

Dépôt  
Annexe

CENTRAL  
BANKING  
LEGISLATION



136456

# CENTRAL BANKING LEGISLATION

A collection of  
Central Bank, Monetary and Banking Laws



Statutes and related materials  
selected and annotated by

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*Preface by Per Jacobsson*

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INTERNATIONAL MONETARY FUND

WASHINGTON D.C.

## RHODESIA AND NYASALAND

	<i>Page</i>
Bank of Rhodesia and Nyasaland Act, 1956 .....	127
Form of Assets and Liabilities Statement of the Bank of Rhodesia and Nyasaland .....	143
Federal Coins (Dimensions and Designs) Notice, 1956 ..	144
Bibliographical Note .....	145

## Publication of Statutes and Rules

The Acts of the Federation adopted since the establishment of the Federation in 1953 have been published in annual volumes as *The Statute Law of the Federation of Rhodesia and Nyasaland, 1954*.

Acts of Parliament adopted during a session or rules of the substatutory level are published in the *Federal Government Gazette* or as separate issues.

## The Bank of Rhodesia and Nyasaland Act, 1956

### ACT

To provide for the establishment of the Bank of Rhodesia and Nyasaland, to regulate the issue of bank notes and coin, to authorize the said Bank to take over the assets and liabilities of the Central Africa Currency Board, to confer and impose on the said Bank divers other powers and duties, to provide for matters connected with banking, currency, and coinage, and for matters incidental to the foregoing.

#### ARRANGEMENT OF SECTIONS

[omitted]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Federal Assembly of the Federation of Rhodesia and Nyasaland, as follows:—

#### PRELIMINARY

1. This Act may be cited as the Bank of Rhodesia and Nyasaland Act, 1956, and shall come into operation on a date to be fixed by the Governor-General by notice in the Federal Gazette.<sup>1</sup>

2. In this Act, unless inconsistent with the context—

“appointed day” means the day appointed by the Governor-General in terms of subsection (1) of section four;

“Bank” means the Bank of Rhodesia and Nyasaland established in terms of section three;

“Board” means the Board of directors appointed in terms of section six;

“Coinage and Currency Act” means the Coinage and Currency Act, 1938, of Southern Rhodesia (Act No. 32 of 1938), as amended;

“commercial bank” means any person lawfully carrying on within the Federation a business of which a substantial part consists of the acceptance of deposits of money withdrawable by cheque;

“Currency Board” means the Central Africa Currency Board established under the Coinage and Currency Act;

“demand liabilities” means liabilities which, when they are created, are made payable within thirty days or are made subject to less than thirty days' notice before payment;

Short title  
and date of  
commencement.

Interpretation  
of terms.

<sup>1</sup> The date fixed was March 15, 1956 (Federal Government Notice No. 50 of 1956).

"Deputy Governor" means the Deputy Governor of the Bank appointed in terms of section six;

"director" includes the Governor and Deputy Governor; "foreign" means of any country or territory not included in the Federation;

"Governor" means the Governor of the Bank appointed in terms of section six;

"International Monetary Fund" means the International Monetary Fund the establishment and operation of which were recognized in the Bretton Woods Agreements Act, 1945, of the United Kingdom;

"liabilities to the public", in relation to a commercial bank, means all claims against that bank payable on demand or on a determinable future date and, in relation to the Bank, means all such claims, including notes and coin which the Bank has issued or for which it assumes liability under this Act;

"Minister" means the Minister of Finance;

"time liabilities" means liabilities which, when they are created, are made payable after thirty days or are made subject to not less than thirty days' notice before payment;

"Treasury" means the Minister or such other officer in his office or department as may be deputed by the Minister to perform functions and duties in terms of this Act.

#### PART I. ESTABLISHMENT AND CONDUCT OF AFFAIRS OF BANK

Establishment  
of Bank.

3.—(1) As from the date of commencement, there shall be established a bank, to be known as the Bank of Rhodesia and Nyasaland, which shall be a body corporate capable of suing and being sued in its corporate name and, subject to the provisions of this Act, of performing all such acts as bodies corporate may by law perform and which shall be responsible for the regulation of the monetary system of the Federation, and may assume certain other particular powers set out in section nine.

(2) The head office of the Bank shall be in Salisbury in Southern Rhodesia.

(3) The capital of the Bank shall be one million pounds, which shall all be held by the Federal Government.

(4) The capital of the Bank may be increased to such extent and in such manner as may be determined by the Governor-General.

(5) The Bank shall not be deemed to be a statutory board or commission for the purposes of the Audit and Exchequer Act, 1954.

4.—(1) On a day to be appointed<sup>2</sup> by the Governor-General by notice in the Federal Gazette, the Bank, in return for the issue to the Federal Government of capital stock in the amount of one million pounds to be held on behalf of that Government by a person nominated by the Governor-General, shall take over all the following assets and liabilities—

(a) the assets and liabilities of the Central Africa Currency Fund established under the provisions of the Coinage and Currency Act;

(b) the assets and liabilities of the income account of the Currency Board; and

(c) all other assets and liabilities, whether actual or contingent, of the Currency Board at that date.

(2) Subject to the provisions of subsection (3), if, on the appointed day, the net assets, including the reserves created by the Currency Board in terms of the Coinage and Currency Act, acquired by the Bank in terms of subsection (1) exceed the capital stock of one million pounds, the excess shall be allocated to such inner reserves as the Board, with the approval of the Minister, may deem it expedient to create or shall be applied by the Board, with the approval of the Minister, to the depreciation of assets.

(3) If, after making such provisions in terms of subsection (2) as the Board considers prudent, there remains a balance, such balance shall be allocated to the general reserve fund referred to in section seventeen.

5.—(1) There shall be a Governor of the Bank and a Deputy Governor of the Bank, who shall be appointed and hold office in accordance with the provisions of section six.

(2) Subject to the provisions of subsection (3), the Bank shall be managed by the Governor, who shall be a person of proved banking experience.

(3) In the management of the Bank the Governor shall act in accordance with the policy of the Board and shall be responsible for the day-to-day management of the Bank.

(4) The Deputy Governor shall perform such duties as the Governor may direct and, in the event of the absence of or a vacancy in the office of Governor, the Deputy Governor shall perform the duties of the Governor and shall have and may exercise the powers and perform the functions of the Governor.

6.—(1) There shall be a Board of directors which shall be responsible for the policy of the Bank and shall consist of—

(a) the Governor;

<sup>2</sup> The day appointed was April 1, 1956 (Federal Government Notice No. 51 of 1956).

Transfer of  
Currency  
Board assets  
and liabilities.

Governor  
and Deputy  
Governor.

Board of  
directors.

(b) the Deputy Governor; and  
 (c) seven other directors of whom at least two shall be persons who are, or have been, actively and primarily engaged in commerce or finance, at least two shall be persons who are, or have been, so engaged in industrial pursuits, and at least one shall be a person who is, or has been, so engaged in agriculture.

(2) (a) The first Governor and Deputy Governor shall be appointed by the Governor-General for a term of seven years.

(b) On the expiry of the term of office of the first Governor and Deputy Governor respectively, or on the vacation of their office by death, resignation, or otherwise before the time fixed for the expiry of such term, and thereafter from time to time as occasion may require, the Governor and Deputy Governor shall be appointed by the Governor-General after consultation with the Board, each such officer to hold office, subject to the provisions of this Act, for a term of seven years.

(3) The directors, other than the Governor and Deputy Governor, shall be appointed by the Governor-General, subject to the provisions of this Act, and shall hold office, subject to the provisions of this section, for a period of five years.

(4) Where a vacancy occurs in the membership of the Board—

(a) upon the expiry of the term of office of a director, other than the Governor or Deputy Governor; or  
 (b) upon the vacation of the office of such director by death, resignation, or otherwise before the time fixed for the expiry of such term; the vacancy shall be filled by the appointment by the Governor-General of a person who is qualified in terms of this Act to be appointed as a director and, when a vacancy occurs in terms of paragraph (b), such person shall hold office for the unexpired portion of the period of the appointment of the director whose office has become vacant.

(5) No person shall be appointed or remain a director or an alternate director if he—

- (a) is not a British subject or a British protected person;
- (b) is a director, shareholder, officer, employee, or member of any board or committee of a commercial bank;
- (c) is a member of the Federal Assembly or any Territorial Legislature;
- (d) is a permanent employee of the Federal or any Territorial Government;
- (e) is adjudged or otherwise declared bankrupt or insolvent under any Federal or Territorial law, or makes an assignment to or composition with his creditors;
- (f) gives one month's notice in writing to the Minister of his intention to resign his office, his resignation is accepted by the Minister and such notice has expired;

(g) is mentally or physically incapable of performing his duties as a director;

(h) is absent from meetings of the Board for six consecutive months without the leave of the Board, which may grant to any director leave of absence for a period not exceeding one year;

(i) has been sentenced by a court in any part of Her Majesty's dominions to a term of imprisonment; or

(j) has reached the age of seventy years.

(6) The Governor-General may declare vacant the office of any director who becomes disqualified for it in terms of subsection (5).

(7) Of the directors first appointed, other than the Governor and Deputy Governor, one shall retire at the end of two years, two at the end of three years, two at the end of four years, and the last two at the end of five years, the directors so to retire being determined by ballot.

(8) A director shall be eligible for reappointment after the expiration of his term of office.

(9) The Governor, the Deputy Governor, and the other directors shall hold office upon such conditions as to remuneration, including allowances, other than allowances referred to in subsection (10), as may be determined by the Minister after consultation with the Board. Conditions as to remuneration determined in accordance with the provisions of this subsection may be varied as between directors and alternate directors.

(10) The Governor, the Deputy Governor, and the other directors may, in addition to their remuneration, be paid such allowances in respect of expenses incurred or to be incurred in connexion with their duties as the Board may determine.

(11) Save with the permission of the Minister, the Governor and Deputy Governor shall not engage in any occupation other than the duties imposed upon them in terms of this Act.

7.—(1) The Governor shall preside as chairman at the meetings of the Board, and in his absence from any meeting the Deputy Governor shall so preside. Procedure and quorum.

(2) If both the Governor and the Deputy Governor are absent from any meeting, the directors who are present shall elect from amongst themselves a chairman to preside at that meeting.

(3) Five members of the Board shall form a quorum at any meeting.

(4) The decision of the majority of members of the Board present at any meeting shall constitute the decision of the Board.

(5) The chairman shall have a deliberative vote and, in addition, in the event of an equality of votes, a casting vote.

Validity  
of Board's  
decisions  
and acts.

8. No decision or act of the Board or act done under the authority of the Board shall be invalid by reason only of the fact that—

- (a) the Board did not consist of the full number of directors for which provision is made in section six; or
- (b) a disqualified person sat or acted as a director at the time the decision was taken or the act was done or authorized; if the decision was taken or the act was done or authorized by a majority of the directors present at the time who were entitled to sit or act as directors.

Business  
and powers  
of Bank.

9.—(1) Subject to the provisions of section ten, the Bank may—

- (a) make or cause to be made and issue bank notes and coin in accordance with the provisions of this Act;
- (b) accept money on current account and collect money for customers;
- (c) grant loans and advances;
- (d) buy, sell, discount, or re-discount—
  - (i) bills of exchange or promissory notes drawn or issued for commercial, industrial, or agricultural purposes;
  - (ii) bills of the Federal or Territorial Governments; and
  - (iii) short-term obligations of bodies corporate established by or under authority conferred by the provisions of any Federal or Territorial law;
- (e) buy and sell securities;
- (f) invest its staff and pension funds in such manner as the Board may decide;
- (g) buy, sell, or deal in precious metals, and hold in safe custody for other persons gold, securities, or other articles of value;
- (h) buy and sell foreign currencies, foreign bills of exchange, and bills of foreign governments;
- (i) open credits and issue guarantees;
- (j) establish branches and agencies within the Federation, appoint agents and correspondents outside the Federation, and, with the approval of the Governor-General, establish branches or agencies outside the Federation;
- (k) effect transfers by telegram or letter and sell drafts on its branches, correspondents, and agents;
- (l) open accounts in foreign countries and act as agent or correspondent for the International Monetary Fund or for any bank carrying on business in or outside the Federation;
- (m) make arrangements or enter into agreements, subject to the consent of the Minister, with any bank or financial institution in a country outside the Federation, to borrow, in such manner, at such rates of interest, and upon such other terms and conditions as it may deem fit, any foreign currency which it may deem expedient to acquire;

(n) underwrite any loan proposed to be raised by the Federal Government, a Territorial Government, a local authority, or any other body corporate established by or under authority conferred by the provisions of any Federal or Territorial law;

(o) undertake, as agent, the issue and management of loans raised or to be raised within the Federation by any Government, local authority, or body corporate mentioned in paragraph (n);

(p) perform, as agent, such duties and carry out such functions as may be authorized by any law, or by the Minister in terms of any law, relating to foreign exchange or other financial control;

(q) organize and provide facilities for the collection and clearance of cheques and similar instruments;

(r) regulate the proceedings and conduct of its business, including the proceedings at meetings and the recording of minutes;

(s) do any other banking business incidental to or consequential upon the provisions of this Act and not prohibited by this Act.

(2) The Bank shall fix and announce from time to time its minimum rates for discounts and re-discounts.

#### 10. The Bank may not—

(a) save with the consent of the Minister, purchase the shares of any banking institution or grant loans or advances upon the security thereof;

(b) lend or advance money on immovable property secured by mortgage, pledge, notarial, or other bond, except to its staff for the purpose of acquiring dwelling houses for their own use, or acquire immovable property, except immovable property which it may require for business premises or for the purpose of providing dwellings for the Governor, Deputy Governor and its staff:

Provided that—

(i) if the Board is of the opinion that the value of any security held against any loan or advance is insufficient, the Bank may accept as additional security a mortgage bond on immovable property or any other security approved by the Board; and

(ii) if any immovable property so mortgaged is sold for the purpose of satisfying the mortgage debt and the purchase price obtainable is insufficient to cover the whole of the claim of the Bank in connexion with the mortgage, it may buy in that property and realize it at such time and in such manner as the Board may determine;

(c) make unsecured loans and advances, except to the Federal and Territorial Governments;

(d) lend or advance moneys to, or directly purchase Treasury bills or notes from, the Federal Government so that the amount outstanding

Prohibited  
business.

at any one time exceeds twenty per centum of the estimated revenues of the Federal Government for its financial year in which such advances are made, nor shall such advances be made unless they are repayable within three months of the termination of the financial year in which they are made;

- (e) buy or discount bills of exchange or promissory notes issued or drawn for commercial and industrial purposes which have a maturity exceeding one hundred and twenty days;
- (f) buy or discount bills of exchange or promissory notes issued or drawn for agricultural purposes which have a maturity exceeding six months;
- (g) invest in securities of the Federal Government with a longer maturity than six months a sum exceeding the capital and general reserve fund of the Bank, plus twenty per centum of its liabilities to the public in the Federation.

Relations with Governments.

11.—(1) The Bank shall act as banker to the Federal Government and to any of the Territorial Governments which may request it so to act.

(2) Nothing in this section contained shall prevent the Federal Government or the Territorial Governments from carrying on transactions in such manner as they may require at places where the Bank has no branches or agencies. In its capacity as banker to the Governments, the Bank shall make the necessary arrangements to this end.

(3) The Bank, when authorized by the Minister to do so, shall act as agent for the Federal Government in the payment of interest and principal and generally in respect of the issue and management of the public debt of the Federation and, at the request of the Government of a Territory, may act likewise in respect of the public debt of that Territory, and may also act likewise in respect of the debts of any body corporate established by or under authority conferred by the provisions of any Federal or Territorial law.

## PART II. BANK NOTES AND COINAGE

Issue of bank notes.

12.—(1) From the appointed day the Bank shall have the sole right to make or cause to be made and to issue in the Federation bank notes and any currency notes transferred to it in terms of section four.

(2) The Bank shall not issue any bank notes of a denomination, form, or material not approved by the Governor-General.

Legal tender of notes.

13.—(1) A tender of a note of the Bank which has not been demonetized in terms of subsection (3) shall be legal tender in payment within the Federation of the amount expressed in the note.

(2) A tender of a currency note issued by the Currency Board or the Bank and which has not been demonetized in terms of subsection (3)

shall be legal tender in payment within the Federation of the amount expressed in such note.

(3) The Governor-General may, by notice in the Federal Gazette, call in and demonetize any notes issued by the Currency Board or the Bank, and shall likewise determine the manner in which and the period within which payment for such notes shall be made to the holders thereof.

14.—(1) For the purposes of this section, "note" means a note of the Bank or any note for which the Bank has accepted liability in accordance with the provisions of this Act, together with any other note, by whatever name called, which is legal tender in the country in which it was issued.

(2) Any person who—

(a) without the authority of the Bank, engraves or makes upon any material whatsoever any words, figures, letters, marks, lines, or devices, the print of which resembles in whole or in part any words, figures, letters, marks, lines, or devices peculiar to and used in or upon any note;

(b) without the authority of the Bank, uses or, knowing that it is to be used for an unlawful purpose, has in his possession any material whatsoever upon which has been engraved or made any such words, figures, letters, marks, lines, or devices as are mentioned in paragraph (a); or

(c) wilfully defaces, soils, or damages any note or writes or places any drawing thereon or attaches thereto anything in the nature of an advertisement;

shall be guilty of an offence and liable—

(i) in the case of an offence referred to in paragraph (a) or (b), to imprisonment for a period not exceeding seven years; and

(ii) in the case of an offence referred to in paragraph (c), to a fine not exceeding twenty-five pounds.

15.—(1) From the appointed day the Bank shall have the sole right to make or cause coin to be made and to issue coin in the Federation.

(2) No piece of gold, silver, copper, bronze or nickel, or of any metal or mixed metal of any value whatsoever shall be made in the likeness of or used as a coin or token for money except to the order of the Bank.

(3) All coins to be made and issued under the provisions of this Act shall be minted under the direction of the Deputy Master of Her Majesty's Mint in England, or at any other mint approved for the purpose by the Governor-General.

(4) The Bank may cause to be made and may issue coins of gold and of silver, bronze, cupro-nickel, or other mixed metal of the denominations specified in the first column of the First Schedule.

Offenses relating to bank notes.

(5) The standard composition and the standard weight of the coins mentioned in the first column of the First Schedule shall be as set out opposite thereto in the second and third columns of that Schedule.

(6) In the making of coins, a remedy or variation from the standard composition or standard weight shall be allowed by an amount not exceeding the amount set out opposite to the denomination in question in the fourth column of the First Schedule.

(7) The Governor-General shall by notice in the Federal Gazette determine the dimensions and designs of any coins to be made and issued in terms of this section.<sup>a</sup>

(8) As from the appointed day, the Bank shall assume liability in respect of all coins which were made in terms of the Coinage and Currency Act.

(9) The First Schedule may be varied by the Governor-General by notice in the Federal Gazette.

Legal tender  
of coins.

16.—(1) A tender of payment of money within the Federation if made in coins of current weight made in terms of the Coinage and Currency Act, or in coins of current weight made and issued under the provisions of this Act, which have not been demonetized in terms of subsection (3), shall be legal tender—

- (a) in the case of coins in denominations higher than one penny, for the payment of an amount not exceeding forty shillings;
- (b) in the case of coins in denominations of one penny and under, for the payment of an amount not exceeding one shilling.

(2) For the purpose of subsection (1), "coins of current weight" means coins which have not been impaired, diminished, or lightened otherwise than by fair wear and tear, and have not been defaced by having any name, word, number, or device stamped thereon.

(3) The Governor-General may by notice in the Federal Gazette call in and demonetize any coins issued by the Bank or for which the Bank assumes liability under this Act, and shall likewise determine the manner in which and the period within which payment for such coins shall be made to the holders thereof.

### PART III. FINANCIAL PROVISIONS

Allocation  
of profits.

17.—(1) The Bank shall establish a general reserve fund to which shall be allocated any amount that may become available through the operation of subsection (3) of section four, together with the further amounts set out in subsection (2) of this section.

(2) The ascertained surplus available from the operations of the Bank during each of its financial years, after meeting all current expenditures

<sup>a</sup> See below, pp. 144-145.

and losses and after making provision for bad and doubtful debts, depreciation of assets, pensions, gratuities or other benefits for the Governor, Deputy Governor and its officers and employees, together with such other items as are usually provided for by bankers, shall be applied by the Board as follows—

- (a) so long as the general reserve fund amounts to less than half the capital of the Bank, one-half of the surplus shall be allocated to that fund and the residue of the surplus shall be paid into the Consolidated Revenue Fund;
- (b) so long as the general reserve fund exceeds, half the capital of the Bank but is not equal to the capital, twenty-five per centum of the surplus shall be allocated to that fund and the residue of the surplus shall be paid into the Consolidated Revenue Fund;
- (c) so long as the general reserve fund is equal to or exceeds the capital of the Bank, ten per centum of the surplus shall be allocated to that fund and the residue of the surplus shall be paid into the Consolidated Revenue Fund.

18.—(1) The Bank shall maintain a reserve consisting of gold, sterling, Reserve provisions. or foreign assets convertible into gold or sterling.

(2) The value of the reserve shall be at least twenty-five per centum of the Bank's liabilities to the public.

(3) The Minister may suspend, for a period not exceeding sixty days, the reserve requirements provided in terms of subsection (2), and may extend such period for further periods not exceeding sixty days each, but no such suspension shall continue for a period longer than six months unless the Federal Assembly by resolution approves of such continuation.

19.—(1) The Governor-General shall determine by notice in the Federal Gazette the value of the unit of currency which is legal tender in the Federation in relation to both gold and sterling or to either gold or sterling. Exchange rates and operations.

(2) The Bank shall not buy or sell sterling at rates which differ by more than one per centum from the parity determined by the Governor-General in terms of subsection (1).

(3) The Bank may for the purpose of maintaining the value of Federal currency as determined by the Governor-General in terms of subsection (1), and for such other purposes as it deems necessary or expedient, buy, sell, and hold gold and foreign assets.

(4) Any loss suffered by the Bank as a result of depreciation in any gold or foreign assets held by the Bank which is caused by any change in the par value of Federal currency or in the par values of foreign currencies or the value of gold in relation to Federal currency shall be charged to the Consolidated Revenue Fund, and any profit earned by the Bank as a result of appreciation in any gold or foreign assets held by the bank which is caused by any such change shall be paid into the Con-

solidated Revenue Fund. Any payments from the Consolidated Revenue Fund to the Bank under the provisions of this subsection shall be made upon request by the Bank and any payments by the Bank to the Consolidated Revenue Fund shall be made in accordance with arrangements approved by the Minister.

(5) For the purposes of subsection (4), a certificate by the auditors of the Bank as to the amount of the profit earned or loss suffered by the Bank under the provisions of this section shall be evidence of the amount of such profit or loss.

Audit and inspection.

20.—(1) The accounts of the Bank shall be audited by auditors appointed by the Bank, with the approval of the Minister.

(2) The Minister may at any time cause an investigation to be made into the affairs of the Bank by one or more persons authorized thereto by him in writing.

Returns.

21.—(1) The Bank shall—

- (a) as soon as practicable after each of the days hereinafter mentioned submit to the Treasury, in a form approved by the Governor-General,<sup>4</sup> a return containing a statement of the liabilities and assets of the Bank at the close of business on every Friday and on the last day of every month, or on the nearest preceding business day;
- (b) within three months after the close of its financial year, transmit to the Treasury a copy, in duplicate, of its annual accounts signed by the Governor, the Deputy Governor and the secretary of the Bank, and certified by the auditors, so, however, that another director duly authorized thereto by the Board may sign the accounts instead of the Governor or the Deputy Governor, as the case may be;
- (c) when called upon to do so by the Treasury by notice in writing, make to the Treasury, within the period specified in the notice, such further returns as may be so specified.

(2) The Treasury shall cause every return received under the provisions of paragraph (a) of subsection (1) to be published in the Federal Gazette as soon as practicable after it has been so received.

(3) The Minister shall lay a copy of every account received under the provisions of paragraph (b) of subsection (1) before the Federal Assembly within fourteen days after its receipt or, if the Federal Assembly is not then sitting, within fourteen days after the commencement of its next sitting.

Control of banking businesses.

#### PART IV. CONTROL OF BANKING BUSINESS

22.—(1) Except with the permission of the Minister and subject to such conditions as he may impose, no person, other than the banks mentioned in the Second Schedule, shall carry on business as a bank within the Federation.

<sup>4</sup> See below, p. 143.

(2) Subject to the exceptions provided in subsection (3), in this section the expression "bank" means a person who carries on a business of which any part consists of the acceptance of deposits of money withdrawable on demand or on a fixed or determinable date, or which includes in its title the word "bank", "banker", or "banking".

(3) The following shall not be deemed to be banks for the purposes of this section—

- (a) the Post Office Savings Bank established under the provisions of the Post Office Savings Bank and Savings Certificates Act, 1954;
- (b) the Land and Agricultural Bank of Southern Rhodesia established under the provisions of the Land Bank Act, 1947, of Southern Rhodesia, and the Land and Agricultural Bank of Northern Rhodesia established under the provisions of the Land Bank Ordinance [Chapter 249] of Northern Rhodesia;
- (c) a local authority;
- (d) a building society which is registered as such in accordance with the provisions of any legislation relating to building societies in force within the Federation;
- (e) any other person or class of persons specified by the Governor-General by notice in the Federal Gazette.

(4) Any person who contravenes or fails to comply with any provision of this section, including any condition imposed by the Minister, shall be guilty of an offence and liable to a fine not exceeding five thousand pounds, or to imprisonment for a period not exceeding five years, or to both such fine and such imprisonment.

Monthly returns by Banks.

23.—(1) Every commercial bank carrying on business within the Federation shall, on or before the twenty-first day of every calendar month, make up and send to the Bank at its head office a return, certified correct by the chief executive officer and the chief accounting officer employed by such commercial bank within the Federation, showing—

- (a) the amount of its demand liabilities to the public in the Federation;
- (b) the amount of its time liabilities to the public in the Federation; and
- (c) the amount of its reserve balance maintained with the Bank in terms of subsection (2);

at the close of the last business day of the preceding calendar month.

(2) As from a day to be appointed by the Governor-General, every commercial bank operating in the Federation shall maintain against its liabilities to the public within the Federation, as shown in the last preceding monthly return furnished to the Bank in terms of subsection (1), a minimum reserve balance with the Bank calculated in terms of subsection (3).

(3) The minimum reserve balance which a commercial bank shall maintain with the Bank shall be equal to percentages, which the Bank shall determine and may from time to time amend, of the various classes of liabilities to the public of the commercial bank concerned, so, however, that the percentages so determined or amended shall not be less than six per centum nor more than twenty-five per centum of demand liabilities of that bank in the Federation, and shall not be less than three per centum nor more than ten per centum of its time liabilities in the Federation.

(4) The Bank shall give the commercial banks reasonable notice of the date on which any amendment of a percentage determined in terms of subsection (3) is to become effective.

**24.** If at any time it appears to the Minister that the Bank has failed to comply with any of the provisions of this Act, he may by notice in writing require the Board to make good or remedy the default within a specified time, and the Board shall thereupon take action accordingly.

#### PART V. GENERAL

**25.—(1)** The Board may appoint such officers and servants as it considers to be necessary for the efficient conduct of the business of the Bank.

(2) Officers and servants of the Bank shall hold office for such period or periods, receive such salaries and allowances, and be subject to such other terms and conditions of service as may be determined by the Board.

(3) The Board may, out of the funds of the Bank, establish and maintain a pension fund for the Governor, Deputy Governor, officers and servants of the Bank, and their dependents.

(4) Where officers or servants appointed in terms of this section have been seconded or transferred to the service of the Bank from or have previously been in the service of the Federal or a Territorial Government or other institution approved by the Board, the appointments of such officers or servants shall, subject to the provisions of any Federal or Territorial law, be made in accordance with such arrangements as to pensions and allowance for previous service as the Board may determine.

**26.—(1)** 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 or under the provisions of any law, no director, alternate director, officer, or employee of the Bank, and no person referred to in section twenty, shall disclose to any person any information relating to the affairs of the Bank or of a customer of the Bank which he has acquired in the performance of his duties or the exercise of his functions.

(2) Any person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine not exceeding one hundred pounds, or to imprisonment for a period not exceeding one year, or to both such fine and such imprisonment.

Powers of  
Minister upon  
non-compliance  
by Bank.

Officers of  
the Bank.

Preservation  
of secrecy.

**27.—(1)** Save with the consent of the Minister, no company shall be registered under the provisions of any Federal or Territorial law relating to the registration of companies by a name, and no person shall, for the purposes of business, use any name which includes, in conjunction with the word "bank" or "banking", any of the words "central", "Federal", "Federation", "national", "Nyasaland", "Nyasa", "reserve", "Rhodesia", "Rhodesian", or "state".

(2) Any person who immediately before the date of commencement of this Act was for the purposes of any business using a name, the use of which is prohibited by subsection (1), may, notwithstanding anything contained in the said subsection, continue to use such name in relation to such business.

(3) If a company, through inadvertence or otherwise, is registered, whether originally or by reason of a change of name, by a name which is in conflict with the provisions of this section, the Minister, by order in writing, may order the company to change its name, and the company shall do so within a period of six weeks from the date of the written order or within such longer period as the Minister may allow.

**28.** The Governor-General may make regulations for the better carrying **Regulations.** out of the objects and purposes of this Act, or to give force or effect to its provisions, or for its better administration.

**29.—(1)** The Companies (Restriction of Names) Act, 1955, is hereby **Repeals.** repealed.

(2) Subject to the provisions of subsection (3), the legislation set out in the Third Schedule, together with all subsidiary legislation made and in force thereunder, shall be repealed with effect from the appointed day.

(3) Notwithstanding the provisions of subsection (2), the repeal therein provided shall not, unless otherwise provided in terms of this Act, affect the issue, circulation, or use of any currency notes or coinage lawfully made and issued in terms of the Coinage and Currency Act and for which the Bank has accepted liability in terms of this Act.

Restrictions  
on names of  
companies.

## Section 15.

## FIRST SCHEDULE

## PARTICULARS RELATING TO COINS

DENOMINATION	STANDARD COMPOSITION	STANDARD WEIGHT		REMEDY ALLOWANCE		
		Imperial Grains	Metric Grams	Imperial Grains	Metric Grams	Weight per Piece Composition
<i>Cupro-Nickel:</i>	Three-quarters copper, one-quarter nickel	218.18181	14.13795	1.216	.0788	1 per cent.
		174.54545	11.31036	.997	.0646	1 per cent.
		87.27272	5.65518	.578	.0375	1 per cent.
		43.63636	2.82759	.346	.0224	1 per cent.
		21.81818	1.41379	.212	.0138	1 per cent.
<i>Bronze:</i>	Mixed metal consisting of copper, tin and zinc	100	6.4798	A weight not exceeding the weight of one piece in every forty pieces.		
		45	2.9159			

## Section 22.

## SECOND SCHEDULE

## BANKS

Barclays Bank D.C.O.  
 Grindlays Bank Limited.  
 Netherlands Bank of South Africa Limited.  
 The Standard Bank of South Africa, Limited.

## Section 29.

## THIRD SCHEDULE

## REPEALED LEGISLATION

*Federal Legislation.*

Coinage and Currency Act, 1954.

*Southern Rhodesia Legislation.*

Coinage and Currency Act, 1938.

Coinage and Currency Amendment Act, 1942.

Coinage and Currency Amendment Act, 1943.

Coinage and Currency Amendment Act, 1947.

Coinage and Currency Amendment Act, 1948.

Coinage and Currency Amendment Act, 1949.