

BANK OF SIERRA LEONE ACT, 1963

ARRANGEMENT OF SECTIONS

PART I—PRELIMINARY

*Section.*

1. Short title and commencement.
2. Interpretation.

PART II—CONSTITUTION

3. Establishment of Bank.
4. Status and Powers.
5. Principal objects.
6. Office, agents and correspondents.

PART III—CAPITAL, PROFIT AND RESERVES

7. Capital.
8. Profits and General Reserve Fund.

PART IV—ADMINISTRATION

9. Board of Directors.
10. Governor and Deputy Governor.
11. Directors.
12. Disqualification from and cessation of appointment.
13. Appointment to fill a vacancy.
14. Meetings of Board.
15. Appointments of officials and other staff.
16. Secrecy.

PART V—CURRENCY

17. Currency of Sierra Leone.
18. Parity of the Currency.
19. Sole right of issue vested in the Bank.
20. Obligations in respect of currency.
21. Provisions for issue.
22. Denominations and form of notes and coins.
23. Bank's currency to be legal tender and powers to call in.
24. Tampering with coinage.
25. Lost and damaged currency.
26. Exemption from stamp duty.
27. External reserve.
28. Minimum holding of external reserve.
29. Local assets.
30. Accounts with other banks in Sierra Leone.

PRESENTED TO THE LIBRARY  
BY

ii

PART VI—OPERATIONS

31. General powers of Bank.
32. Prohibited activities.
33. Publication of rediscount rate.

PART VII—RELATIONS WITH THE  
GOVERNMENT

34. Bank as a banker to the Government.
35. Advances to the Government.
36. Bank as agent for the Government.

PART VIII—RELATIONS WITH OTHER BANKS

37. Co-operation with other banks in Sierra Leone.
38. Other banks as agents of the Bank.
39. Clearing house.

PART IX—ACCOUNTS AND STATEMENTS

40. Financial Year.
41. Audit.
42. Accounts and annual report and publication thereof.

PART X—TRANSITIONAL PROVISIONS

43. Ratification of preliminary expenses, etc.
44. West African currency.

PART XI—MISCELLANEOUS

45. Bye-laws.
46. Income Tax.
47. Prohibited banking names.
48. Liquidation.

Assented to in Her Majesty's name this 30th day of April, 1963.

H. J. L. BOSTON,  
*Governor-General.*

(LS)

No. 6



1963

Sierra Leone

**An Act to Provide for the Establishment of the Bank  
of Sierra Leone having the Sole Right to Issue  
Currency for Use as Legal Tender in  
Sierra Leone and to Provide for the  
Bank's Constitution and  
Functions**

[                , 1963.] Date of  
commencement.

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Representatives in this present Parliament assembled, and by the authority of the same, as follows:—

**PART I—PRELIMINARY**

1. This Act may be cited as the Bank of Sierra Leone Act, Short title 1963, and shall come into operation upon such date as may be and communicated in the *Gazette* by the Governor-General; different dates of commencement may be prescribed for the coming into operation of different sections or subsections of the Act.

2 No. 6 *Bank of Sierra Leone* 1963

- Interpretation.
2. In this Act, unless the context otherwise requires—  
“Minister” means the Minister of Finance;  
“Bank” means the Bank of Sierra Leone established by this Act;  
“Board” means the Board of Directors of the Bank;  
“Governor” means the Governor of the Bank;  
“Deputy Governor” means the Deputy Governor of the Bank.  
“West African Currency” includes—  
(a) currency notes issued by the West African Currency Board, and  
(b) the coins specified in the first and second schedules to the West African Coinage Order, 1938, and the Schedule to the proclamation issued thereunder on the second day of October, 1952.

1946 Revision Vol. IV, page 1421.  
P.N. 96 of 1952.

Establishment of Bank.

Status and powers.

Principal objects.

Office, agents and correspondents.

Capital.

3. A bank to be called the “Bank of Sierra Leone”, which shall exercise the functions of a central bank, is hereby established in accordance with the provisions of this Act,

4. The Bank shall be a body corporate with perpetual succession and a common seal, and may sue and be sued in its own name, and subject to the limitations contained in this Act may acquire, hold and dispose of movable and immovable property for the purpose of its functions.

5. The principal objects of the bank are—

- (a) to issue legal tender currency in Sierra Leone and to maintain external reserves in order to safeguard the international value of the currency;  
(b) to act as banker and financial adviser to the Government;  
(c) to promote monetary stability and a sound financial structure.

6. The Bank shall have its principal office in Freetown and may appoint agents and correspondents in accordance with decisions of the Board.

### PART III—CAPITAL, PROFITS AND RESERVES

7. The authorized Capital of the Bank is seven hundred and fifty thousand pounds, (one million five hundred thousand Leones). There shall be paid up by the Government on the establishment of the Bank, such amount as shall be resolved by the Board and confirmed by the Minister. 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. 6

*Bank of Sierra Leone*

1963

3

The Minister may by Warrant authorize the payment from the Consolidated Revenue Fund of any such sums as may be required for the purpose of subscribing to the capital of the Bank.

8. (1) The net profits of the Bank for each financial year Determin-  
shall be determined by the Bank after meeting all current ation and  
expenditure for that year and after making such provision as allocation of  
it thinks fit for bad and doubtful debts, depreciation in assets,  
contributions to staff funds and superannuation funds, and all  
other contingencies.

(2) The Bank shall establish a general reserve fund to General  
which shall be allocated at the end of each financial year of the Reserve  
Bank— Fund.

(a) in the case of any year at the end of which the General Reserve Fund of the Bank does not exceed the paid up capital of the Bank, one-quarter of the net profits of the Bank,

(b) in the case of any year at the end of which the General Reserve Fund of the Bank exceeds the paid up capital of the Bank but does not exceed twice the paid up capital of the Bank, one-eighth of the net profits of the Bank.

(3) After appropriate allocations have been made to the General Reserve Fund under subsection (2), one-quarter of the remainder of the net profits shall be applied to the redemption of any securities of the Government held by the Bank which have been issued in terms of subsection (2) of section 43.

(4) With the approval of the Minister, further allocations may be made from time to time to the General Reserve Fund to increase it beyond twice the paid up capital of the Bank.

(5) The residue of the net annual profits remaining after all deductions authorized by subsections (2), (3) and (4) have been made shall be paid to the Consolidated Revenue Fund as soon as practicable after the end of each financial year.

(6) As soon as the first distribution of surplus assets is made to the Government by the West African Currency Board, the Government shall forthwith transfer to the Bank, for appropriation to the General Reserve Fund, such sum as is necessary to establish the Fund at an amount equal to twice the paid up capital of the Bank.

#### PART IV—ADMINISTRATION

9. (1) There shall be a Board of Directors of the Bank which shall be responsible for the policy and general administration of the affairs and business of the Bank. Board of Directors.

(2) The Board shall consist of a Governor, a Deputy Governor and three other Directors.

(3) The Governor, or in his absence the Deputy Governor, shall be in charge of the day-to-day management of the Bank and shall be answerable to the Board for his acts and decisions.

Governor  
and Deputy  
Governor.

10. (1) The Governor and Deputy Governor shall each be appointed by the Governor-General by instrument under the public seal for a term not exceeding five years and shall be eligible for re-appointment. They shall be persons of recognized financial experience and shall be appointed on such terms and conditions, which may not be altered to their disadvantage during their tenure of office, as may be set out in their respective letters of appointment. Except as provided in section 12 the Governor shall not be removed from office before the expiration of the term of his appointment unless a resolution supported by two-thirds of all the Members of the House of Representatives is passed recommending his removal from office.

(2) While holding office the Governor and Deputy Governor shall not occupy any other office or employment whether remunerated or not:

Provided that they may,

(a) act as members of any commission established by the Government to enquire into any matter affecting currency or banking in Sierra Leone;

(b) become governors, directors or members of the Board, by whatever name called, of any international authority to which the Government shall have adhered or given support or approval;

(c) become directors of any corporation in Sierra Leone in which the Bank may participate under paragraph (i) of section 31.

Directors.

11. (1) The three other Directors of the Bank, who shall be persons of recognized standing and experience in business, professional or academic matters, shall be appointed by the Prime Minister.

(2) The Directors of the Bank shall not be regarded or act as delegates on the Board of any Government Authority or of any commercial, financial, agricultural, industrial or other interests with which they may be or may have been connected or receive or accept directions from any person or authority.

(3) They shall hold office for three years and be eligible for reappointment:

Provided that, of the first three Directors to be appointed under this section, one shall be appointed for one year, and one shall be appointed for two years.

No. 6

*Bank of Sierra Leone*

1963

5

(4) They shall be entitled to fees and allowances in accordance with such Rules as may be prescribed by the Board, and approved by the Minister.

**12.** (1) No person shall be appointed or shall remain Governor, Deputy Governor or a Director of the Bank who is—

- (a) a member of the House of Representatives;
- (b) a director, salaried official or shareholder of any commercial bank which carries on business in Sierra Leone;
- (c) an officer in the public service.

(2) The Governor or Deputy Governor and the other Directors may resign their offices on giving at least three months' notice of their intention in writing to the person by whom they were appointed, or his successor in office.

(3) The Governor, the Deputy Governor or any other Director shall cease to hold office in the Bank if—

- (a) he becomes of unsound mind or incapable of carrying out his duties;
- (b) he becomes bankrupt or suspends payment or compounds with his creditors;
- (c) he is convicted of a felony or of any offence involving dishonesty;
- (d) he is guilty of serious misconduct in relation to his duties;
- (e) in the case of a person possessed of professional qualifications, he is found guilty of serious professional misconduct and as a consequence is debarred from practising his profession.

**13.** If the Governor, the Deputy Governor or any other 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 for the unexpired period in the manner specified in subsection (1) of section 10 or subsection (1) of section 11 as the case may be.

**14.** (1) The Governor or in his absence the Deputy Governor shall be Chairman of the Board.

(2) Meetings of the Board shall be called by the Chairman and shall take place as often as may be required but not less frequently than once in each of any ten months in every financial year of the Bank.

(3) Three members of the Board of whom one shall be the Governor or Deputy Governor shall form a quorum at any meeting and, unless otherwise provided, decisions shall be adopted by a simple majority of the votes of the members present.

(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) All acts done by any person acting in good faith as a Director shall be as valid as if he were a Director, notwithstanding that some defect in his appointment or qualifications be afterwards discovered.

Staff  
appoint-  
ments.

15. (1) All appointments of officials and other employees of the Bank shall be only to positions created by decision of the Board and on such terms and conditions as shall be laid down by the Board.

(2) 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.

Secrecy.

16. 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, officer, or employee of the Bank, shall disclose to any person any information relating to the affairs of the Bank or of any other bank or of a customer of the Bank or of any other bank which he has acquired in the performance of his duties or the exercise of his functions.

PART V—CURRENCY

Currency of  
Sierra Leone.

17. (1) There shall be established a Sierra Leone currency.

(2) The unit of currency in Sierra Leone shall be the Leone which shall be divided into one hundred cents.

(3) with effect from the date on which this subsection is brought into operation—

(a) every contract, sale, payment, bill, note, instrument and security for money and every transaction, dealing matter and thing whatsoever related to money or involving the payment of or the liability to pay any money which, but for this paragraph, would have been deemed to be made, executed, entered into, done and had, in and in relation to West African Currency shall in Sierra Leone be deemed instead to be made, executed, entered into, done and had, in and in relation to Sierra Leone currency:

Provided that this paragraph shall not affect any obligation to pay any money in any country other than Sierra Leone where West African Currency is legal tender.

(b) in every enactment a reference to pounds, shillings, pence or fractions of a penny shall be construed as a reference to the equivalent amount in Sierra Leone currency.

No. 6

Bank of Sierra Leone

1963

7

(4) Where any conversion into Sierra Leone currency under the provisions of this section results in a fraction of a cent, then—

- (a) if that fraction amounts to half a cent or more, it shall be reckoned as one cent;
- (b) if that fraction amounts to less than half a cent it shall be ignored.

18. (1) The parity of the Leone shall be equivalent to Parity of the 1.24414 grams fine gold.

(2) The parity of the Leone may be altered by the Minister on the recommendation of the Bank, and notice of the change shall be published in the *Gazette* at the earliest opportunity thereafter.

19. The Bank shall have the sole right of issuing notes and coins throughout Sierra Leone 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 of issue vested in the Bank.

20. (1) The Bank shall, at its office in Freetown—
- Obligation in respect of the currency.
- (a) issue and redeem Sierra Leone currency on the demand against sterling;
  - (b) at its discretion, issue and redeem Sierra Leone currency against gold or other currencies eligible for inclusion in the reserve of external assets specified in section 27:

Provided that—

- (i) the rates of exchange quoted by the Bank for spot transactions shall not differ by more than one per cent from the parity of the Sierra Leone currency with the parity of the other currency;
- (ii) the Bank shall not be required to sell or buy Sterling for an amount less than twenty thousand Leones in respect of any one transaction.

21. The Bank shall—

Provisions for issue.

- (a) arrange for the printing of notes and the minting of coins;
- (b) issue, reissue and, at its discretion, exchange notes and coins at its office in Freetown:

Provided that the Bank may also issue, reissue and exchange notes and coin at such agencies elsewhere in Sierra Leone as the Bank may, from time to time, establish or appoint;

(c) arrange for the safe custody of unissued stocks of currency and for the preparation, safe custody and destruction of plates and paper for the printing of notes and of dies for the minting of coins.

Denomina-  
tion and  
form of  
notes and  
coin.

22. The Minister shall on the recommendation of the Bank prescribe by public notice in the *Gazette*—

- (a) the denominations (being multiples or fractions of a Leone), forms and designs, of the notes and coins to be issued by the Bank;
- (b) the devices to be borne by such notes and coins;
- (c) the standard weight and composition of such coins and the amount of remedy and variation which shall be allowed.

Bank's cur-  
rency to be  
legal tender.

23. (1) Notes issued by the Bank shall be legal tender in Sierra Leone at their face value for the payment of any amount.

(2) Coins issued by the Bank shall, if such coins have not been tampered with, be legal tender in Sierra Leone at their face value up to an amount not exceeding twenty Leones in the case of coins of denominations of not less than five cents and up to an amount not exceeding one Leone in the case of coins of a lower denomination.

(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*, to call in any of its notes and coins, on payment of the face value thereof and any such notes or coins with respect to which a notice has been given under this subsection shall on the expiration of the notice, cease to be legal tender.

Tampering  
with coins.

24. A coin shall be deemed to have been tampered with if the coin has been impaired, diminished or lightened otherwise than by fair wear and tear or has been defaced by stamping, engraving or piercing whether the coin has or has not been thereby diminished or lightened.

Lost and  
damaged  
currency.

25. No person shall be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect note or coin. The circumstances in which, and the conditions and limitations subject to which, the value of lost, stolen, mutilated or imperfect notes or coins may be refunded as of grace shall be within the absolute discretion of the Bank.

Exemption  
from Stamp  
Duty,  
Cap. 274.

26. The Bank shall not be liable to the payment of any stamp duty under the Stamp Duties Act in respect of its notes issued as currency.

No. 6

*Bank of Sierra Leone*

1963

9

27. The Bank shall at all times maintain a reserve of External assets consisting of all or any of the following—  
*Reserve.*

- (a) gold coin or gold bullion;
- (b) sterling notes, coin, bank balances and money at call with banks in the United Kingdom;
- (c) balances at a bank in any country outside Sierra Leone whose currency is freely convertible into gold or sterling; and notes, coin, money at call and bills of exchange, denominated or payable in such currency and bearing at least two good signatures and maturing within ninety days exclusive of days of grace;
- (d) Treasury Bills maturing within one hundred and eighty-four days issued by the Government of any country outside Sierra Leone whose currency is sterling or is freely convertible into gold or sterling;
- (e) securities, maturing within five years, issued or guaranteed by the Government of any country outside Sierra Leone whose currency is sterling or is freely convertible into gold or sterling, and expressed in such currency.

Provided that securities held under this paragraph do not exceed thirty per cent of the reserve of external assets specified in section 27;

- (f) for a period not exceeding two years from the coming into operation of section 19, West African Currency.

28. The value of the reserve of external assets specified in section 27 shall—  
*Value of  
External  
Reserve.*

- (a) be not less than an amount equivalent to sixty per cent of the Bank's notes and coins in circulation;
- (b) from the coming into operation of section 31, be not less than an amount equivalent to fifty per cent of the aggregate of the Bank's notes and coins in circulation and other liabilities payable in cash on demand.

29. (1) Until the coming into operation of section 31 the Local Assets. Bank shall at all times hold assets payable in Sierra Leone of a total value not less than the difference between the amount of its total currency liabilities and the holding of the external assets specified in section 27; and such assets payable in Sierra Leone in terms of this section shall consist of any or all of the following—

- (a) inland bills of exchange and promissory notes bearing two or more good signatures, of which one shall be that of a commercial bank lawfully carrying on business in Sierra Leone, arising out of *bona fide* commercial transactions, drawn or issued for the purpose of financing the movement, marketing or processing of agricultural produce or minerals, and maturing within ninety days, exclusive of days of grace, from the date of acquisition;

(b) securities of the Government which have been publicly issued or form part of an issue which is being made to the public at the time of acquisition or have been issued in respect of the liabilities specified in subsection (2) of this section or in respect of the expenses specified in subsection (2) of section 43:

Provided that the total amount of such securities held shall not exceed twenty-five per cent of the value of the Bank's notes and coins in circulation and that not more than four million Leones thereof shall consist of securities maturing more than five years from the date of their acquisition;

(c) such movable and immovable property as is necessary for the proper performance and exercise of the Bank's duties and functions under this Act.

(2) In the event of a deficiency in the amount of assets required to be held by the Bank under subsection (1) such deficiency shall constitute a liability of the Government to the Bank and the proviso to paragraph (b) of subsection (1) shall not apply so long as any such liability exists.

Accounts  
with other  
banks in  
Sierra Leone  
and abroad.

30. In order to facilitate its operations under this Act before section 31 comes into operation the Bank may—

- (a) maintain accounts with banks operating in Sierra Leone;
- (b) open accounts with central and other banks abroad and do all such other things as are incidental to or consequential upon the exercise of the Bank's powers or the discharge of its duties under sections 27 and 29.

PART VI—OPERATIONS

General  
powers of  
the Bank.

31. The Bank may—

- (a) issue demand drafts and effect other kinds of remittances payable at its own offices or at the offices of agencies or correspondents;
- (b) purchase and sell gold coin or gold bullion;
- (c) open accounts for and accept deposits from the Government, funds and institutions controlled by Government, corporations established directly by Act of Parliament, banks and other credit institutions in Sierra Leone and act as banker to any such funds, institutions, banks or credit institutions;
- (d) purchase, sell, discount and rediscount inland bills of exchange and promissory notes arising out of bona fide commercial transactions and bearing two or more good signatures and maturing within ninety days, exclusive of days of grace, from the date of their acquisition by the Bank;

(e) purchase, sell, discount and rediscount inland bills of exchange and promissory notes bearing two or more good signatures, drawn or issued for the purpose of financing the movement, marketing or processing of agricultural produce or minerals, and maturing within one hundred and eighty days, exclusive of days of grace, from the date of their acquisition by the Bank;

(f) purchase, sell, discount and rediscount Treasury Bills of the Government forming part of a public issue and maturing within ninety-three days;

(g) purchase and sell securities of the Government maturing in not more than twenty years which have been publicly offered for sale or form part of an issue which is being made to the public at the time of acquisition:

Provided that at any particular date the total amount of such securities of a maturity exceeding two years in the ownership of the Bank (other than securities held in terms of paragraph (h)) or held by the Bank as collateral under subparagraph (ii) of paragraph (k) shall not together at any time exceed twenty per cent of the total demand liabilities of the Bank;

(h) invest in securities of the Government for any amount, and to mature at any time, on behalf of staff funds and superannuation funds and other internal funds of the Bank;

(i) with the approval of the Minister, subscribe to, hold and sell shares of any corporation set up with the approval of or under the authority of the Government for the purpose of facilitating the financing of economic development:

Provided that the total value of any such holdings of such shares shall not at any time exceed twenty per cent of the General Reserve Fund of the Bank;

(j) grant advances for fixed periods not exceeding three months against publicly issued Treasury Bills of the Government maturing within ninety-three days;

(k) grant to any banks which lawfully carry on business in Sierra Leone advances for fixed periods not exceeding three months at a minimum rate of interest of at least one per cent above the Bank's minimum rediscount rate against promissory notes secured by the pledge with the Bank of—

(i) gold coin or gold bullion;

(ii) securities of the Government which have been publicly offered for sale and are to mature within a period of twenty years:

PRESENTED TO THE LIBRARY  
BY

12

No. 6

*Bank of Sierra Leone*

1963

Provided that no advance so secured shall at any time exceed seventy-five per cent of the market value of the security pledged and that the total of such securities held by the Bank (whether under the provisions of this sub-paragraph or otherwise) is within the limitations imposed by the proviso to paragraph (g);

(iii) such bills of exchange and promissory notes as are eligible for purchase, discount or rediscount by the Bank:

Provided that no advance so secured shall exceed seventy-five per cent of the nominal value of the instruments so pledged;

Cap. 225.

(iv) warehouse warrants, or other documents of title to goods as defined in section 2 of the Sale of Goods Act in respect of staple commodities or other goods, duly insured and with a letter of hypothecation from the owner:

Provided that no such advance shall exceed sixty per cent of the current market value of the commodities in question;

(l) purchase and sell external currencies and purchase, sell discount and rediscount bills of exchange and Treasury Bills drawn in or on places abroad and maturing within ninety-three days, exclusive of days of grace, from the date of acquisition;

(m) purchase and sell securities expressed in the currency of any country outside Sierra Leone whose currency is sterling or is freely convertible into gold or sterling and issued or guaranteed by the Government of such country; and securities issued by international financial institutions of which Sierra Leone is a member and expressed in sterling or a currency which is freely convertible into gold or sterling;

(n) maintain accounts with central banks and other banks abroad and act as correspondent, banker or agent for any central or other bank or other monetary authority and for any international bank or international monetary authority established under governmental auspices;

(o) undertake the issue and management of loans publicly issued in Sierra Leone by the Government or by public bodies;

(p) accept from customers for custody securities and other articles of value;

963

No. 6

*Bank of Sierra Leone*

1963

13

- (q) undertake on behalf of customers and correspondents the purchase, sale, collection and payment of securities, currencies and credit instruments at home and abroad, and the purchase and sale of gold and silver;
- (r) promote the establishment of a bank clearing system and provide facilities therefor;
- (s) subject to the express provisions of this Act generally conduct business as a bank, and do all such things as are incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Act.

**32. The Bank may not—**

Prohibited activities.

- (a) except as expressly authorized by this Act, engage in trade or otherwise have a direct interest in any commercial, agricultural, industrial or any other undertaking, except such interests as the Bank may in any way acquire in the course of the satisfaction of debts due to it, and provided that all such interests so acquired shall be disposed of at the earliest suitable moment;
- (b) save as provided for in paragraph (i) of section 31 purchase the shares of any corporation or company including the shares of any banking company;
- (c) grant loans upon the security of any shares;

- (d) subject to the provisions of section 35, grant unsecured advances or advances secured otherwise than as laid down in paragraphs (j) and (k) of section 31:

Provided that in the event of any debts due to the Bank becoming in the opinion of the Bank endangered, the Bank may secure such debts on any real or other property of the debtor and may acquire such property, which shall be resold at the earliest suitable moment;

- (e) purchase, acquire or lease real property except in accordance with the proviso to paragraph (d) and except so far as the Bank shall consider necessary or expedient for the provision, or future provision, of premises for the conduct of its business, the residence of staff or other similar requirements incidental to the performance of its functions under the terms of this Act;
- (f) draw or accept bills payable otherwise than on demand;

(g) allow the renewal or substitution of maturing bills of exchange purchased, discounted or rediscounted by or pledged with the Bank save in exceptional circumstances when the Board may by resolution authorize one renewal or one substitution only in either case of not more than fifty per cent of the original amount of any such bill for a period not exceeding ninety days;

(h) pay interest on customers' balances;

(i) accept for discount, or as security for an advance made by the Bank, bills or notes signed by members of the Board or by the Bank's officials or other employees;

(j) open accounts for and accept deposits otherwise than as provided in paragraphs (c) and (n) of section 31.

Publication  
of rediscount  
rate.

33. The Bank shall make public at all times its minimum rediscount rate.

PART VII—RELATIONS WITH THE GOVERNMENT

Bank to be  
Banker to  
the Govern-  
ment.

34. The Bank shall act as the Banker and financial adviser to the Government:

Provided always that the Government may, when it is deemed appropriate, maintain accounts in Sierra Leone with and generally use the services of other banks in such cases and on such conditions as may be agreed between the Minister and the Bank.

Advances to  
Government.

35. (1) Notwithstanding the provisions of paragraph (d) of section 32, the Bank may grant temporary advances to the Government in respect of temporary deficiencies of budget revenue at such rate or rates of interest as the Bank may determine.

(2) The total amount of such advances outstanding shall not at any time exceed five per cent of the estimated recurrent budget revenue as laid before the House of Representatives for the Government financial year in which the advances are granted.

(3) All such advances shall be repaid as soon as possible and shall in any event be repayable by the end of the Government financial year in which they are granted. If after that date such advances remain unrepaid the power of the Bank to grant further such advances in any subsequent financial year shall not be exercisable unless and until the outstanding advances have been repaid.

Bank as  
agent for the  
Government.

36. The Bank may act generally as agent for the Government.

(a) where the Bank can do so appropriately and consistently with the provisions of this Act and with its duties and functions as a Central Bank; and

(b) on such terms and conditions as may be agreed between the Bank and the Government.

**PART VIII—RELATIONS WITH OTHER BANKS**

Co-operation with

37. The Bank of Sierra Leone shall wherever necessary seek other banks the co-operation of, and co-operate with, other banks in Sierra Leone.

- (a) to promote and maintain adequate and reasonable banking services for the public;
- (b) to ensure high standards of conduct and management throughout the banking system;
- (c) to further such policies not inconsistent with this Act as shall be in the national interest.

38. The Bank of Sierra Leone may appoint one or more other banks in Sierra Leone to act as its agent for the issue, reissue, exchange and withdrawal of notes and coins, or for other purposes, on such terms and conditions as may be agreed between the Bank of Sierra Leone and each of such other banks.

39. The Bank of Sierra Leone may facilitate the clearing of cheques and other credit instruments for banks carrying on business in Sierra Leone. For this purpose the Bank of Sierra Leone may, at an appropriate time and in conjunction with the other banks, organise a clearing house in Freetown and in such other place or places as may be desirable.

**PART IX—ACCOUNTS AND STATEMENTS**

40. The financial year of the Bank shall begin on the first day of January and end on the thirty-first day of December.

41. (1) The accounts of the Bank shall be audited annually by an auditor appointed by the Board with the approval of the Minister.

(2) Without prejudice to the provisions of subsection (1) the Minister may at any time and from time to time request the Director of Audit to make an examination of, and submit a report on, the accounts relating to the issue, reissue, exchange and withdrawal of notes and coins by the Bank or, in what the Minister shall think to be exceptional circumstances, the accounts of the Bank as a whole, and the Director of Audit shall do so accordingly and the Bank shall provide all necessary and proper facilities therefor.

42. (1) The Bank shall, within two months from the close of each financial year cause to be made and transmit to the Minister—

Publication  
of Accounts  
and Annual  
Report.

- (a) a copy of the annual accounts certified by the auditor and;
- (b) a report on its operations during that year and such report shall be published by the Bank.

PRESENTED TO THE LIBRARY  
BY  
Bank of Sierra Leone

16

No. 6

Bank of Sierra Leone

1963

(2) The Minister shall as soon as possible after their receipt—

(a) cause a copy of the report and statement of accounts to be laid before Parliament; and

(b) cause a copy of the annual statement of accounts to be published in the *Gazette*.

(3) The Bank shall, as soon as may be, after the last working day of each month make up and publish a return of its assets and liabilities as at the close of business on that day. A copy of the return shall be transmitted to the Minister who shall cause it to be published in the *Gazette*.

PART X—TRANSITIONAL PROVISIONS

Ratification  
of prelimin-  
ary expenses  
etc.

43. (1) Any act done and preliminary expenses sanctioned by the Minister in connection with the formation of the Bank shall have the same effect and validity as if such acts had been validly done and such expenses validly incurred by the Board; and the Board may continue any act so commenced but remaining unfinished at the date of the coming into operation of section 3 of this Act as if such act or thing had been initiated by the Board.

(2) At any time after the establishment of the Bank (and notwithstanding that section 21 may not have been brought into operation) the Bank may take up securities of the Government issued in respect of any expenses incurred under the provisions of this section whether or not the same have been first offered to the public.

West African  
Currency. 44. West African Currency which is legal tender in Sierra Leone on the coming into operation of section 19 shall remain legal tender until such further day as the Bank, giving at least three months' notice in the *Gazette* may specify, and shall then cease to be legal tender in Sierra Leone:

Provided that—

(a) the Bank may so specify different days in relation to different denominations of such currency notes and coins;

(b) with effect from the coming into operation of section 19, and thereafter while the coins of the West African Currency remain legal tender in Sierra Leone, such coins shall be legal tender at their face value up to an amount not exceeding ten pounds (twenty Leones) in the case of coins of denominations of not less than sixpence (five cents) and up to an amount not exceeding ten shillings (one Leone) in the case of coins of a lower denomination.

No. 6

*Bank of Sierra Leone*

1963

17

PART XI—MISCELLANEOUS

45. The Board may, with the approval of the Minister, make Bye-laws for the good order and management of the Bank. Any such Bye-laws shall be authenticated by the Bank's seal and shall be published in the *Gazette*.

46. The profits of the Bank shall not be liable to Income Tax.

Tax.

47. Save with the written consent of the Minister on the Prohibited recommendation of the Bank, no bank shall hereafter be banking registered under the provisions of any legislation by a name which includes any of the words "Central", "National", "Sierra Leone", "Sierra Leonean", "Reserve", or "State" or their equivalent in any other language.

48. The Bank shall not be placed in liquidation except pursuant to legislation passed in that behalf and then in such manner as that legislation directs.

Passed in the House of Representatives this 27th day of March in the year of our Lord one thousand nine hundred and sixty-three.

S. V. WRIGHT,  
*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 correctly printed copy of the said Bill.

S. V. WRIGHT.  
*Clerk of the House of Representatives.*