

CENTRAL BANK OF THE GAMBIA ACT, 1971

THE GAMBIA

No. 1 of 1971.

Assented to by The President
this Twenty-sixth day of February,
1971.



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D. K. JAWARA,
President.

1973 K 7 43

AN ACT to authorise the establishment of the Central Bank of The Gambia and for matters connected therewith and incidental thereto.

Date of commencement
(1st March, 1971).

Enacted by the Parliament of The Gambia.

Enactment.

PART 1 - PRELIMINARY.

1. THIS ACT may be cited as the Central Bank of The Gambia Act, 1971 and shall come into operation on such date or dates and to such extent as the Minister may by order published in the Gazette appoint. Short title.

2. In this Act, unless the context otherwise requires:

Inter-
pretati-

- (a) "the Bank" means the Central Bank of The Gambia established under section 3 of this Act;
- (b) "bank" means any financial institution whose operations include the acceptance of deposits subject to withdrawal or transfer by cheque;
- (c) "banking business" means the business of receiving funds from the public or a financial institution through the acceptance of money deposits payable upon demand or after a fixed period or after notice, or any similar operation through the sale or placement of bonds, certificates, notes or other securities, and the use of such funds either in whole or in part for advances, investments or in any other operation either authorised by law or by customary banking practices, for the account and at the risk of the person doing such business;
- (d) "Board" means the Board of Directors of the Bank;
- (e) "Credit institution" means any financial institution other than a bank;
- (f) "financial institution" means any person doing banking business: provided that for the purposes of this Act all offices and branches of a foreign financial institution in The Gambia shall be deemed to be one financial institution;
- (g) "Government" means the Government of the Republic of The Gambia;
- (h) "Governor" means the Governor of the Bank appointed under section 10 of this Act;
- (i) "Minister" means the Minister responsible for the administration of this Act;
- (j) "person" includes any company or association or body of persons corporate or unincorporate.

- (k) "unsecured advances" or "unsecured credit facilities" means advances or credit facilities granted without security, any part of such advances and credit facilities which at any given time exceeds the market value of the assets comprising the security given, or which exceeds the valuation approved by the Bank whenever it deems that no market value exists for the said assets.

PART II - ESTABLISHMENT OF THE BANK

3.- (1) There shall be establish a Bank which shall be known as the Central Bank of The Gambia to carry on business in accordance with the provisions of this Act.

Establishment.

(2) The Bank shall be a body corporate and shall have perpetual succession and a common seal, and may sue and be sued in its own name. The Bank shall have power to enter into contracts and acquire, hold, and dispose of property whether moveable or immovable.

4. The principal objects of the Bank shall be:

Objects.

(a) to regulate the issue, supply, availability, and international exchange of money;

(b) to promote monetary stability; and

(c) to promote a sound financial structure and credit and exchange conditions conducive to the orderly and balanced economic development of the country.

5. The Bank shall have its head office in Banjul and may establish branches within The Gambia, appoint agents, and correspondents within The Gambia and abroad, and with the approval of the Minister, establish offices abroad.

Head office, offices, branches, agents & correspondents.

PART III - CAPITAL, NET PROFITS, AND GENERAL RESERVE.

6.- (1) The authorised capital of the Bank shall be determined by the Board and agreed by the Minister. There shall be paid up by the Government £G50,000 upon the establishment of the Bank. There shall also be paid up such further amounts as may be proposed by the Board and agreed by the Minister. All the paid-up capital shall be subscribed and held exclusively by the Government. No reduction of capital shall be effected except by an amendment to this Act.

Capital.

(2) The Minister, notwithstanding any other provision of this Act, shall cause to be transferred to the ownership of the Bank non-negotiable non-interest bearing securities issued by the Government from time to time for such an amount as is necessary for the purpose of preserving the paid-up capital from any impairment, whenever, in the judgment of the Board, the assets of the Bank are less than the sum of its liabilities and paid-up capital.

7.- (1) The net profits of the Bank for each financial year shall be determined after allowing for the expenses of operations for that year and after providing:

Net Profits & General Reserves

(a) for bad and doubtful debts, depreciation in assets, and contributions to staff funds and superannuation funds; and

(b) with the approval of the Minister, for such other purposes as the Board may deem necessary;

(2) The Bank shall establish and maintain

8.- (1) At the end of each financial year there shall be transferred to the General Reserve an amount of twenty per cent of the net profits until the Reserve amounts to three times the paid-up capital of the Bank. With the approval of the Minister, the amount to be transferred to the General Reserve may be increased to exceed that annual ratio, or the total amount of the General Reserve may be increased beyond three times the paid-up capital of the Bank.

(2) After transfers to the General Reserve have been made under subsection (1):

- (a) twenty-five per cent of the remainder of the net profits for the financial year shall be applied to the redemption of any securities of the Government held by the Bank which have been issued under section 6(2); and
- (b) the remaining balance of the net profits for the financial year shall be transferred to the Government.

(3) No deduction under subsections (1) and (2)(a) shall be required to be made, nor shall any deduction under section 7(1)(b) be made or payment authorised under subsection 2(b) if, in the judgment of the Board, such transfer, deduction or payment, would impair the paid-up capital of the Bank.

PART IV - ADMINISTRATION AND MANAGEMENT.

9.- (1) The powers of the Bank shall be vested in the Board which shall be responsible for the policy and general administration of the Bank.

(2) The Board shall have power to make by-laws and issue directives to regulate the conduct of the Bank's business and, with the approval of the Minister, make regulations for the purpose of giving effect to the provisions of this Act.

(3) The Board shall consist of five directors comprising the Governor, the Permanent Secretary of the Ministry of Finance or his representative, and three directors appointed in accordance with section 12(1).

10.- (1) The Governor shall be a person of recognised financial experience and shall be appointed by the President on the recommendation of the Minister for a term of five years on such terms and conditions as may be specified in the letter of appointment. He shall be eligible for reappointment.

(2) The Governor shall:

- (a) preside as chairman at the meeting of the Board;
- (b) serve as chief executive officer of the Bank responsible to the Board for the management of the Bank and the execution of its policy.

(3) Except as may be otherwise provided in this Act, the by-laws of the Bank or resolutions of the Board, the Governor shall have power to act, contract, and sign instruments and documents on behalf of the Bank. He may, pursuant to resolutions of the Board, delegate such power to other officers of the Bank.

11.- (1) During the absence or disability of the Governor or during any vacancy in the office of the Governor:

Governor & General Manager.

- (a) the Board shall designate one of its members to serve as chairman;
- (b) the General Manager appointed in accordance with

(2) The Governor and the General Manager shall devote the whole of their professional time to the service of the Bank and, while holding office, shall not engage in any business, profession, or employment whether remunerated or not:

Provided that they may:

- (a) act as members of any board, committee, or commission appointed by the Government.
- (b) become governors, alternate governors, directors, or members of any organ by whatever name called, of any international bank or international financial institution of which The Gambia is a member;
- (c) become directors or members of the Board of any enterprise in which the Bank may participate under section 52(b)(ii).

(3) The Governor and the General Manager shall not receive any salary or supplementation thereto from any source other than the Bank, without the express approval of the Minister.

12.- (1) The three appointive directors referred to in section 9(3) shall be appointed from among persons of standing and experience in financial matters by the President on the recommendation of the Minister for a term of three years, and shall be eligible for reappointment:

Provided that the first three directors appointed under this subsection shall be appointed for terms of one, two and three years, respectively.

(2) Fees and other benefits to be received by the appointive directors shall be determined by the Board with the approval of the Minister.

13.- (1) No person shall be appointed or shall remain Governor or appointive director who is:

- (a) a director, an officer, an employee of, owner or shareholder in any financial institution under the regulatory jurisdiction of the Bank; or
- (b) a salaried employee of the Government:

Provided that the President may exempt any person from the provisions of paragraph (b) for special reasons to be stated in writing.

(2) The Governor or any appointive director may resign his office on giving notice in writing to the President.

(3) (i) If the President considers that the question of removing the Governor or any appointive director under this section ought to be investigated, then the President shall appoint an independent tribunal, the chairman of which shall be a person with judicial experience to investigate the matter and report to the President on the facts thereof.

(ii) If the finding of the independent tribunal is that the Governor or appointive director has-

- (a) become permanently incapable of carrying out his duties; or
- (b) become bankrupt or has suspended payment or has compounded with his creditors; or
- (c) been convicted of a felony or of any offence involving dishonesty; or

Appointive
directors

Disqualifi-
cation &
vacation o:
appoint-
ment.

(e) in the case of a person possessed of professional qualifications been disqualified or suspended (otherwise than at his own request) from practising his profession by the order of any competent authority made in respect of him personally,

the President shall terminate the appointment of the Governor or appointive director as the case may be.

14.- (1) If the Governor or any appointive director dies, or resigns or otherwise vacates his office before the expiry of the term for which he has been appointed, another person shall be appointed in his place as soon as may be practicable for the unexpired period. Appointments to fill vacancies and provide for substitutes.

(2) The President on the finding of the Board of the temporary absence or incapacity of an appointive director, may, on the recommendation of the Minister, appoint a substitute to serve until the expiry of the term or a determination by the Board that such state has ceased, whichever is the earlier.

15.- (1) The Board shall meet as often as the business of the Bank may require but not less frequently than once in every six months. Pursuant to its by-laws, the Board may provide for regular meetings for which no notice shall be necessary and special meetings, to be convened at the written request of the Governor or any two other directors, for which notice shall be required. Meetings of Board.

(2) Decisions shall be adopted by a simple majority of the votes of the members present and in the event of an equality of votes, the chairman shall have a second or deciding vote. A quorum of the Board shall consist of three directors but less than a quorum may adjourn from time to time until a quorum is in attendance.

(3) The General Manager may participate in the meetings of the Board without the right to vote.

(4) No act or proceeding of the Board shall be invalidated merely by reason of the existence of a vacancy or vacancies among the directors.

(5) The acts of any person acting as a director shall be as valid as if he were a director, notwithstanding that some defect in his appointment or qualifications be afterward discovered.

16.- (1) All appointments of officers and employees of the Bank Officers shall be only to positions created by decisions of the Board and on such terms and conditions as shall be prescribed by the Board. Officers and employees.

(2) The General Manager shall be appointed by the Board with the approval of the President, to participate in the supervision of the management of the Bank and in the execution of its policy through the performance of such duties as may from time to time be delegated to him by the Governor.

(3) No salary, fee, wage, or other remuneration, or allowance paid by the Bank shall be computed by reference to the net or other profits of the Bank.

17.- (1) The directors shall not act as delegates of any commercial, financial, agricultural, industrial, or other interests, or receive or accept directions therefrom in respect of duties to be performed under this Act. Conflicts of interest.

(2) The directors shall fully disclose to the Board any commercial, financial, agricultural, industrial, or other business interests with which they may at any time directly or indirectly be interested and shall refrain from voting on any matter related thereto which becomes the subject of Board action:

Provided that such an interest, if so disclosed, shall not disqualify the interested party for purposes of constituting a quorum.

(3) No director nor any officer or employee of the Bank shall receive any gift for himself or persons with whom he may have family, business, or financial connections if the acceptance thereof would result, or give the appearance of resulting in, a diminishment of his impartial devotion to his duties under this Act.

18. Except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court under the provision of any law, no Director, officer or employee of the Bank shall disclose to any person any information relating to the affairs of the Bank or of any financial institution or other person, firm, company, organisation, or of a customer of the Bank which he has acquired in the performance of his duties or the exercise of his functions:

Secrecy provisions.

Provided that no Director, officer or employee of the Bank shall be compelled to disclose to any Court any information the disclosure of which would be in the opinion of the Minister, injurious to the public interest.

PART V - GAMBIAN CURRENCY

19.-(1) The unit of currency of The Gambia shall be the Currency of The Gambian pound with a par value of 2,13281 grammes of fine gold until such date as the Minister may appoint in accordance with the provisions of subsection (2).

(2) With effect from the date appointed by the Minister, notice of which shall be published in the Gazette and communicated to the public in such other manner as the Minister may prescribe, the Gambian pound shall cease to be the unit of currency and the Dalasi, which shall be divided into one hundred bututs, shall be the unit of currency of The Gambia with the result that any reference in a law of The Gambia, including any instrument having effect by virtue of an Act, or any rules or regulations giving effect to an Act, or any reference in a contract, agreement, sale, payment, bill, note, instrument and security for money, and every transaction, dealing, matter and thing whatsoever relating to money, and any other reference to an amount of money expressed in terms of the Gambian pound, shall be construed as a reference to the corresponding amount of money expressed in terms of the Dalasi, calculated in accordance with the provisions of subsection (4):

Provided that where the context otherwise requires, or in the case of an express agreement not invalid or unlawfully by virtue of any other law involving the payment of money or the liability to pay money which is the currency of a country other than The Gambia, no such conversion shall be required:

And further provided that the Minister may specify a period during which the Gambian pound and its subsidiary units may continue to be issued and circulate alone or jointly with the Dalasi and butut.

(3) Any percentage or other proportion expressed in terms of the Gambian pound in any reference mentioned in subsection (2), shall be construed as a reference to an equivalent percentage or proportion expressed in terms of the Dalasi.

(4) Whenever it is necessary to ascertain an amount of Dalasis corresponding to an amount of Gambian pounds, the first mentioned amount shall be calculated on the basis of equivalents specified in the Conversion Table in Schedule A of this Act:

Provided that when the conversion is in respect to a total number of individual amounts the equivalents specified in the Conversion Table shall be applied to such total and not to individual amounts.

(5) The Minister shall make such regulations, issue such orders, and make such arrangements, as he may consider necessary or appropriate for the purpose of implementing the transition from the existing currency system under subsection (1) to the new currency system under subsection (2)

20. The par value in terms of gold of the currency of The Gambia and any change thereof shall be declared by the President on the recommendation of the Minister after consultation with the Bank. Any such change shall be made with due regard for the obligations which The Gambia has assumed in accordance with the provisions of any international monetary agreement to which it is a party or to which it has adhered. The Bank shall cause to be published in the Gazette at the earliest opportunity notice of the par value of the currency of The Gambia and any change thereof.

Parity.

21.- (1) The Bank shall have the sole right of issuing, notes and coins throughout The Gambia and neither the Government nor any other person shall issue currency notes, bank notes, or coins or any documents or tokens payable to bearer on demand being documents or tokens which are likely to pass as legal tender.

Sole right to issue currency.

(2) Any person contravening the provisions of subsection (1) shall be liable on conviction to imprisonment for not more than 2 years or to a fine not exceeding £G 200 or to both such imprisonment and fine,

22. The Bank shall:

(a) arrange for the printing of notes and minting of coins, for the safe custody of unissued stocks of currency and for the preparation, safe custody, and for destruction of plates and paper for the printing of notes and dies for the minting of coins, and for all matters relating thereto;

Issuance of Currency.

(b) issue, reissue, exchange, and redeem notes and coins constituting the currency of The Gambia on demand and without charge:

Provided that in the event of temporary unavailability of a requested denomination, the Bank may discharge this obligation by delivering notes and coins of available denominations which most nearly approximate that requested.

23.- (1) Notes and coins issued by the Bank shall be of such denominations, or fractions thereof, and of such forms and designs and bear such devices as may be approved by the Minister on the recommendation of the Bank.

Denomination and form of notes and coins.

(2) The standard weight and composition of coins issued by the Bank and the amount of remedy and variation shall be determined by the Minister on the recommendation of the Bank.

24.- (1) Notes issued by the Bank shall be legal tender in The Gambia at their face value for the payment of any amount. Legal tender.

(2) Coins issued by the Bank shall be legal tender in The Gambia at their face value up to an amount not exceeding ten Gambian pounds.

(3) Notwithstanding the provisions of subsections (1) and (2), the Bank shall have power, on giving not less than three months' notice in the Gazette and other media of public communication to call in any of its notes and coins currently legal tender in The Gambia on payment of the corresponding value thereof, and any such notes or coins with respect to which a notice has been given under this subsection shall, on the date specified in such notice, cease to be legal tender but shall be redeemed by the Bank upon demand for a period of not less than five years.

25.- (1) No person shall be entitled as of right to recover from the Bank the value of any lost, stolen, or mutilated note or coin.

Lost and damaged currency.

(2) The circumstances in which, and the conditions and limitations subject to which, the value of lost, stolen, mutilated notes or coins may be refunded as of grace shall be determined by the Bank in its absolute discretion.

26. The Bank shall assist in the enforcement of any law relating to counterfeiting of the currency of The Gambia, and certification by a duly authorised officer of the Bank that an item in question is or is not genuine shall be prima facie evidence of the fact in any legal proceeding in The Gambia. Counterfeit currency.

PART VI - EXTERNAL RESERVE

27.- (1) The Bank shall maintain an External Reserve of internationally recognised reserve assets consisting of all or any of the following on such terms and conditions as it may prescribe:

- (a) gold;
- (b) foreign exchange in the form of currency or bank balances held abroad;
- (c) The Gambia's holdings of special drawing rights and the ability of The Gambia to make a gold tranche purchase in the General Account of the International Monetary Fund.
- (d) bills of exchange and promissory notes denominated in foreign currency and payable at any place outside The Gambia;
- (e) treasury bills issued by such foreign governments as may be specified from time to time by the Board;
- (f) securities issued or guaranteed by such foreign governments or international financial institutions as may be specified from time to time by the Board.

(2) The Bank shall use its best endeavours to maintain the External Reserve at a level adequate for the international transactions of The Gambia.

(3) If the External Reserve has declined or, in the judgment of the Board, appears to be in danger of declining to the extent as to jeopardise the adequacy of such reserve, the Bank shall submit to the Minister a report on the reserve position and the causes which

have led or may lead to such a decline together with recommendations concerning the measures that may be deemed necessary to forestall or otherwise remedy the situation. The Bank shall make further reports and recommendations at intervals not to exceed six months until such time as, in its judgment, the situation has been rectified.

PART VII - FOREIGN EXCHANGE OPERATIONS

28. The Bank shall be the depository of The Gambia's official external assets.

Depository of official external assets.

29. The Bank may:

- (a) buy, sell, or deal in gold coins or bullion or other precious metals;
- (b) buy, sell, or deal in foreign exchange, using for these purposes any of the instruments commonly used in banking transactions;
- (c) purchase and sell treasury bills and other securities specified under paragraph (e) and (f) of section 27(1);
- (d) open and maintain accounts abroad;
- (e) open and maintain accounts and act as agent or correspondent for foreign banks, foreign governments and foreign government agencies and international financial institutions.

Operations in gold and foreign exchange.

30. The Bank shall, in connection with the operations enumerated in section 29, deal only with banks and credit institutions, the Government and its boards and agencies, local government bodies, foreign central and commercial banks, foreign governments and government institutions and international organisations.

Limitations.

Provided that, with the approval of the Minister, the Bank may deal with other persons under such terms and conditions as the Board deems appropriate.

31. The Bank shall from time to time determine the rates at which it will buy, sell, or deal in gold and foreign currencies:

Buying and selling rates.

Provided that such rates shall be fixed and maintained with due regard to obligations which The Gambia has undertaken in accordance with the Articles of Agreement of the International Monetary Fund.

32. (1) The gains arising from any change in the valuation of the Bank's assets in, or denominated in, gold or foreign currencies as a result of alterations of the parity of the currency of The Gambia, or of any change in the values, parities, or exchange rates of such assets with respect to the Gambian currency shall be credited to a Revaluation Reserve Account and neither they nor the losses arising from any such change shall be included in the computation of the annual profits and losses of the Bank.

Profits and losses from revaluations.

(2) The losses arising from any such change shall be set off against any credit balance in the Revaluation Reserve Account and, notwithstanding any other provision of this Act, if such balance is insufficient to cover such losses, the Government shall issue to the Bank non-negotiable non-interest bearing securities to the extent of the deficiency.

(3) Any credit balance in the Revaluation Reserve Account at the end of each financial year of the Bank shall be applied first on behalf of the Government, to the redemption of any outstanding securities issued under subsection (2), and if thereafter the remaining balance exceeds five per cent of the Bank's liabilities on account of currency issued and remaining outstanding, as at the end of the last preceding financial year of the Bank, the greater of:

- (i) one fifth of that remaining balance; or
- (ii) five per cent of the said liabilities,

shall be paid to the Government. If the aforesaid remaining balance does not exceed five per cent of the said liabilities, it shall be paid to the Government.

(4) No credits or debits shall be made to the Revaluation Reserve Account except in accordance with the provisions of this section.

PART VIII - RELATIONS WITH BANKS AND CREDIT INSTITUTIONS

33. The Bank may open accounts for, and accept deposits Accounts repayable on demand from banks and credit institutions operating in The Gambia under such terms and conditions as the Board may from time to time determine. for banks and credit institutions.

34. The Bank may:

(a) purchase from, sell to, discount and rediscount for, banks bills of exchange and promissory notes drawn or made for bona fide commercial, industrial, or agricultural purposes, bearing two or more good signatures, at least one of which shall be that of a bank, and maturing within one hundred and twenty-four days from the date of their acquisition by the Bank;

Operations with banks and credit institutions.

(b) purchase from, sell to, discount and rediscount for, banks any treasury bills of the Government forming part of a public issue and maturing within ninety-three days of the date of their acquisition by the Bank;

(c) grant to banks and credit institutions advances for periods not exceeding one hundred and eighty days:

(i) secured by:

(A) instruments specified in paragraph (a) and (b);

(B) warehouse warrants and documents of title issued in respect of staple commodities or other goods duly insured:

Provided that the Bank shall determine from time to time the maximum percentage of advances in relation to the current value of such commodities or goods;

(C) holdings of any of such assets as the Bank is permitted to buy, sell or deal in under paragraphs (a), (b) and (c) of section 29;

(D) securities issued or guaranteed by the Government or any of its agencies, subject as provided in section 50(2); or

(ii) unsecured or secured by such other assets, on such terms and conditions which the Board may prescribe, if in its judgment based on a unanimous vote of four of its members, such an advance is necessary to forestall the insolvency of the borrower:

Provided that advances made for the purpose of financing seasonal agricultural operations or marketing of crops may be made for periods not exceeding three hundred days.

35. The Bank shall fix and publicly announce from time to time its rates for discounts, rediscounts, and advances and it may establish differential rates and ceilings for various classes of transactions or maturities. Bank rates.

36.- (1) The Bank may, from time to time, prescribe by notification in the Gazette and by written notice to the principal place of business in The Gambia of each bank the maintenance of required reserves against deposit and other similar liabilities which may be specified for this purpose. Such reserves shall be maintained by way of cash holdings or by way of demand deposits in current account with the Bank or both in such proportion as the Bank may from time to time prescribe. Required reserves.

(2) The Bank may prescribe different reserve ratios for different classes of deposit and other similar liabilities and may prescribe the method of their computation:

Provided that:

- (i) the total amount of reserves which the banks are required to hold shall not exceed forty per cent of the total deposit and other similar liabilities to which reserve ratios have been made applicable;
- (ii) the initial prescription of, or any increase in, the required reserve ratios shall be effective only after reasonable notice thereof has been given;
- (iii) the Bank may determine that the requirements of this subsection may be met by meeting the prescribed reserve ratio on the basis of averages of daily reserve holdings over such period as the Bank may prescribe;
- (iv) the prescribed reserve ratios shall be uniform for all banks.

(3) The Bank may impose on any bank which fails to maintain required reserves in the appropriate ratio prescribed under this section a penalty charge at an annual rate not exceeding by five percentage points the highest rate fixed at the time of such failure by the Bank pursuant to section 35 for any of its operations on the amounts of the deficiency for each day on which such deficiency continues.

37.- (1) The Bank may, with the approval of the Minister, prescribe by notification in the Gazette and by written notice to the principal place of business in The Gambia of each bank and credit institution: Regulation of interest & credit.

- (a) the methods of computation and maximum amounts of interest payable in respect of deposit and other similar liabilities; and
- (b) the permissible purposes, aggregate ceilings, maximum amounts beyond which the Bank's approval is necessary, maximum maturities and maximum interest chargeable and minimum cash margin or security required, in respect of:
 - (i) the making of advances and investments;
 - (ii) the discounting of bills of exchange and promissory notes;

- (iii) the issuing of letters of credit;
- (iv) the granting of acceptances and other forms of credit.

(2) With the approval of the Minister, the provisions of subsection (1) may be made applicable by the Bank by notification in the Gazette and by written notice to any person having as a principal object the extension of credit to the public generally or to particular members thereof. The Bank shall have authority to examine the accounts, books, and papers of any person who it has reason to suspect is extending or has extended credit in violation of this subsection and the refusal to submit such accounts, books, and papers shall be *prima facie* evidence of such violation.

(3) Notices issued under this section shall apply uniformly in The Gambia and shall come into effect on such date specified not earlier than seven days after the issue date:

Provided that the Bank in its notices may differentiate between banks and other creditors or classes thereof in respect of the items set out in subsection (1).

(4) Any bank or credit institution in violation of subsection (1) will be required to pay to the Bank for each such violation a penalty charge not to exceed £G 100 for every day during which such violation continues.

(5) Any person to whom the provisions of subsection (1) have been made applicable pursuant to subsection (2) shall be guilty of an offence if:

(a) such person is in violation of this section, or

(b) such person supplies false information or fails to furnish within a reasonable time, and before the expiration of a request so to furnish, any information required by the Bank to satisfy the Bank that such person is complying with this section.

(6) Any person who commits an offence under subsection (5) shall be liable on conviction to a maximum fine of £G 50 for every day during which such person has been in violation of subsection (5).

38. Every financial institution shall send to the Bank in duplicate:

(a) not later than the 21st day of each month a statement in such form as the Bank may prescribe showing the assets and liabilities of its places of business in The Gambia at the close of business on the last business day of the preceding month;

(b) not later than forty days after the last day of each quarter ending on 31st March, 30th June, 30th September, and 31st December, a statement in such form as the Bank may prescribe giving an analysis of its assets and liabilities in The Gambia as at the close of business on the last business day of the quarter;

Provided that the Bank may from time to time call for any additional information which it may require for the purposes of this Act from any financial institution about its operations and those of its affiliates in The Gambia:

Financial statements to be supplied.

And further provided that, at the request of a financial institution, the Bank may, in its discretion, extend from time to time any period within which such financial institution is, in accordance with the provisions of this section, obliged to furnish any document or information.

39. A financial institution shall maintain assets consisting of claims payable in the currency of The Gambia and other assets situate in The Gambia in such minimum proportion of its deposit and similar liabilities payable in The Gambia as the Bank may from time to time prescribe.

Local assets ratio.

40. The Bank may from time to time prescribe the maximum amount of the working balances which financial institutions may hold in foreign currencies generally or in any specified currency or currencies.

Foreign working balances.

41. The Bank may at an appropriate time and in conjunction with other banks organise a clearing house at such place or places as may be desirable.

Clearing house.

PART IX -- RELATIONS WITH THE GOVERNMENT.

42.-(1) The Bank shall be the banker, financial, adviser, and fiscal agent of the Government.

Banker financial adviser, and fiscal agent of the Government.

(2) The Government, through the Minister, may request the Bank to render advice and to furnish reports on matters relating to the objects of the Bank.

(3) It shall be the duty of the Bank to inform and advise the Government, through the Minister, concerning any matter which in its opinion is likely to affect the achievement of the objects of the Bank.

(4) If, after consultation between the Minister and the Bank, the Minister is of the opinion that the policies being pursued by the Bank are not adequate for, or conducive to, the achievement of the objects of the Bank set out in section 4, the Minister shall submit a recommendation to Government and Government may, by directive, determine the policy to be adopted by the Bank. The Minister shall inform the Bank of the policy so determined and that Government accepts responsibility for the adoption of the policy. The Bank shall thereupon give effect to that policy while the directive remains in operation.

43.-(1) The Bank shall be the depository of Government funds.

Depository.

(2) The Bank shall receive and disburse Government monies and keep account thereof without remuneration for such services. No interest shall be paid by the Bank on amounts outstanding on Government accounts.

44. The Bank upon such terms and conditions as may be agreed with the Government, shall be entrusted with the issue and management of Government loans or loans guaranteed by the Government which form a public issue.

Management of Government loans.

45. The Bank may act as agent for the Government for such purposes and on such terms and conditions as may be agreed between the Government and the Bank.

Agency functions.

46. The Bank may act as banker and fiscal agent to Government boards and agencies and to local government bodies on such terms and conditions as may be agreed between the Government and the Bank.

Banker and fiscal agent to Government boards and agencies.

47.- (1) The Bank may grant temporary advances to Government subject to repayment within six months following the end of the financial year in which they were granted, at such rates of interest as the Board may determine.

Advances to Government.

(2) Notwithstanding the provisions of subsection (1), the Bank may grant to Government advances on such terms and conditions as may be agreed, in respect of subscriptions and other payments resulting from, or incidental to, the membership of The Gambia in any international bank or international monetary authority established under governmental auspices, the participation of The Gambia in any account thereof and any transactions and operations undertaken in connection therewith.

48. The Bank may, with the approval of the Minister, grant advances and credit facilities to Government boards, agencies, and local government bodies for periods not exceeding one year on such terms and conditions as the Board may determine:

Advances to Government boards, etc.

Provided that any enterprise established under the authority or with the approval of the Government may be deemed by the Minister to be a Government board or agency for the purpose of this section.

49. The Bank may purchase and sell securities issued or guaranteed by the Government which form part of a public issue.

Transactions in Government securities.

50.- (1) Except in accordance with sections 6(2), 32(2), 34, 47, 48, 49, 52(b)(ii), and 53(d)(i), the Bank shall not directly or indirectly, acquire the securities of, or grant any advances to the Government, or advances and credit facilities to its boards, agencies, or local government bodies.

Limitation on lending to the Government.

(2) Except as provided in subsection (4), the total of outstanding advances and credit facilities granted by the Bank in accordance with sections 47(1) and 48 and the Bank's holdings of securities issued or guaranteed by the Government, whether held as collateral security in accordance with section 34(i)(A) or purchased in accordance with section 49 shall at no time exceed fifty per cent of the Bank's average demand liabilities during the preceding financial year of the Bank:

Provided that advances granted in accordance with section 48 to finance the production or marketing of agricultural crops and secured by letters of hypothecation or pledge of such crops, documents of title, warehouse warrants or other mercantile instruments, shall be excluded from the aforesaid total.

(3) In the event that, in the judgment of the Bank, the limitation provided in subsection (2) shall threaten to be exceeded, the Bank shall submit to the Minister a report on the Bank's outstanding advances and credit facilities and holdings of securities, and the causes which may lead to such excess together with recommendations as it deems appropriate to forestall or otherwise remedy the situation. The Bank shall make further reports and recommendations at intervals not to exceed six months until such time as, in its judgment, the situation has been rectified in the manner

(4) In the event that the limitation provided in subsection (2) shall have been exceeded, the Bank forthwith shall advise the Minister of the fact and shall permit no further increase, whether directly or indirectly, in the Bank's total advances, credit facilities and holdings of securities referred to in the said subsection.

Provided that the Minister may direct the Bank to permit further increases in the aforesaid total on such terms and conditions as may be determined by the Government for a period not to exceed six months. The Minister shall advise the Bank that Government accepts responsibility for the adoption of the policy so determined. The Bank shall thereupon give effect to that policy while the directive remains in operation.

51. The Bank shall, upon designation by the Minister, serve as the depository and fiscal agency of, and the institution through which dealings shall be conducted with, international financial institutions of which The Gambia is a member.

Depository
and fiscal
agency
for inter-
national
financial
institutions.

PART X - OTHER OPERATIONS OF THE BANK

52. The Bank may exercise by its Board of Directors, or duly authorised officers, all powers specifically granted by the provisions of this Act and may do all such other things as are incidental to, or consequential upon the exercise of such powers, including, without limiting the generality of the foregoing.

Miscellan-
eous
powers.

- (a) issuing sight drafts and effecting other kinds of remittances payable at its head office, branches, or at those of its agents or correspondents;
- (b) with the prior approval of the Minister:
 - (i) opening accounts for an accepting deposits from persons other than those enumerated in sections 33, 42, and 46;
 - (ii) subscribing to, holding, and selling securities of, any enterprise established under the authority or with the approval of the Government for the purposes of:
 - (A) insuring bank deposits;
 - (B) facilitating the financing of economic development;

Provided that the total value of such securities held at any time shall not exceed an amount equal to the paid-up capital and the General Reserve of the Bank:

And further provided that the Bank shall at no time subscribe to or hold shares in any enterprise under the regulatory jurisdiction of the Bank.

53. The Bank shall not:

- (a) engage in trade or hold any ownership interest in any financial, commercial, agricultural, industrial, or other undertaking, except as provided in section 52(b)(ii) or to the extent provided in paragraph (d)(i);

Prohibited
operations.

- (b) purchase or retain ownership of real estate except insofar as is necessary for the conduct of its business and for the housing of its officers and employees;
- (c) make unsecured advances, except as provided in section 34 (c)(ii) or paragraph (d)(ii)(B);
- (d) make advances secured otherwise than as laid down in this Act:

Provided that:

- (i) should any debts due to the Bank be in jeopardy, the Bank may secure such debts on real or other property and, if the security is enforced, acquire and hold such property but with a view to the sale thereof as soon as practicable;
- (ii) subject to terms and conditions to be prescribed by the Board, the Bank may grant advances to any of its officers or employees;
 - (A) for the purchase or construction of one residential house for his personal use against the security of the said house; and
 - (B) for other purposes in an amount not to exceed, without the approval of the Minister, the borrower's annual remuneration from the Bank;
- (e) except as provided in section 34(c)(ii) or in paragraph (d)(i), accept shares as collateral security.

PART XI - ACCOUNTS

54. - The financial year of the Bank shall be as laid down in the by-laws.

Financial year..

55. - (1) The accounts of the Bank shall be audited at least once every financial year by an auditor appointed by the Board with the approval of the Minister.

Audit.

(2) The Minister may from time to time, in addition to any audit carried out under subsection (1), require the Auditor General to audit the accounts of the Bank.

56. - (1) Within three months of the close of each financial year the Board shall:

Reports and returns.

- (a) transmit to the Minister a copy of its annual accounts certified by the auditor or an interim statement thereof in the event that after the close of any financial year it proves impossible within the time specified to transmit such annual accounts;
- (b) submit to the Minister a report on its operations during the year.

(2) The Minister shall lay a copy of the annual accounts of the Bank, together with the certificate of the auditor and the report on the Bank's operations for the year, before the House of Representatives at its next meeting after he has received such accounts, certificate and report.

(3) The Bank shall, as soon as may be after the end of every month, make up a statement of condition of the Bank as at the close of business on the last business day of each month, and shall transmit a copy of this statement to the Minister, who shall cause it to be published in the Gazette.

PART XII - MISCELLANEOUS PROVISIONS

57. The Bank shall be exempt from all Government taxes and stamp duties on its profits, operations, capital, property, and documents.

Exemption from taxes and stamp duties.

58. The Bank shall not be liquidated except by legislative enactment.

Liquidation.

PART XIII - TRANSITIONAL AND REPEAL

59. Upon the establishment of the Bank:

Gambia Currency Board.

(a) The Gambia Currency Board, established under section 3(1) of the Currency Act (Cap. 42), shall permanently suspend all its operations and other activities:

Provided that the Minister may authorise The Gambia Currency Board to continue in existence for such temporary period as may be deemed necessary or convenient solely for the purpose of winding up its affairs;

- (b) all the property, assets and liabilities of The Gambia Currency Board shall vest in the Bank;
- (c) for the purposes of this Act, any notes and coins issued by The Gambia Currency Board shall be deemed to have been issued by the Bank.

60. - (1) Sections 2 to 19 inclusive and sections 21-30 inclusive of the Currency Act are hereby repealed.

Repeal of Secs. 2-19 and 21-30 of the Currency Act. Cap. 42.

(2) Wherever the expression "Board" or "Currency Board" appears in Section 20 of the Currency Act it shall be construed as the Bank established under this Act.

(3) All regulations, orders, rules, notices or directives made or given under the Currency Act and in force at the time of the coming into operation of this Act shall be deemed to have been made or given under this Act and shall continue in force until other provision shall have been made by virtue of this Act.

SCHEDULE A

The amount in Dalasis and bututs, corresponding to an amount in Gambian pounds, shillings and pence, or shillings and pence, or pence, as provided for in Section 19(2) shall be calculated on the basis that the amount in the old currency shown in the first column of the following Table corresponds to the amount in Dalasis and bututs shown opposite that amount in the second column of that Table.

CONVERSION TABLE

First Column

One Gambian pound

One Gambian shilling

One Gambian penny

Second Column

Five Dalasis

Twenty-five bututs

Two bututs.

PASSED in the House of Representatives this Twenty-fifth day
of February, in the year of our Lord One thousand nine hundred
and Seventy-one.

F. A. J. SAVAGE,
Clerk of the House of Representatives.

THIS PRINTED IMPRESSION has been carefully compared by me
with the Bill which has passed the House of Representatives,
and found by me to be a true and correct copy of the said Bill.

F. A. J. SAVAGE,
Clerk of the House of Representatives.

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The International Financial Organizations (Amendment) Act, 1971.

THE GAMBIA.

No. 2 of 1971.

Assented to by The President
this Twenty-sixth day of February,
1971.

IS

D. K. JAWARA,
President.

An Act to enable the Republic of The Gambia to consent to any adjustment of its quota in the Fund, to make any additional subscription to shares of the Bank or to subscribe funds in additional amounts in the Association, and to make any payments to implement any such adjustment or subscription.

(1st December, 1970)

Date of
commencement.
Enactment.

ENACTED by the Parliament of The Gambia.

Short title.

1. THIS ACT may be cited as the International Financial Organizations (Amendment) Act, 1971 and shall be read as one with the International Financial Organizations Act, 1967 (hereinafter referred to as the principal Act) and shall be deemed to have come into force on the 1st December, 1970.

No. 9 of
1967.

2. Section 3 of the principal Act is hereby amended by inserting immediately after subsection (2), the following subsection:

Amends
section 3
of the
principal
Act.

"(3) The Minister is hereby authorised on behalf of the Government of The Gambia to consent to any adjustment of its quota under section 2 of Article III of the Fund Agreement, to make any additional subscription to shares of the capital stock of the Bank under section 3 of Article II of the Bank Agreement or to subscribe funds in additional amounts in the Association.

3. Section 4 of the principal Act is hereby amended by renumbering sub-paragraph (i) of subsection (1) thereof as sub-paragraph (j) and inserting immediately after sub-paragraph (h) of subsection (1) the following sub-paragraph

Amends
section 4
of the
principal
Act.

"(i) Any payments to the Fund, the Bank or the Association to effect any consent or additional subscription under subsection (3) of section 3.",

PASSED in the House of Representatives this Twenty-fifth day of February, in the year of our Lord One thousand nine hundred and Seventy-one.

F. A. J. SAVAGE,
Clerk of the House of Representatives.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed the House of Representatives, and found by me to be a true and correct copy of the said Bill.

F. A. J. SAVAGE,
Clerk of the House of Representatives.

