

Rural Development Bank Regulation 1967

Unvalidated References:

Rural Development Bank Act 1965

This reprint of this Statutory Instrument incorporates all amendments, if any, made before 25 November 2006 and in force at 1 July 2001.

.....

Legislative Counsel

Dated 25 November 2006

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1967.

Rural Development Bank Regulation 1967

ARRANGEMENT OF SECTIONS.

1. Interpretation.
2. Declaration of secrecy.
3. Financial Statements.
4. Applications for further loans.
5. Office hours.
6. Information to be furnished by customers.
7. Duty of Bank to inquire as to operations on accounts.
8. Powers of attorney, etc.
9. Secrecy.
10. Procedure at meetings of the Board.
11. Interest on loans.
12. Accounts.
13. Advance payments.

Rural Development Bank Regulation 1967

MADE under the *Rural Development Bank Act 1965*.

Dated 200 .

PART I. – PRELIMINARY.

1. INTERPRETATION.

In this Regulation, unless the contrary intention appears—

“**authorized dealer in the short-term money market**” means a person—

(a) who, in accordance with arrangements made between the Central Bank and the person, deals in securities issued by the Government and, for that purpose, borrows money for short periods; and

(b) whom the Central Bank declares, in writing, to be an authorized dealer in the short-term money market;

“**branch**”, in relation to a bank, includes the head office of the bank.

PART II. – FORMS.

2. DECLARATION OF SECRECY.

A declaration of secrecy for the purposes of Section 14 of the Act shall be in Form 1.

3. FINANCIAL STATEMENTS.

(1) Subject to Subsection (2), for the purposes of Section 32(1)(b) of the Act the prescribed form is Form 2.

(2) The Board is not required to include in a financial statement furnished under Section 32 of the Act an item included in Form 2 if no amount is applicable to the item.

4. APPLICATIONS FOR FURTHER LOANS.

An application for a further loan under Division VI.3 of the Act shall be in Form 3, and shall contain the particulars specified in that form.

PART III. – GENERAL PROVISIONS.

5. OFFICE HOURS.

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

6. INFORMATION TO BE FURNISHED BY CUSTOMERS.

The Rural Development 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 the business properly.

7. DUTY OF BANK TO INQUIRE AS TO OPERATIONS ON ACCOUNTS.

The Rural Development 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.

8. POWERS OF ATTORNEY, ETC.

When any business is to be transacted with the Rural Development Bank under a power of attorney, probate of a will or letters of administration of an estate, the Bank may require—

(a) the original power of attorney, probate or letters of administration to be produced to the Bank; and

(b) a copy of the power of attorney, probate or letters of administration to be lodged with the Bank.

9. SECRECY.

An officer, agent or other person carrying on any business of the Rural Development Bank must 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 Bank; or

(b) furnish to a person information relating to the business of the Bank, other than 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 Bank or under compulsion or obligation of law.

Penalty: A fine not exceeding K100.00.

PART IV. – SPECIAL PROVISIONS RELATING TO EX-SERVICEMEN’S CREDIT LOANS.

10. PROCEDURE AT MEETINGS OF THE BOARD.

Meetings of the Board for the purposes of Part VI of the Act shall be held *in camera*, and all information given at such a meeting is, except for the purposes of that Part, confidential.

11. INTEREST ON LOANS.

(1) Subject to Subsections (2) and (3), interest on a loan to which Part VI of the Act applies is payable at the rate of 3.75% per annum.

(2) Interest on arrears of principal or interest is payable at the rate of 4.75% per annum instead of the interest prescribed by Subsection (1).

(3) Where the amount of a loan or loans made to any one person, whether at the same time or at different times exceeds in total K50,000.00, the rate of interest on the amount in excess of K50,000.00 is, unless the Minister directs that this section does not apply, 5% per annum plus an additional 1% per annum on any arrears of principal or interest in relation to that excess amount.

12. ACCOUNTS.

The Rural Development Bank shall maintain for each borrower separate accounts, in such a manner as to reflect, to the best of the ability of the Bank, full and accurate details of the state of the loan from time to time.

13. ADVANCE PAYMENTS.

The Rural Development Bank may refuse to accept payment of the whole or part of the principal and interest of a loan before the time when payment is due unless that payment—

(a) is of K20.00 or a multiple of K20.00; and

(b) is made on a day on which an instalment of principal or interest is due under Section 37 of the Act.

SCHEDULE 1

PAPUA NEW GUINEA.

Rural Development Bank Act 1965.

Form 1 – DECLARATION OF SECRECY.

Act, Sec. 14. Form 1.Reg., Sec. 2.

I, . . . , a member of the Rural Development Bank of Papua New Guinea Board, do solemnly and sincerely declare that I will at all times maintain secrecy in relation to the affairs of the Board and of the Rural Development Bank of Papua New Guinea 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 . . . , 20...

Before me: . . .

*(Signature of person before whom
declaration is made.)*

PAPUA NEW GUINEA.

Rural Development Bank Act 1965.

Form 2 – IIIBALANCE-SHEET AS AT 31 DECEMBER 20....

Liabilities.	K
Capital	
Rural Development Bank of Papua New Guinea Reserve Fund	
Balances due to other banks	
Deposits, bills payable and all other liabilities (including amounts provided for contingencies)	
	Total K
Assets.	K
Coin, bullion, notes and cash at banks	
Money at short call overseas	
Government securities*—	
(a) Central Government—	
(i) Treasury Bills and Treasury notes	
(ii) Other securities	
(b) Local and semi-government authorities	
Other public securities*	
Other securities*	
Loans to authorized dealers in the short-term money market	
Cheques and bills of other banks and balances with and due from other banks	
Loans,** advances and bills discounted (after deducting provisions for debts considered bad or doubtful)	
Bank premises*	
Bills receivable and remittances in transit	
All other assets	
	Total K

* State basis of valuation, that is, cost price, market price or otherwise.

** Excluding loans to authorized dealers in the short-term money market.

Statement of Profit and Loss for Year Ended 30 June 20...

	K
Expenses	
Taxes, and payments in lieu of taxes	
Balance, being profit carried down	
	Total K
	K

Discount and interest earned, net exchange, commissions and other items (including transfers from contingencies accounts), after deducting interest paid and accrued on deposits, rebate on bills current at balance date, amounts written off assets and losses on realization of assets and transfers to the credit of contingencies accounts (out of which accounts provisions for all bad and doubtful debts have been made)

Total K

Amounts written off bank premises

Net profits appropriated to Rural Development Bank of Papua New Guinea Reserve Fund

Total K

Balance brought down as above

Total K

PAPUA NEW GUINEA.

Rural Development Bank Act 1965.

Form 3 – APPLICATION FOR FURTHER LOAN.

To:

Rural Development Bank of Papua New Guinea,

I . . . (*block letters, underline surname*) of . . . (*postal address*) having been issued with Certificate of Eligibility No. . . . under the *Ex-servicemen's Credit Act 1958* apply for a further loan under Section 45 of the *Rural Development Bank Act 1965* for the purposes of the development of the under-mentioned land.

Land Application No.:

Date granted:

Portion No.:

Milinch:

Footmil:

Province:

Area:

Type of lease: (*agricultural, pastoral, special*)

Term of lease:

Annual rental:

Date of birth:

Marital conditions:

Number of dependents: Relationships: Age:

EXISTING IMPROVEMENTS.

Agricultural Improvements:

Area planted	ha with	aged yeats.
	ha with	aged yeats.
	ha with	aged yeats.

Pastoral improvements:

Fencing . . . chains.—Construction	Est. value K.
Other (botes, darts, etc.)	Est. value K.

Structural Improvements:

Residence . . . m ²	Est. value K.
Construction: foundations . . . frame . . . roof . . . wall sheathing . . .	
Furniture and fittings	Est. value K.
Insured for K.	

Labour Quarters:—accommodation for workers	
Construction	Est. value K
Sheds, dimensions	Est. value K
Store, dimensions	Est. value K
Other buildings:—(<i>Specify</i>)	Est. value K

Other Improvements:

Roads, drains, etc.	Est. value K
Contour terracing, etc.	Est. value K
Yards, dip, etc.	Est. value K

Other Assets:

Stock:—No. of head	Est. value K
Transport:—make . . . capacity . . . year of manufacture . . .	Est. value K
Tractor:—make . . . power . . . year of manufacture . . .	Est. value K
Other plant and equipment:—(<i>Specify</i>)	Est. value K

Total value of land and improvements K

No. of workers employed at present:

Where recruited:

ADDITIONAL IMPROVEMENTS FOR WHICH FINANCE IS REQUIRED TO BRING PROPERTY TO HOME MAINTENANCE AREA STANDARD.

Agricultural Improvements:

Area capable of further development	ha
Suitable for	ha
	ha
Estimated cost per ha to clear, plant and bring into production	K

Pastoral Improvements:

<i>Specify</i>	Est. value K
Estimated total cost of development of additional land to home maintenance area standard	K

Structural Improvements:

Residence	Est. value K
Furniture and fittings	Est. value K
Labour quarters	Est. value K
Other buildings	Est. value K
<i>Other assets:</i>	
Stock	Est. value K

Transport: make . . . capacity . . . type . . . Est. value K
 Tractor: make . . . power . . . type . . . Est. value K
 Other plant and equipment:—(*Specify*) Est. value K
 Working capital (*a detailed break-up of costs should be attached*) K
 Total finance required for additional improvements, assets and working capital to bring property to home maintenance area standard. K
 Financial encumbrances (if any) on existing property K
 Total additional capital required, including discharge of present financial commitments, to bring property to home maintenance area standard. K
 Additional labour required:
 To be recruited from:
 Does any other person or organization hold any interest in the land and improvements set out above:
 (*Specify partnership, mortgage, assignment, lien, etc.*) Amount K
 (*Specify name and address of interested party*)
 Other financial commitments:
 (*Specify—overdraft, overdue accounts, etc.*) Amount K
 Do you, or, if married, does your wife hold any interest in land in Papua New Guinea:— Est. value K
 (*Specify location, type of property*)
 Do you possess any other capital assets—
 (*Specify—include cash*)
 I declare that I have made the above statement conscientiously believing it to be true, and I further declare that if my application for a loan is granted it is my intention to reside on and devote my full time to the management of the property the subject of loan unless the Board otherwise approves.
 (*Signature of Applicant.*)
 Dated . . . 20...

NOTE.—In accordance with Section 46 of the *Rural Development Bank Act 1965* in the case where the enterprise is to be owned or conducted jointly by two or more persons not all of whom are eligible persons, this application must be accompanied by a statement setting out in full the details of the arrangement or agreement, the manner in which the loan is to be used, and the proportion of the profits to be taken by the eligible person.

[\[1\]](#) Schedule 1, Form 2 amended by No. 47 of 1977, Schedule 2.