

COPY OF PROSPECTUS OF THE RESERVE BANK OF NEW ZEALAND.

(To be established and become a body corporate pursuant to the Reserve Bank of New Zealand Act, 1933.)

CAPITAL, £500,000.

In 100,000 shares of £5 each carrying a cumulative Dividend of 5 per cent. on paid-up capital.

Offer for Public Subscription.

The Minister of Finance, pursuant to section 6 of the Reserve Bank of New Zealand Act, 1933, hereby offers for subscription at par the whole of the above-mentioned 100,000 shares, subject to the conditions of this Prospectus.

Application for and Allotment of Shares.

Application for shares should be made upon the form accompanying this Prospectus and forwarded to the Secretary to the Treasury, Wellington, together with accompanying remittance plus exchange or evidence of lodgment of the required amount to the Public Account at any branch of the Bank of New Zealand or to the Post Office, as hereinafter provided.

Payments in respect of shares applied for are to be made as follows :—

- £1 per share on application.
- £2 per share on or before 1st April, 1934.
- £2 per share on or before 1st June, 1934.

Applications will be received for one share or any number of shares not exceeding 500, and the Minister reserves the right to allot shares *pro rata* or otherwise in such manner as he may in his discretion determine.

In order that as many citizens as possible may have a direct interest in the Reserve Bank as a National Institution, allotment of the share capital will be distributed as widely as possible over the Dominion and to the greatest number of applicants.

Applicants for shares must be British subjects who are ordinarily resident in New Zealand or who, having been so resident, may at the time of allotment be temporarily out of New Zealand for the purpose of their business or for other sufficient reason.

Not more than 500 shares shall be allotted to any one person, whether in his own right or on behalf of any other person or persons.

Shareholders' Liability.

The liability of every shareholder shall be limited to the amount (if any) for the time being unpaid on the shares held by him.

Objects of the Reserve Bank.

The primary duty of the Reserve Bank shall be to exercise control, within the limits of the powers conferred on it by the Reserve Bank of New Zealand Act, 1933, over monetary circulation and credit in New Zealand to the end that the economic welfare of the Dominion may be promoted and maintained.

The particular functions of the Bank are as set out in the Reserve Bank of New Zealand Act, 1933.

Incorporation of Bank.

The shareholders of the Reserve Bank shall become a body corporate with perpetual succession and a common seal on the Minister of Finance giving public notice in the *Gazette* and in such other manner as the Minister thinks fit, of the subscription of the full amount of the capital of the Bank, such notice to specify the date on which incorporation is to take effect.

General Reserve Fund.

An initial reserve fund amounting to £1,000,000 is provided by payment of that sum to the bank from State Funds, and the legislation provides for proportionate amounts of the profits to be allocated to the General Reserve Fund so long as the amount of that Fund is less than twice the paid-up capital of the Bank.

Commencement of Business.

It is expressly provided that the Bank shall be entitled to commence business on the date on which it becomes entitled to the right to issue bank-notes in New Zealand, such date to be fixed by Proclamation in that behalf.

Trustee Investment.

The shares of the Reserve Bank are available for the investment of trust funds unless the instrument creating the trust expressly forbids such investment, but no trustee shall be qualified to hold more than 500 shares, either for the same or different beneficiaries, nor shall any person hold more than 500 shares altogether, whether in his own right or on behalf of any other person or persons.

Shares and Transfers.

The shares of the Bank shall be registered and transferable in the books of the Bank.

The Bank shall decline to accept—

- (1) Any transfer of shares except to a British subject, who is ordinarily resident in New Zealand, or who having been so resident is at the time of transfer temporarily out of New Zealand for the purpose of his business or for other sufficient reason; and
- (2) Any transfer of shares that would increase a holding of any person beyond 500 shares.

The Bank shall also be entitled without assigning any reason to decline to accept any person whomsoever as a transferee of any share.

Except with the special consent of the Minister of Finance no transfer of shares allotted to any person will be recognized pending incorporation of the Bank.