

BANK OF BOTSWANA (AMENDMENT) ACT, 1987

No. 12



ARRANGEMENT OF SECTIONS

SECTION

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An Act to amend the Bank of Botswana Act

Date of Assent: 22.7.87

Date of Commencement: 31.7.87

ENACTED by the Parliament of Botswana.

1. This Act may be cited as the Bank of Botswana (Amendment) Act, 1987.

Short title

2. Paragraph (c) of subsection (1) of section 4 of the Bank of Botswana Act (hereinafter referred to as "the principal Act") is amended by the interpolation after the word "economic" appearing therein of the words "and development".

Amendment
of section 4
of Cap. 74:07

3. Subsection (1) of section 7 of the principal Act is amended by the substitution for the figure "10%" appearing therein of the figure "5%".

Amendment
of
section 7
of the
principal
Act

Amendment
of
section 9
of the
principal
Act

4. Subsection (1) of section 9 of the principal Act is amended by the substitution for the word "four" appearing therein of the word "six".

Amendment
of
section 11
of the
principal
Act

5. Section 11 of the principal Act is amended by —

(a) the substitution for subsection (1) thereof of the following new subsection —

"(1) The members, other than the Governor, shall be the Permanent Secretary of the Ministry responsible for finance and persons appointed by the Minister from among persons of recognised standing and experience in business, professional or academic matters";

(b) the substitution for the word "two" appearing in subsection (2) thereof of the word "three".

Amendment
of
section 16
of the
principal
Act

6. Subsection (3) of section 16 is amended by the substitution for the word "three" appearing therein of the word "four".

Substitution
of
section 21
of the
principal
Act

7. Section 21 of the principal Act is substituted by the following new section —

"21. The manner in which the external value of the Pula is to be calculated shall be determined by the President on the recommendation of the Minister made after consultation with the Bank".

Substitution
of
section 25
of the
principal
Act

8. Section 25 of the principal Act is substituted by the following new section —

"25. The Bank may, on giving such notice as it deems appropriate or desirable in the circumstances, which shall be published in the Gazette and in such other manner calculated to inform the public as the Minister may determine, call in, for the purpose of withdrawing from circulation, any notes or coins which it has issued, on payment of the face value thereof in accordance with section 26, and any such notes or coins shall, on the expiry of such notice and notwithstanding section 23, cease to be legal tender:

Provided that a holder of such notes and coins shall be entitled within such period, being not less than five years, as may be specified in such notice or in any subsequent notice, to claim payment from the Bank of the face value thereof."

Amendment
of
section 30
of the
principal
Act

9. Paragraph (c) of section 30 is hereby substituted by the following new paragraph —

"(c) any internationally recognised reserve asset, including —

(i) the reserve tranche position of Botswana in the General Department of the International Monetary Fund,

(ii) Botswana's holdings of special drawing rights.”.

10. Subsection (2) of section 32 of the principal Act is substituted by the following new subsection —

“(2) The Bank shall, from time to time determine the rates at which it will buy, sell or deal in gold and foreign currencies in conformity with the policy on the external value of the Pula as determined by the President under section 21:

Provided that such rates shall be determined with due regard to the obligations which Botswana has assumed in accordance with the provisions of any international monetary agreement to which it is a party or to which it has adhered.”.

Amendment
of
section 32
of the
principal
Act

11. Section 34 of the principal Act is substituted by the following new section —

“34. (1) Any net gains in any financial year of the Bank arising from any change in the valuation of the Bank's external assets or liabilities in, or denominated in, gold, special drawing rights or foreign currencies in terms of Pula shall be credited to a revaluation reserve account.

(2) Any net losses in any financial year of the Bank arising from any such change shall be set off against any credit balance in the revaluation reserve account and, notwithstanding the provisions of any other written law, if such balance is insufficient to cover such losses, Government shall cause to be transferred to the ownership of the Bank non-negotiable non-interest bearing securities issued by Government to the extent of the deficiency, which securities shall be a charge on the Consolidated Fund.

(3) Neither net gains referred to in subsection (1) nor net losses referred to a subsection (2) shall be included in the computation of the annual net profit of the Bank.

(4) Any credit balances in the revaluation reserve account at the end of each financial year of the Bank shall be applied first, on behalf of Government, to the redemption of all securities, issued and outstanding under subsection (2) or section 5 (4), and one-tenth of any remaining balance shall be paid to the Consolidated Fund:

Provided that if the remaining balance does not exceed P10 000, it shall be paid in full to the Consolidated Fund.

(5) No credits or debits shall be made to the revaluation reserve account except in accordance with this section or section 7 (2).”.

Substitution
of
section 34
of the
principal
Act

Amendment
of
section 38
of the
principal
Act

12. Subsection (1) of section 38 of the principal Act is amended by the addition thereto of the following proviso —

“Provided that the Bank may in the exercise of its functions under this subsection require different primary reserves for different types of financial institutions as determined by the Bank.”.

Substitution
of
section 40
of the
principal
Act

13. Section 40 of the principal Act is substituted by the following new section —

“40. The Bank may from time to time determine the maximum amount which financial institutions may hold or maximum indebtedness which they may incur in foreign currencies generally or in any specified currency or currencies.”.

Amendment
of
section 47
of the
principal
Act

14. Section 47 of the principal Act is amended by the addition of the following proviso thereto —

“Provided that the Minister may prescribe minimum amounts below which such borrowers shall not be required to seek the advice of the Bank to proposed borrowings in Pula.”.

PASSED by the National Assembly this 19th day of June, 1987.

C.G. MOKOBI,
Clerk of the National Assembly.