - (ii) a sub-underwriter and an insurer; or
 - (iii) an underwriter and a broker; or
 - (iv) a sub-underwriter and a broker.

Schedule

(regulation 33)

Form A

Commonwealth Banks Act

DECLARATION OF SECRECY

I, _____ of _____, a member of the Commonwealth Banking Corporation Board, do solemnly and sincerely declare that I will at all times maintain secrecy in relation to the affairs of the Board, the Commonwealth Banking Corporation, the Commonwealth Bank of Australia, the Commonwealth Savings Bank of Australia and the Commonwealth Development Bank of Australia and, in particular, that I will not directly or indirectly communicate or divulge any information that comes to my knowledge in the performance of my functions as a member of the Board, except by authority of the Board or under compulsion or obligation of law.

(*Signature of declarant.*)

Declared at _____ the _____ day of _____, 19____.

Before me,

* Justice of the Peace.

* Commissioner for taking Affidavits.

*Strike out whichever is inapplicable.

(subregulation 36 (1))

Form B

Commonwealth Banks Act 1959

COMMONWEALTH BANKING CORPORATION

BALANCE SHEET AS AT 30 JUNE¹

Liabilities	\$'000	Assets	\$'000
Premises revaluation reserve		Cash at bankers	
Provision for long service leave		Loans to authorized dealers in the Australian short-term money market	
Provision for income tax			
Other provisions		Australian public securities ² —	
Other liabilities		(a) Commonwealth and States	
		—	
		(i) Treasury bills and Treasury notes;	
		(ii) Other securities;	
		(b) Local and semi-governmental authorities	
		Other public securities ²	
		Other securities ²	
		Premises and sites ²	
		All other assets ²	
TOTAL		TOTAL	

STATEMENT OF INCOME AND EXPENDITURE FOR YEAR
ENDED 30 JUNE¹

Expenses (including depreciation on premises) Income tax expense	Reimbursements for expenses receivable from Commonwealth Bank, Commonwealth Savings Bank and Commonwealth Development Bank, earnings on investments and other receipts
TOTAL	TOTAL

1. Insert year.
2. State whether valuation is cost price, market price or otherwise.

Table of Statutory Rules

Notes to the Commonwealth Banks Regulations

Note 1

The Commonwealth Banks Regulations (in force under the *Commonwealth Banks Act 1959*) as shown in this compilation comprise Statutory Rules 1960 No. 4 amended as indicated in the Tables below.

Table of Statutory Rules

Year and number	Date of notification in <i>Gazette</i>	Date of commencement	Application, saving or transitional provisions
1960 No. 4	11 Jan 1960	14 Jan 1960 (a)	
1962 No. 48	29 June 1962	29 June 1962	—
1963 No. 19	7 Mar 1963	7 Mar 1963	—
1963 No. 71	12 Aug 1963	12 Aug 1963	—
1968 No. 51	10 Apr 1968	10 Apr 1968	—
1971 No. 114	26 Aug 1971	26 Aug 1971	—
1977 No. 88	15 June 1977	15 June 1977	—
1984 No. 307	26 Oct 1984	26 Oct 1984	—
1991 No. 55	28 Mar 1991	2 Apr 1991	—
1991 No. 93	6 May 1991	6 May 1991	—

(a) Regulation 2 of the Commonwealth Banks Regulations provides as follows:

“2. These Regulations shall come into operation on the day on which the *Commonwealth Banks Act 1959* comes into operation.”

Section 2 of the *Commonwealth Banks Act 1959* provides as follows:

“2. This Act shall come into operation on the day on which the *Reserve Bank Act 1959* comes into operation.”

The *Reserve Bank Act 1959* came into operation on 14 January 1960 (see *Gazette* 1960, p. 47).

Table of Amendments

Table of Amendments

ad. = added or inserted am. = amended rep. = repealed rs. = repealed and substituted

Provision affected	How affected
R. 3.....	rep. 1984 No. 307
R. 4.....	am. 1977 No. 88
Heading to Part II	am. 1984 No. 307
R. 5.....	am. 1984 No. 307
R. 10.....	am. 1968 No. 51
R. 11.....	am. 1963 No. 71; 1968 No. 51; 1977 No. 88
R. 12.....	am. 1968 No. 51
R. 21.....	am. 1968 No. 51
R. 28.....	am. 1968 No. 51
R. 34.....	am. 1968 No. 51; 1984 No. 307
R. 35.....	am. 1962 No. 48; 1963 No. 19; 1968 No. 51 rs. 1971 No. 114; 1984 No. 307
R. 36.....	am. 1984 No. 307
R. 37.....	ad. 1991 No. 55
Rr. 38, 39.....	ad. 1991 No. 93
The Schedule	am. 1963 No. 71; 1968 No. 51; 1984 No. 307

