

**Reprint
as at 3 June 2017**



Farm Ownership Savings Act 1974

Public Act 1974 No 45
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Commencement 31 August 1974

Farm Ownership Savings Act 1974: repealed, on 3 June 2017, by section 3(1) of the Statutes Repeal Act 2017 (2017 No 23).

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Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

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An Act to encourage saving for farm ownership

1 Short Title and application

This Act may be cited as the Farm Ownership Savings Act 1974.

2 Interpretation

(1) In this Act, unless the context otherwise requires,—

authorised savings institution means—

- (a) Post Office Bank Limited;
- (b) a trustee savings bank established under the Trustee Savings Banks Act 1948;
- (c) a building society which is an approved society under section 56D of the Building Societies Act 1965, or deemed to be so approved, or any company deemed to be a society so approved pursuant to section 113O of that Act;
- (d) *[Repealed]*
- (e) the Corporation

Commissioner means the Commissioner of Inland Revenue appointed under the State Sector Act 1988; and includes any person for the time being authorised (whether by delegation by him or otherwise) to exercise or perform any of his powers or functions

Corporation means The National Bank of New Zealand Limited

depositor means any individual or, in the case of a joint Account, any 2 individuals for whose benefit a Farm Ownership Account has been opened and maintained

farm, in relation to any depositor, means any agricultural, pastoral, or horticultural land or any aquacultural land or aquacultural area suitable, in the opinion of the Corporation, as an agricultural, pastoral, horticultural, or aquacultural holding for the depositor

Farm Ownership Account means an Ordinary Farm Ownership Account and a Special Farm Ownership Account

farm ownership requirements, in relation to a depositor, means the use for farming purposes of money withdrawn by him, pursuant to a withdrawal certificate, from his Special Farm Ownership Account and the compliance by him with section 14I

farming purposes, in relation to a depositor, means—

- (a) the acquisition by him of a farm; or
- (b) the engagement by him in sharefarming

Home Ownership Account means a Home Ownership Account as defined in subsection (1) of section 2 of the Home Ownership Savings Act 1974

Minister means the Minister of Finance

Ordinary Farm Ownership Account means a savings account under that name with an authorised savings institution

Ordinary Fishing Vessel Ownership Account means an Ordinary Fishing Vessel Ownership Account as defined in section 2 of the Fishing Vessel Ownership Savings Act 1977

Ordinary Home Ownership Account means an Ordinary Home Ownership Account as defined in section 2(1) of the Home Ownership Savings Act 1974

purchase grant means a grant payable under section 7 or section 7A

qualifying date, in relation to the Farm Ownership Account of any depositor, means the date on which the balance of the Account (including interest) reaches \$250 or if, by reason of withdrawals from the Account, the balance reaches \$250 more than once, the latest date on which the balance reaches \$250

qualifying year, in relation to the Farm Ownership Account of any depositor, means a period of 12 months ending on any anniversary of the qualifying date in respect of that Account

sharefarmer means any person who has, by an agreement with the proprietor of any agricultural, pastoral, or horticultural land or any aquacultural land or aquacultural area, undertaken to perform, as his sole or principal occupation, in whole or in part the work of the land or area (otherwise than under a contract of service) including, but not exclusively, farming livestock, the growing, tending, and harvesting of crops, and aquaculture, and who, in the opinion of the Corporation, owns suitable and sufficient livestock or farming or aquacultural plant or machinery; and **sharefarming** has a corresponding meaning

Special Farm Ownership Account means a savings account under that name with an authorised savings institution

Special Fishing Vessel Ownership Account means a Special Fishing Vessel Ownership Account as defined in section 2 of the Fishing Vessel Ownership Savings Act 1977

Special Home Ownership Account means a Special Home Ownership Account as defined in section 2(1) of the Home Ownership Savings Act 1974

terminating date, in relation to any depositor, means the date of payment of a purchase grant to the depositor

withdrawal certificate means a certificate issued by the Corporation under section 14F.

- (2) For the purposes of this Act, a farm may be acquired by a depositor—
- (a) by the purchase of an estate in fee simple in a farm; or
 - (b) by the purchase of a leasehold estate in a farm for a remaining term (including any rights of renewal) of not less than 21 years; or
 - (c) in relation to a farm acquired for the purposes of aquaculture, any lease or licence granted under the Marine Farming Act 1971.

Section 2(1) **authorised savings institution** paragraph (a): replaced (with effect on 1 April 1987), on 1 July 1987, by section 11(1) of the State-Owned Enterprises Amendment Act 1987 (1987 No 117).

Section 2(1) **authorised savings institution** paragraph (c): replaced, on 1 September 1987, by section 41(3) of the Building Societies Amendment Act 1987 (1987 No 175).

Section 2(1) **authorised savings institution** paragraph (d): repealed, on 22 May 1998, by section 22(1) of the Private Savings Banks (Transfer of Undertakings) Act 1992 (1992 No 21).

Section 2(1) **authorised savings institution** paragraph (e): inserted, on 2 April 1985, by section 2 of the Farm Ownership Savings Amendment Act 1985 (1985 No 73).

Section 2(1) **Commissioner**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **Commissioner**: amended, on 1 April 1988, pursuant to section 90(a) of the State Sector Act 1988 (1988 No 20).

Section 2(1) **Corporation**: replaced, on 1 July 1994, by section 14 of the National Bank of New Zealand Limited Act 1994 (1994 No 3 (P)).

Section 2(1) **farm**: replaced, on 22 October 1981, by section 2(1) of the Farm Ownership Savings Amendment Act 1981 (1981 No 65).

Section 2(1) **Farm Ownership Account**: replaced, on 25 November 1976, by section 2(2) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **farm ownership requirements**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **farming purposes**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **Ordinary Farm Ownership Account**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **Ordinary Fishing Vessel Ownership Account**: inserted, on 25 November 1977, by section 29 of the Fishing Vessel Ownership Savings Act 1977 (1977 No 62).

Section 2(1) **Ordinary Home Ownership Account**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **purchase grant**: amended, on 25 November 1976, by section 2(3) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **sharefarmer**: replaced, on 22 October 1981, by section 2(2) of the Farm Ownership Savings Amendment Act 1981 (1981 No 65).

Section 2(1) **Special Farm Ownership Account**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **Special Fishing Vessel Ownership Account**: inserted, on 25 November 1977, by section 29 of the Fishing Vessel Ownership Savings Act 1977 (1977 No 62).

Section 2(1) **Special Home Ownership Account**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(1) **withdrawal certificate**: inserted, on 25 November 1976, by section 2(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 2(2)(b): amended, on 22 October 1981, by section 2(3) of the Farm Ownership Savings Amendment Act 1981 (1981 No 65).

Section 2(2)(c): inserted, on 22 October 1981, by section 2(4) of the Farm Ownership Savings Amendment Act 1981 (1981 No 65).

2A Cessation of opening of new Farm Ownership Accounts

Notwithstanding any other provisions in this Act, no person shall open a Farm Ownership Account on or after 19 June 1987.

Section 2A: inserted, on 19 June 1987, by section 2 of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

Part 1

Ordinary Farm Ownership Accounts

Part 1 heading: inserted, on 25 November 1976, by section 3(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

3 Eligible savings

- (1) Subject to this section, for the purposes of this Act the amount of the eligible savings, in relation to the Ordinary Farm Ownership Account of any depositor, at any date shall be—
 - (a) where that date is the qualifying date, \$250:
 - (b) where that date is during any qualifying year, the lesser of—
 - (i) the balance of the Account at that date:
 - (ii) the sum of the amount of the eligible savings on the day immediately preceding the first day of that qualifying year and \$5,000 (or such other amount as the Governor-General may, from time to time, by Order in Council declare).
- (2) Notwithstanding anything in subsection (1), in no case shall the amount of the eligible savings, in relation to the Ordinary Farm Ownership Account of any depositor, exceed \$60,000 or such other amount as the Governor-General may, from time to time, by Order in Council declare.
- (3) *[Repealed]*
- (4) Where any amount is withdrawn from the Ordinary Farm Ownership Account of any depositor at any date the amount of the eligible savings in the Account at that date and at all earlier dates shall be reduced by the amount of the withdrawal so far as the amount of the eligible savings extends:

provided that the amount of the eligible savings shall not be reduced to the extent that, before the amount of the withdrawal is taken into consideration, the balance of the Account at that date exceeds the amount of the eligible savings at that date.
- (5) Where a depositor withdraws the whole or any part of the balance in his Ordinary Farm Ownership Account to be used as a deposit under a conditional agreement to acquire a farm, and the agreement fails to become binding and the depositor pays all or part of the amount withdrawn into that Account as soon as practicable, the amount of the withdrawal, to the extent that it has been paid into the Account, shall be deemed not to have been withdrawn for the purposes of calculating the amount of the eligible savings of the depositor or for the purpose of determining the qualifying date of the Account.

Section 3(1): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 3(1)(b)(ii): amended, on 18 September 1980, by section 3(1) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 3(2): amended, on 18 September 1980, by section 3(2) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 3(2): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 3(3): repealed, on 18 September 1980, by section 3(3) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 3(4): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 3(5): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 3(5): amended, on 25 November 1976, by section 4 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

4 Notice of conditions

The terms and conditions upon which applications for purchase grants will be considered, purchase grants allowed and paid, and balances in Home Ownership Accounts and Ordinary Fishing Vessel Ownership Accounts transferred to Ordinary Farm Ownership Accounts shall be in accordance with regulations made under this Act or, in default of any such regulations and so far as any such regulations do not extend, in accordance with the written directions of the Minister.

Section 4: amended, on 25 November 1977, by section 29 of the Fishing Vessel Ownership Savings Act 1977 (1977 No 62).

Section 4: amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

5 Persons eligible to open accounts

No person shall be entitled to open an Ordinary Farm Ownership Account unless he has attained the age of 15 years and—

- (a) is a pupil at a secondary school in New Zealand and certifies in writing that he intends to become a farmer in New Zealand; or
- (b) is undertaking, at any university or other similar institution in New Zealand or elsewhere, a course of study which will be of material assistance in enabling him to become an efficient farmer; or
- (c) is exclusively or principally engaged or employed in the farming industry in New Zealand or in any associated industry servicing the farming industry in New Zealand; or
- (d) has had other relevant experience or has other relevant qualifications which will assist him or enable him to become an efficient farmer; or
- (e) is the spouse of a depositor.

Section 5: replaced, on 18 September 1980, by section 4(1) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

6 Persons ineligible to receive grants

- (1) In this section the expression **substantial interest in land** means a beneficial estate (at law or in equity) in any land in New Zealand or elsewhere of a value and nature from time to time determined, for the purposes of this Act, by the Corporation.
- (1A) Where a depositor has entered into an unconditional contract to purchase a farm and it is a term of that contract that possession of the farm is not to be given until a specified later date, being a date not later than 6 months after the date on which that contract becomes unconditional, the depositor shall be deemed not to have acquired a substantial interest in land for the purposes of this section until that later date.
- (2) Subject to subsection (3) and notwithstanding any other provision in this Act, no depositor shall be eligible for a purchase grant where, in the opinion of the Corporation, at the time when payment of the grant is sought, the depositor or, in the case of a joint Ordinary Farm Ownership Account, either of the depositors—
- (a) is not a New Zealand citizen; or
 - (b) solely or jointly or in common with any other person holds or has held a substantial interest in land in New Zealand or elsewhere; or
 - (c) solely or jointly with any other person has or has had at any time a controlling interest in any limited liability company or in any other body corporate which at that time held any substantial interest in land in New Zealand or elsewhere; or
 - (d) solely or jointly with any other person has received a purchase grant; or
 - (e) is the spouse of any person to whom paragraph (b) or paragraph (c) or paragraph (d) would apply if that person were a depositor; or
 - (f) has not, since the opening of his Ordinary Farm Ownership Account, had substantial practical farming experience:
- provided that the foregoing provisions of this paragraph shall not apply in any case where—
- (i) the spouse of the depositor is entitled to receive or has received a purchase grant or a withdrawal certificate; and
 - (ii) all money payable under this Act to the depositor and his or her spouse will be used to enable them to acquire a farm for their joint ownership and occupation.
- (3) Having regard to the special circumstances of any case, the Corporation may in its discretion grant, either wholly or partly, and conditionally or unconditionally, a purchase grant to any depositor of a class specified in subsection (2).

Section 6(1A): inserted, on 18 September 1980, by section 5(1) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 6(2): amended, on 18 September 1980, by section 5(2) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 6(2): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 6(2)(f): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 6(2)(f) proviso: inserted, on 18 October 1978, by section 3 of the Farm Ownership Savings Amendment Act 1978 (1978 No 62).

Section 6(3): inserted, on 18 September 1980, by section 5(3) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

7 Purchase grants

- (1) Subject to this Act, where the Corporation is satisfied that the grant is to be used by a depositor in the acquisition of a farm in New Zealand, there shall, to the extent to which the Corporation is satisfied that the eligible savings of the depositor are to be used by the depositor in the acquisition of the farm, be paid by the Corporation to the depositor—
 - (a) where the terminating date is not less than 3 years but less than 6 years from the qualifying date, a purchase grant equal to 25% of the depositor's eligible savings:
 - (b) where the terminating date is not less than 6 years but less than 7 years from the qualifying date, a purchase grant equal to 30% of the depositor's eligible savings:
 - (c) where the terminating date is not less than 7 years but less than 8 years from the qualifying date, a purchase grant equal to 35% of the depositor's eligible savings:
 - (d) where the terminating date is not less than 8 years but less than 9 years from the qualifying date, a purchase grant equal to 40% of the depositor's eligible savings:
 - (e) where the terminating date is not less than 9 years but less than 10 years from the qualifying date, a purchase grant equal to 45% of the depositor's eligible savings:
 - (f) where the terminating date is on or after the tenth anniversary of the qualifying date, a purchase grant equal to 50% of the depositor's eligible savings.
- (2) Notwithstanding anything in subsection (1), the percentages specified in any paragraph of that subsection may, from time to time, be varied by the Governor-General by Order in Council.
- (3) No purchase grant shall be paid to any depositor in respect of any eligible savings withdrawn by him from his Ordinary Farm Ownership Account earlier than 3 years after the qualifying date.
- (4) Where a depositor dies before the depositor has been paid a purchase grant, the personal representatives of the depositor may, to provide a farm for the widow

or widower or any dependant of the depositor, apply for a purchase grant and the Corporation may deal with the application in the same manner, with any necessary modifications, as if the depositor had made the application.

- (5) No depositor shall be paid more than 1 purchase grant or, subject to section 10, have a purchase grant calculated by reference to eligible savings in more than 1 Ordinary Farm Ownership Account.

Section 7(1)(a): amended, on 18 September 1980, by section 6(1) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 7(3): amended, on 18 September 1980, by section 6(2) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 7(3): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 7(5): amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

7A Purchase grants to sharefarmers

- (1) Subject to section 6(2), where the Corporation is satisfied that a depositor intends to become, for the first time, a sharefarmer and that the depositor has not, pursuant to section 7, received a purchase grant then (notwithstanding section 7), there shall (to the extent to which the eligible savings of the depositor are in the opinion of the Corporation to be used by him in order to purchase farming livestock or farming plant or machinery for the purpose of sharefarming in New Zealand), be paid by the Corporation to the depositor—
- (a) where the terminating date is not less than 3 years but less than 6 years after the qualifying date, a purchase grant equal to 25% of the depositor's eligible savings:
- (b) where the terminating date is not less than 6 years after the qualifying date, a purchase grant calculated in accordance with paragraphs (b) to (f) of section 7(1).
- (2) Notwithstanding subsection (1), the percentage specified in subsection (1)(a) may, from time to time, be varied by the Governor-General by Order in Council.
- (3) No purchase grant, pursuant to this section, shall be paid to any depositor in respect of any eligible savings which are, earlier than 3 years after the qualifying date of his Ordinary Farm Ownership Account, withdrawn from that Account.
- (4) Notwithstanding the foregoing provisions of this section, no person shall be entitled to receive a purchase grant under this section unless, in the opinion of the Corporation, at the time he applies for the grant, he possesses sufficient knowledge and experience to enable him competently to engage in the kind of sharefarming in which he intends to engage and has an agreement with the proprietor of any agricultural, pastoral, or horticultural land to work that land as a

sharefarmer for a term of at least 3 years or such shorter period as the Corporation may approve.

Section 7A: inserted, on 25 November 1976, by section 6(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

7B Additional grants to sharefarmers on purchase of farm

Notwithstanding anything in this Act, where a depositor has received a purchase grant under section 7A and the amount of the grant received is less than the maximum amount of the grant that could become payable to the depositor under this Act, the depositor may, subject to section 14B(b), continue to operate his Ordinary Farm Ownership Account for the purpose of obtaining a further purchase grant under section 7:

provided that—

- (a) the total amount payable to the depositor in respect of both grants shall not exceed the maximum amount of the purchase grant otherwise payable to the depositor under this Act:
- (b) no further purchase grant shall be payable under section 7 in respect of any amount of eligible savings taken into account in calculating the amount of the purchase grant payable under section 7A.

Section 7B: inserted, on 18 October 1978, by section 4 of the Farm Ownership Savings Amendment Act 1978 (1978 No 62).

8 Preservation of rights

Where, by reason of an Order in Council made pursuant to subparagraph (ii) of paragraph (b) of subsection (1) or subsection (2) of section 3 or subsection (2) of section 7 or subsection (2) of section 7A, the purchase grants payable to depositors are reduced, in so far as those purchase grants are calculated by reference to the eligible savings of a depositor at the date the Order in Council comes into force, those purchase grants shall be calculated as if the Order in Council had not been made.

Section 8: amended, on 25 November 1976, by section 6(2) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

9 Disposition of farm within 5 years of payment of purchase grant

[Repealed]

Section 9: repealed, on 25 November 1976, by section 8(2) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

10 Aggregation of grants

The purchase grant payable under this Act may be aggregated when 2 depositors who have separate Ordinary Farm Ownership Accounts amalgamate their eligible savings for the purpose of acquiring a farm for their joint occupation.

Section 10: amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

11 Joint accounts

Where 2 depositors have a joint Ordinary Farm Ownership Account and the Corporation is satisfied that by reason of circumstances which have arisen since the Account was opened it is impracticable for the depositors to acquire a farm for their joint occupation, it may in its discretion allow all or part of the money deposited in the Account to be transferred into a separate Ordinary Farm Ownership Account in the name of either depositor and to treat the money so transferred as deposited in the separate Account as at the date or dates it considers equitable for the purpose of calculating the eligible savings of either depositor.

Section 11: amended, on 25 November 1976, by section 3(2)(a) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

12 Transferability

- (1) Subject to this Act, balances in an Ordinary Fishing Vessel Ownership Account may be transferred to an Ordinary Farm Ownership Account.
- (2) Balances in an Ordinary Farm Ownership Account with any authorised savings institution may be transferred to an Ordinary Farm Ownership Account with any other authorised savings institution.
- (3) Any transfer of an Ordinary Farm Ownership Account of any depositor from one authorised savings institution to another authorised savings institution shall not affect the calculation of eligible savings or the rights of the depositor.

Section 12(1): amended, on 22 May 1998, by section 3(a) of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

Section 12(1): amended, on 25 November 1977, by section 29 of the Fishing Vessel Ownership Savings Act 1977 (1977 No 62).

Section 12(1): amended, on 25 November 1976, by section 3(2)(b) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 12(2): replaced, on 19 June 1987, by section 3 of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

Section 12(3): replaced, on 19 June 1987, by section 3 of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

13 Payment to Corporation

The Minister may from time to time, without further appropriation than this section, pay from a Crown Bank Account to the Corporation any amount required for the payment of purchase grants allowable under this Act and for the costs of administration and other proper disbursements.

Section 13: amended, on 25 January 2005, pursuant to section 83(7) of the Public Finance Act 1989 (1989 No 44).

14 Exemption from income tax

All purchase grants shall be exempt from income tax.

Part 2

Special Farm Ownership Accounts

Part 2: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

14A Special Farm Ownership Accounts

- (1) Subject to this Act on and after 1 November 1976 any person may open in his own name and for his own use (but not jointly or in common with any other person) a Special Farm Ownership Account and the provisions of the Income Tax Act 2004 relating to special accounts shall apply to that Account in accordance with their tenor.
- (2) No person who has, in relation to an Ordinary Farm Ownership Account, been paid either solely or jointly with any other depositor any purchase grant or who has, in relation to a Special Farm Ownership Account, withdrawn any amount from that Account pursuant to a withdrawal certificate (not being an amount which has subsequently been redeposited in full and in respect of which the withdrawal certificate has been cancelled pursuant to section 14F(4)) shall open a Special Farm Ownership Account.
- (3) No person who is a depositor in relation to a Special Farm Ownership Account or who has withdrawn any amount from a Special Farm Ownership Account pursuant to a withdrawal certificate (not being an amount which has subsequently been redeposited in full and in respect of which the withdrawal certificate has been cancelled pursuant to section 14F(4)) shall open an Ordinary Farm Ownership Account.
- (4) No person who is a depositor in relation to an Ordinary Farm Ownership Account with any authorised savings institution shall open a Special Farm Ownership Account with any other authorised savings institution.
- (5) Where any person is a depositor in relation to an Ordinary Farm Ownership Account jointly with any other person, he shall not open a Special Farm Ownership Account unless the other person has given up his interest in the joint Account or the joint Account is severed into separate Ordinary Farm Ownership Accounts:

provided that where any Ordinary Farm Ownership Account is so dealt with, the qualifying date (if any) of the sole Account or Accounts so created shall not, by reason thereof, be changed.

Section 14A: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14A(1): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

14B Existing Ordinary Farm Ownership Accounts

Where at the time a depositor opens a Special Farm Ownership Account he is also a depositor in relation to an Ordinary Farm Ownership Account—

- (a) if there is in respect of the Ordinary Farm Ownership Account a qualifying date, that date shall be the qualifying date in respect of the Special Farm Ownership Account; and
- (b) except for interest which may from time to time accrue and be payable in respect of the balance in the Ordinary Farm Ownership Account, no other deposits shall be made thereafter in the Ordinary Farm Ownership Account.

Section 14B: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

14C Transferability

- (1) Subject to this Act, balances in a Special Fishing Vessel Ownership Account with an authorised savings institution may be transferred to a Special Farm Ownership Account with any authorised savings institution:
provided that this subsection shall not apply unless the whole of the balance in the Special Fishing Vessel Ownership Account is transferred and the Account is closed.
- (2) Where the balance in any Special Fishing Vessel Ownership Account is transferred pursuant to subsection (1), the authorised savings institution shall forthwith inform the Commissioner accordingly.
- (3) Balances in a Special Farm Ownership Account with any authorised savings institution may be transferred to a Special Farm Ownership Account with any other authorised savings institution.
- (4) Any transfer of a Special Farm Ownership Account of any depositor from one authorised savings institution to another authorised savings institution shall not affect the calculation of eligible savings or the rights of the depositor.

Section 14C: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14C(1): replaced, on 19 June 1987, by section 4(1) of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

Section 14C(1): amended, on 22 May 1998, by section 3(b) of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

Section 14C(1) proviso: amended, on 22 May 1998, by section 3(c) of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

Section 14C(2): amended, on 22 May 1998, by section 3(d) of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

Section 14C(2): amended, on 25 November 1977, by section 29 of the Fishing Vessel Ownership Savings Act 1977 (1977 No 62).

Section 14C(3): replaced, on 19 June 1987, by section 4(2) of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

Section 14C(4): inserted, on 19 June 1987, by section 4(2) of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

14D Withdrawal and transfers from Special Farm Ownership Account

(1) Subject to this section and section 14C of this Act and section 14C of the Home Ownership Savings Act 1974 or section 17 of the Fishing Vessel Ownership Savings Act 1977, no money shall be withdrawn or transferred from a Special Farm Ownership Account.

(2) A depositor may at any time withdraw or transfer any amount from his Special Farm Ownership Account if, after the amount is withdrawn or transferred, the balance of the Account is not reduced to an amount less than the closing balance of the Account at 31 March immediately preceding the date of that withdrawal or transfer:

provided that a depositor who has deposited in his Special Farm Ownership Account an amount in any one financial year in excess of the maximum amount of any increase in savings on which a rebate is allowable under section KG 1(1) of the Income Tax Act 2004 may withdraw or transfer such excess amount at any time during the next succeeding financial year, notwithstanding that the balance in his Account is thereby reduced to an amount less than the closing balance of the Account at 31 March immediately preceding the date of that withdrawal or transfer.

(3) In the case of any withdrawal or transfer to which subsection (2) does not apply—

(a) where the withdrawal or transfer (not being a transfer allowed under section 14C) is made otherwise than pursuant to a withdrawal certificate, the balance of the Special Farm Ownership Account is to be withdrawn and the Account closed:

(b) where the withdrawal or transfer is made pursuant to a withdrawal certificate, the amount of the balance of the Account is to be withdrawn and the Account closed unless by the terms and conditions of the withdrawal certificate a lesser amount is to be withdrawn and the Account is to remain open.

(4) Where any Special Farm Ownership Account is closed pursuant to subsection (3), the authorised savings institution with which the Account is held shall forthwith notify the Commissioner and the Corporation in writing, stating—

(a) the name of the depositor:

(b) the amount of the withdrawal which resulted in the closure of the Account:

(c) the closing balance of the Account as at 31 March immediately preceding the date of the closure:

(d) the amount stated in the withdrawal certificate (if any):

provided that the authorised savings institution shall not notify the Corporation if the withdrawal was made otherwise than pursuant to a withdrawal certificate.

Section 14D: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14D(1): amended, on 25 November 1977, by section 29 of the Fishing Vessel Ownership Savings Act 1977 (1977 No 62).

Section 14D(2) proviso: inserted, on 18 September 1980, by section 7 of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 14D(2) proviso: amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 14D(2) proviso: amended, on 1 April 1995 (applying with respect to the tax on income derived in 1995–96 and subsequent income years), by section YB 1 of the Income Tax Act 1994 (1994 No 164).

14E Reopening of Special Farm Ownership Accounts

- (1) Where—
- (a) a Special Farm Ownership Account is closed pursuant to a withdrawal certificate issued under section 14F; and
 - (b) the amount withdrawn is used by the depositor as a deposit under a conditional agreement to acquire a farm or any farming livestock or farming plant or machinery and the agreement fails to become binding,—

the Corporation may determine that the Account shall be reopened, subject to the depositor paying into the Account the whole of the amount withdrawn or such part as the Corporation determines, and the Corporation shall notify the authorised savings institution and the Commissioner accordingly.

- (2) Where any Special Farm Ownership Account is reopened pursuant to subsection (1), the authorised savings institution shall notify the Corporation and the Commissioner accordingly.

Section 14E: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

14F Withdrawal certificates

- (1) Subject to this Act, the Corporation shall, on application made to it in writing by any depositor in relation to a Special Farm Ownership Account not earlier than 3 years after the qualifying date of the Account, issue to him a withdrawal certificate for the balance of the Account or a specified amount to be stated in the certificate if it is satisfied that that balance or that amount is to be used by the depositor for the acquisition of a farm in New Zealand.
- (2) Subject to this Act and notwithstanding subsection (1), the Corporation shall, on application made to it in writing by any depositor in relation to a Special Farm Ownership Account not earlier than 3 years after the qualifying date of the Account, issue to him a withdrawal certificate for the balance of the Account or a specified amount to be stated in the certificate where it is satisfied that that balance or that amount is to be used by the depositor in order to purchase farming livestock, or farming plant or machinery for the purpose of sharefarming in New Zealand for the first time.

- (3) Any withdrawal certificate may be issued subject to such terms and conditions as are set forth in the certificate and which the Corporation considers it necessary or desirable to impose to ensure that any amount withdrawn from a Special Farm Ownership Account pursuant to the certificate is used by the depositor for the purposes for which the certificate was issued.
- (4) Where any depositor has, pursuant to a withdrawal certificate withdrawn any amount from his Special Farm Ownership Account and redeposits the whole or any part of that amount in his Account, the withdrawal certificate shall be cancelled by the Corporation to the extent of the amount redeposited and the Commissioner notified accordingly.
- (5) Any withdrawal certificate shall cease to have any force or effect on or after any date that may be specified therein in that behalf or, if no such date is specified therein, on the expiration of 6 months after the date of the certificate.
- (6) Subject to section 14D(3)(b), every withdrawal certificate shall require the authorised savings institution to close the Special Farm Ownership Account of the depositor.

Section 14F: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14F(1): amended, on 18 September 1980, by section 8 of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

14G Ineligible depositors

Notwithstanding anything in this Act, no depositor shall be eligible to obtain a withdrawal certificate in respect of a Special Farm Ownership Account if, in the opinion of the Corporation, the depositor would not be eligible for any benefits under Part 1 if the Special Farm Ownership Account were an Ordinary Farm Ownership Account:

provided that, having regard to the special circumstances of any case, the Corporation may, in its discretion issue a withdrawal certificate, either in respect of the whole or part of the balance in the Account, and conditionally or unconditionally to any depositor.

Section 14G: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

14H Breach of farm ownership requirements

Where the Corporation at any time knows or has reason to believe or suspect that a depositor who has been issued with a withdrawal certificate has failed to comply with any farm ownership requirements to which he may be or may become subject, the Corporation shall forthwith in writing inform the Commissioner accordingly.

Section 14H: inserted, on 25 November 1976, by section 7 of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Part 3

General provisions

Part 3 heading: inserted, on 25 November 1976, by section 8(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

14I Restrictions on dispositions

- (1) For the purposes of this Act, the term **restriction period** means:
- (a) in relation to an Ordinary Farm Ownership Account of any depositor who has purchased a farm, the period of 5 years commencing on the date on which a purchase grant is paid to the depositor:
 - (b) in relation to a Special Farm Ownership Account of any depositor who has purchased a farm, the period of 5 years commencing on the date on which the depositor, pursuant to a withdrawal certificate, withdrew any money from the Account:
 - (c) in relation to an Ordinary Farm Ownership Account of any depositor who has engaged in sharefarming, the period of 2 years commencing on the date on which a purchase grant is paid to the depositor:
 - (d) in relation to a Special Farm Ownership Savings Account of any depositor who has engaged in sharefarming, the period of 2 years commencing on the date on which the depositor, pursuant to a withdrawal certificate, withdrew any money from the Account.
- (2) No depositor shall, without on each occasion the prior written consent of the Corporation, sell, lease, sublease, part with the possession of, mortgage, encumber or otherwise alienate or dispose of (at law or in equity) the whole or any part of any land in relation to the purchase of which the depositor has received a purchase grant or been issued with a withdrawal certificate prior to the expiration, in relation to that land, of the restriction period:
- provided that the foregoing provisions of this subsection shall not apply to—
- (a) any memorandum of mortgage or other encumbrance granted by the depositor over his estate or interest in any such land to secure any loan made to him by the Corporation, or by the Housing New Zealand Corporation:
 - (b) any transmission of the depositor's estate or interest in any such land.

Section 14I: inserted, on 25 November 1976, by section 8(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14I(1)(a): amended, on 18 September 1980, by section 9(1) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 14I(1)(b): amended, on 18 September 1980, by section 9(1) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 14I(1)(c): inserted, on 18 September 1980, by section 9(2) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 14I(1)(d): inserted, on 18 September 1980, by section 9(2) of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 14I(2)(a): amended, on 1 July 2001, pursuant to section 49A of the Housing Corporation Act 1974 (1974 No 19).

14J Effect of dispositions within restriction period

If a depositor, contrary to section 14I, and within the restriction period, sells, leases, subleases, parts with the possession of, mortgages, encumbers or otherwise alienates or disposes of (at law or in equity) the whole or any part of land referred to in that section the depositor shall forthwith—

- (a) refund to the Corporation any purchase grant which he has received in respect of his deposits in his Ordinary Farm Ownership Account; and
- (b) pay to the Corporation any withdrawal tax which, under subpart ID of the Income Tax Act 2004, he is liable to pay in respect of amounts withdrawn from his Special Farm Ownership Account:

provided that, having regard to the special circumstances of any case, the Corporation may, in its discretion, waive, either wholly or partly, the depositor's obligation to—

- (a) refund any purchase grant under this section; or
- (b) pay withdrawal tax which, under subpart ID of the Income Tax Act 2004, he or she is liable to pay in respect of amounts withdrawn from his or her Special Farm Ownership Account.

Section 14J: inserted, on 25 November 1976, by section 8(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14J(b): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 14J(b): amended, on 18 September 1980, by section 10 of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 14J proviso: inserted, on 19 June 1987, by section 5 of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

Section 14J proviso paragraph (b): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

14K Effect of cessation of sharefarming

If a depositor has been paid a purchase grant or been issued with a withdrawal certificate to enable him to engage in sharefarming, and within the restriction period he—

- (a) ceases to be engaged as a sharefarmer otherwise than in consequence of acquiring a farm for his own occupation; or
- (b) fails in accordance with the best farming or agricultural practice to replace any farming livestock or farming plant or machinery which he sells or otherwise disposes of, or which are lost or damaged or worn out, or in the case of livestock, die,—

he shall—

- (c) be deemed not to have observed the farm ownership requirements; and
- (d) refund to the Corporation any purchase grant which he has received in respect of his deposits in his Ordinary Farm Ownership Account; and
- (e) pay to the Corporation any withdrawal tax which, under subpart ID of the Income Tax Act 2004, he is liable to pay in respect of amounts withdrawn from his Special Farm Ownership Account:

provided that, having regard to the special circumstances of any case, the Corporation may, in its discretion, waive, either wholly or partly, the depositors obligation to—

- (a) refund any purchase grant under this section; or
- (b) pay withdrawal tax which, under subpart ID of the Income Tax Act 2004, he or she is liable to pay in respect of amounts withdrawn from his or her Special Farm Ownership Account.

Section 14K: inserted, on 25 November 1976, by section 8(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14K(a): amended, on 18 October 1978, by section 5 of the Farm Ownership Savings Amendment Act 1978 (1978 No 62).

Section 14K(e): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 14K(e): amended, on 18 September 1980, by section 11 of the Farm Ownership Savings Amendment Act 1980 (1980 No 14).

Section 14K proviso: inserted, on 19 June 1987, by section 6 of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

Section 14K proviso paragraph (b): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

14L Charges and caveats

- (1) To secure any money which may, pursuant to this Act, or subpart ID of the Income Tax Act 2004, be payable or become in the future payable to the Corporation or to the Commissioner by a depositor and otherwise to secure the due performance by the depositor of all obligations which are or may be imposed upon the depositor by or pursuant to this Act, the Corporation may—
 - (a) execute and register, against the title to the depositor’s land referred to in section 14I pursuant to the Land Charges Registration Act 1928 and this section, a charge in such sum as the Corporation may in its discretion consider appropriate; or
 - (b) lodge a caveat in favour of the Corporation against such title pursuant to the Land Transfer Act 1952 and this section; or
 - (c) in addition to or instead of executing and registering any such charge or executing and lodging any such caveat, take such security over all or any of the lands or chattels of the depositor pursuant to this section in such sum as the Corporation may consider appropriate.

- (2) To register any such charge or to lodge any such caveat it shall not be necessary to produce to a Registrar any duplicate or copy of the certificate of title or of any other instrument of title to the land concerned.
- (3) Where any such charge is so registered or any such caveat is so lodged, it shall be the duty of the Registrar to enter a memorial on the certificate of title or other instrument of title to the land concerned (and in addition to any other memorial which, pursuant to the Land Transfer Act 1952 or any other Act, he is required to enter thereon), that the land concerned is subject to this Act.
- (4) Subject to section 14I, while any such charge or caveat is registered, lodged, or recorded on or against the title to the land concerned, no dealing with such land shall, to the extent to which such land is comprised in such title, be registered by the Registrar without, on each occasion, the Corporation's prior written consent, which consent may be given either unconditionally or subject to such conditions as the Corporation may deem fit to impose.
- (5) No such charge or caveat shall be discharged, released, modified or varied except by the Corporation or pursuant to an Order of the High Court of New Zealand.
- (6) No registration fee shall be payable under any Act in respect of the execution or registration of any such charge or caveat or in respect of any discharge, release, modification or variation thereof.

Section 14L: inserted, on 25 November 1976, by section 8(1) of the Farm Ownership Savings Amendment Act 1976 (1976 No 51).

Section 14L(1): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 14L(2): amended, on 1 June 2002, pursuant to section 38(2) of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 (2002 No 11).

Section 14L(3): amended, on 1 June 2002, pursuant to section 38(2) of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 (2002 No 11).

Section 14L(4): amended, on 1 June 2002, pursuant to section 38(2) of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 (2002 No 11).

Section 14L(5): amended, on 1 April 1980, pursuant to section 12 of the Judicature Amendment Act 1979 (1979 No 124).

Section 14L(6): amended, on 20 May 1999, by section 7 of the Stamp Duty Abolition Act 1999 (1999 No 61).

14M Removal of criteria for payment of purchase grant or issue of withdrawal certificate

- (1) Notwithstanding any other provision in this Act, any Farm Ownership Account depositor may withdraw the balance of the Account and close the Account if, after 18 June 1987, he or she either makes no further deposits in that Account or makes deposits in the Account which, in the opinion of the Corporation, were made without knowledge of this section.
- (2) Where the depositor exercises his or her rights under subsection (1), the Corporation shall, in respect of an Ordinary Farm Ownership Account, on the ap-

plication of a depositor, pay to the depositor a purchase grant pursuant to either section 7 or section 7A, whichever is applicable, in respect of the amount of the depositor's eligible savings on the close of 18 June 1987, notwithstanding that the depositor has not complied with the provisions of Part 1:

provided that the purchase grant shall be calculated from the qualifying date until the close of 18 June 1987, and all Ordinary Farm Ownership Accounts of under 3 years duration shall attract a purchase grant of 25% of the depositor's eligible savings.

- (3) Where the depositor exercises his or her rights under subsection (1), the Corporation shall, in respect of a Special Farm Ownership Account, issue to the depositor a withdrawal certificate pursuant to section 14F for the balance of the Account as at the close of 18 June 1987, notwithstanding that the depositor has not complied with the provisions of Part 2.
- (4) Notwithstanding the foregoing provisions of this section, no person shall be entitled to receive a purchase grant or a withdrawal certificate pursuant to this section where the Farm Ownership Account was formerly a Home Ownership Account which was transferred to a Farm Ownership Account pursuant to section 12(1) or section 14C(1) after the close of 18 June 1987.

Section 14M: inserted, on 19 June 1987, by section 7 of the Farm Ownership Savings Amendment Act 1987 (1987 No 100).

15 Information to be supplied to Minister or Corporation

Notwithstanding anything in any other Act, every authorised savings institution shall furnish to the Minister or to the Corporation such information and particulars in relation to Farm Ownership Accounts opened with the institution as the Minister may from time to time require to be furnished:

provided that nothing in this section shall authorise the Minister to require any authorised savings institution to furnish any information which, in accordance with accepted banking practice, a banker is not obliged to disclose without the consent of the depositor concerned, unless that consent has been obtained.

16 Offences and penalties

- (1) Every person commits an offence against this Act who—
 - (a) makes any statement knowing it to be false in any material particular or otherwise wilfully misleads or attempts to mislead the Corporation or any officer of the Corporation or any other person in relation to any application for a purchase grant for himself or any other person:
 - (b) being a person to whom a purchase grant has been paid under this Act—
 - (i) fails, within a reasonable time after being required to do so, to supply in writing to the Corporation any information requested by the Corporation for the purpose of ascertaining whether or not the terms and conditions under which the purchase grant was paid have been fulfilled or whether or not any event has taken place by

reason of which the purchase grant or any part thereof is repayable:

provided that no person shall be required to supply any information tending to incriminate himself; or

(ii) supplies any information knowing it to be false in any material particular.

- (2) Any person who commits an offence under subsection (1) is liable on conviction—
- (a) to imprisonment for a term not exceeding 6 months or to a fine not exceeding \$1,000; and
 - (b) to repay in full to the Corporation any purchase grant wrongfully obtained.

Section 16(2): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

17 Regulations

- (1) The Governor-General may from time to time, by Order in Council, make regulations in regard to any matter or for any purpose for which regulations are prescribed or contemplated by this Act or may be necessary for giving full effect to the provisions of this Act and for the due administration thereof.
- (2) Without limiting the general power to make regulations conferred by subsection (1), regulations may be made under that subsection—
- (a) prescribing the mode of making application for purchase grants:
 - (b) prescribing the procedure for payment of purchase grants:
 - (c) prescribing offences in respect of the contravention of or non-compliance with any regulations made under this Act or any term or condition given pursuant to any such regulations, and prescribing penalties on conviction not exceeding \$200 in respect of any such offences.

Section 17(2)(c): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

18 Consequential amendment

[Repealed]

Section 18: repealed (with effect on 29 July 1977), on 28 August 1977, by section 2(2)(c) of the Trustee Savings Banks Amendment Act 1977 (1977 No 23).

Part 4

Closure of Farm Ownership Accounts by 30 June 2001

Part 4: inserted, on 22 May 1998, by section 4 of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

19 All existing accounts to be closed as at 30 June 2001

- (1) All Farm Ownership Accounts in existence on 30 June 2001 are to be closed as at that date and their balances paid to their depositors.
- (2) Where an Ordinary Farm Ownership Account is closed under subsection (1)—
 - (a) the Corporation must pay to the depositor a purchase grant under either section 7 or section 7A (whichever is applicable) in respect of the depositor's eligible savings on the close of 30 June 2001, notwithstanding that the depositor would not otherwise be entitled to receive a purchase grant under Part 1; and
 - (b) nothing in sections 14I to 14L (which impose certain restrictions where a purchase grant has been paid, and may require its repayment for breach of those restrictions) applies in respect of that purchase grant.
- (3) Where a Special Farm Ownership Account is closed under subsection (1)—
 - (a) the Corporation must issue to the depositor a withdrawal certificate under section 14F for the balance of the Account as at the close of 30 June 2001, notwithstanding that the depositor would not otherwise be entitled to receive a withdrawal certificate under Part 2; and
 - (b) nothing in sections 14I to 14L (which impose certain restrictions where a withdrawal certificate has been issued, and may require the payment of withdrawal tax under Part I of the Income Tax Act 2004 if those restrictions are breached) applies in respect of the withdrawal for which the withdrawal certificate is issued.

Section 19: inserted, on 22 May 1998, by section 4 of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

Section 19(3)(b): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

20 Unrestricted withdrawals may be made by persons making no further deposits after 30 June 1998

- (1) A Farm Ownership Account depositor may withdraw the balance of the Account and close the Account if the depositor has made no deposits in the Account after 30 June 1998.
- (2) If a depositor with an Ordinary Farm Ownership Account closes his or her Account under this section—
 - (a) the Corporation must pay to the depositor a purchase grant under either section 7 or section 7A (whichever is applicable) in respect of the depositor's eligible savings on the close of 14 May 1998, notwithstanding that the depositor would not otherwise be entitled to receive a purchase grant under Part 1; and

- (b) nothing in sections 14I to 14L (which impose certain restrictions where a purchase grant has been paid, and may require its repayment for breach of those restrictions) applies in respect of that purchase grant.
- (3) If a depositor with a Special Farm Ownership Account closes his or her Account under this section—
 - (a) the Corporation must issue to the depositor a withdrawal certificate under section 14F for the balance of the Account (less the amount of any deposit referred to in subsection (4)) as at the time of its closure, notwithstanding that the depositor would not otherwise be entitled to receive a withdrawal certificate under Part 2; and
 - (b) nothing in sections 14I to 14L (which impose certain restrictions where a withdrawal certificate has been issued, and may require the payment of withdrawal tax under Part I of the Income Tax Act 2004 if those restrictions are breached) applies in respect of the withdrawal for which the withdrawal certificate is issued.
- (4) If a person with a Special Farm Ownership Account makes any deposit into that Account during the period 15 May 1998 to 30 June 1998 (both dates inclusive), the amount of the deposit, to the extent that it is not subsequently withdrawn in accordance with section 14D(2) before the closure of the Account under this section,—
 - (a) is to be excluded from the withdrawal certificate given under subsection (3)(a); and
 - (b) falls to be treated as withdrawal income subject to withdrawal tax in accordance with subpart IZ of the Income Tax Act 2004.

Section 20: inserted, on 22 May 1998, by section 4 of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

Section 20(3)(b): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 20(4)(b): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

21 Parts 1 to 3 to continue to apply to persons making deposits after 30 June 1998

If a depositor with a Farm Ownership Account makes any deposit into that Account on or after 30 June 1998, the provisions of Parts 1 to 3 continue to apply to that depositor and that Account, unless and until the Account is closed under section 19.

Section 21: inserted, on 22 May 1998, by section 4 of the Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22).

Reprints notes

1 *General*

This is a reprint of the Farm Ownership Savings Act 1974 that incorporates all the amendments to that Act as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Statutes Repeal Act 2017 (2017 No 23): section 3(1)

Criminal Procedure Act 2011 (2011 No 81): section 413

Income Tax Act 2004 (2004 No 35): section YA 2

Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 (2002 No 11): section 38(2)

Stamp Duty Abolition Act 1999 (1999 No 61): section 7

Farm and Fishing Vessel Ownership Savings Schemes (Closure) Act 1998 (1998 No 22): sections 2–4

Income Tax Act 1994 (1994 No 164): section YB 1

National Bank of New Zealand Limited Act 1994 (1994 No 3 (P)): section 14

Private Savings Banks (Transfer of Undertakings) Act 1992 (1992 No 21): sections 20, 22(1)

Public Finance Act 1989 (1989 No 44): section 83(7)

State Sector Act 1988 (1988 No 20): section 90(a)

Building Societies Amendment Act 1987 (1987 No 175): section 41(3)

State-Owned Enterprises Amendment Act 1987 (1987 No 117): section 11(1)

Farm Ownership Savings Amendment Act 1987 (1987 No 100)

Farm Ownership Savings Amendment Act 1985 (1985 No 73)

Farm Ownership Savings Amendment Act 1981 (1981 No 65)

Farm Ownership Savings Amendment Act 1980 (1980 No 14)

Judicature Amendment Act 1979 (1979 No 124): section 12

Farm Ownership Savings Amendment Act 1978 (1978 No 62)

Fishing Vessel Ownership Savings Act 1977 (1977 No 62): section 29

Trustee Savings Banks Amendment Act 1977 (1977 No 23): section 2(2)(c)

Farm Ownership Savings Amendment Act 1976 (1976 No 51)

Housing Corporation Act 1974 (1974 No 19): section 49A