

Bill No. 31 of 1965

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No. 307

BILL NO. 31 OF 1965.

BANK OF GUYANA BILL, 1965.

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A BILL

Intituled

AN ORDINANCE to provide for the establishment of the Bank of Guyana and for purposes connected therewith.

Enacted by the Legislature of British Guiana:—

A.D. 1965.

Part I — Preliminary

1. (1) This Ordinance may be cited as the Bank of Guyana Ordinance, 1965. Short title and commencement.

(2) This Ordinance shall come into operation on such date as the Governor of British Guiana may, by order, appoint and different dates may be appointed for different provisions of this Ordinance.

2. (1) In this Ordinance, unless the context otherwise requires— Interpretation.

“the Bank” means the Bank of Guyana established by section 3;

“bank” has the meaning assigned to it in section 2 of the Banking Ordinance, 1965; No. 8 of 1965.

“Board” means the Board of Directors of the Bank constituted under this Ordinance;

“central bank” means a banking institution exercising responsibility for the issue of currency and the regulation of the money supply of a country;

“the Currency Agreement of 1964” means the Agreement of the 12th December, 1964 as set out in the schedule to the Currency Ordinance, 1965; No. 8 of 1965.

“Currency Board coins” means coins of any series or denomination provided or issued under the Currency Agreement of 1964;

“Currency Board notes” means currency notes of any series or denomination provided, issued, or deemed to have been issued under the Currency Agreement of 1964;

“Director” means a member of the Board appointed pursuant to sections 10 and 14;

“foreign” means pertaining to a country other than British Guiana;

“foreign exchange” means foreign currencies and claims in and to foreign currencies;

“the Government” means the Government of British Guiana;

“Governor” means the Governor of the Bank;

“issue” includes re-issue;

“the Minister” means the Minister responsible for finance;

“public service” has the meaning assigned to it in article 115 of the Constitution of British Guiana;

“section” means a section of this Ordinance;

“specified financial institution” means a credit institution, not being a bank, specified by the Bank for the purposes of this Ordinance;

“specified public entity” means any local authority or municipality, or any body corporate established by any law in force in British Guiana or any agency, board or other institution established by the Government, specified by the Bank for the purposes of this Ordinance.

(2) Where this Ordinance confers a power or imposes a duty on any person or authority, the power may be exercised and the duty shall be performed from time to time as occasion requires.

Part II — Establishment and Objectives of the Bank

Establishment
and purpose
of the Bank.

3. (1) There shall be established a central bank to be known as the Bank of Guyana which shall be an autonomous institution governed by the provisions of this Ordinance.

(2) The Bank may exercise any of the functions entrusted to it by or in accordance with this Ordinance or any other Ordinance or by or under any international agreement to which British Guiana is a party or which is otherwise binding on British Guiana, and may do any other banking business incidental or ancillary to or consequential upon the performance of its functions.

Incorporation
and place of
business.

4. (1) The Bank shall be a body corporate having perpetual succession and a common seal.

(2) The Bank may sue and be sued in its corporate name and shall, subject to the provisions of section 56, have power to acquire, hold, dispose of and otherwise deal with property of whatever kind and to do all such other things as are requisite, advantageous or convenient for or in connection with the performance of its functions under this Ordinance.

(3) The Bank shall have its principal place of business in the City of Georgetown or at such other place within British Guiana as the Board may decide.

(4) The Bank may establish branches in any location within British Guiana or elsewhere as it considers necessary.

(5) The Bank may appoint agents or correspondents within and outside British Guiana.

Principal
objectives.

5. Within the context of the economic policy of the Government, the Bank shall be guided in all its actions by the objectives of fostering monetary stability and promoting credit and exchange conditions conducive to the growth of the economy of British Guiana.

Employment
of officers.

6. (1) The Bank may employ such officers, other employees, and agents at such remuneration and on such terms and conditions as it considers necessary or appropriate for the proper conduct of its business.

(2) Where, with the approval of the Governor of British Guiana, an officer in the public service is seconded or temporarily transferred for duty to an office in the Bank from a pensionable office within the meaning of the Pensions (Consolidation) Ordinance, 1957, section 6 of that Ordinance shall apply to him as if his service in the Bank were service in a civil capacity under the Government of British Guiana.

No. 38 of
1957.

(3) Where, with the approval of the Governor of British Guiana, an officer in the public service has been transferred to any office in the Bank the provisions of regulation 21 of the Pensions Regulations, 1957 (as contained in the schedule to the Pensions (Consolidation) Ordinance, 1957), shall apply to him as if service with the Bank were other public service within the meaning of that Ordinance and the provisions of the Pensions (Consolidation) Ordinance, 1957, shall apply to him as if his service with the Bank were other public service within the meaning of that Ordinance not being service under any of the Scheduled Governments as defined in regulation 2 of the Pensions Regulations, 1957, and regulation 21 of those Regulations shall apply accordingly to the person so transferred.

Part III — Capital and Reserves

7. (1) The Bank shall have an authorised capital of six million dollars of which the sum of four and one-half million dollars shall be subscribed and paid by the Government as soon as and in such amounts as the Bank may require. ^{Capital.}

(2) The balance of one and one-half million dollars shall be subscribed and paid by the Government at such time or times as the Government shall decide after considering the recommendations of the Bank in that regard.

8. (1) The Bank shall establish a General Reserve Fund into which shall be paid fifty per centum of the net profit made by the Bank during each financial year and the remainder of such profit after deducting any sum paid into reserve under this subsection shall be paid by the Bank to the Accountant General and credited to the general revenues of British Guiana: ^{General Reserve Fund.}

Provided that whenever the General Reserve Fund amounts to not less than one-third of the authorised capital of the Bank, ten per centum of the net profit of the Bank shall be paid into the General Reserve Fund and the remainder shall be paid by the Bank to the Accountant General and credited to the general revenues of British Guiana.

(2) For the purposes of this section, net profit shall be determined by deducting from gross income all expenses together with allowance for depreciation of assets, contributions to staff benefit funds, provision for bad and doubtful debts, and such other contingencies and accounting provisions as are usually made by banks.

(3) If the General Reserve Fund is in any year insufficient to cover any net loss of the Bank recorded in its Profit and Loss Account, an amount equivalent to the deficiency is hereby appropriated and shall be debited to the account of the Government with the Bank.

Part IV — Administration

9. There shall be a Board of Directors of the Bank, constituted as provided in section 10, which shall be the policy making organ of the Bank. ^{Board of Directors.}

10. (1) Subject to subsection (1) of section 14, the Board of Directors shall consist of the following persons — ^{Composition of the Board.}

- (a) the Governor who shall serve as Chairman of the Board;
- (b) the Banking Manager who shall serve as Deputy Chairman; and
- (c) not less than two nor more than three other Directors of the Board.

(2) The Governor shall be appointed by the Governor of British Guiana by instrument under the Public Seal and the Bank Manager and the other Directors of the Bank shall be appointed by the Minister.

(3) The term of office of every Director referred to in paragraphs (a), (b) and (c) of subsection (1) of this section shall be specified in the instrument appointing him and —

- (a) for the Governor and the Banking Manager, shall not exceed 5 years; and
- (b) for the other Directors, shall not exceed 4 years, but any Director retiring on the expiration of his term of office shall, subject to section 15, be eligible for reappointment.

(4) If a Director of the Board referred to in paragraph (c) of subsection (1) of this section suffers an incapacity, which is likely to be prolonged, the Minister, may, subject to section 15, appoint a

person to act for such Director during the period of incapacity and any person so appointed shall have the full powers of that Director until such time as the Minister determines that the incapacity has ceased.

Meetings of
the Board.

11. (1) The Board shall meet at least once in every month. In addition, the Governor may convene meetings of the Board whenever he considers that the business of the Bank so requires.

(2) The Governor shall summon a special meeting of the Board within seven days of a requisition for that purpose addressed to him by any two of the Directors referred to in paragraph (c) of subsection (1) of section 10.

(3) The Secretary to the Treasury, or an alternate designated by the Minister to act for him in his absence, may attend and participate in all meetings of the Board, but shall not have the right to vote at such meetings.

(4) A quorum for any meeting of the Board shall be three Directors.

(5) Decisions of the Board shall be adopted by a majority of the votes, provided that in any case in which the voting is equal, the Chairman presiding at the meeting shall have a second or casting vote.

Governor.

12. (1) The Governor shall be the chief executive officer of the Bank and, subject to the general policy decisions of the Board, shall be responsible for the management of the Bank including the organisation, appointment and dismissal of the staff in accordance with the general terms and conditions of service established by the Board.

(2) The Governor shall be the principal representative of the Bank and shall, in that capacity, have the authority:

- (a) to represent the Bank in its relations with other institutions and with the Government;
- (b) to sign individually or jointly with other persons contracts concluded by the Bank, notes or securities issued by the Bank, reports, balance sheets, and other financial statements, correspondence and other documents of the Bank;
- (c) to delegate his powers provided for in paragraphs (a) and (b) of this subsection to other officers of the Bank.

Banking
Manager.

13. The Banking Manager shall perform such functions as may be assigned to him from time to time by the Governor and, subject to the provisions of section 14, shall act for the Governor whenever the Governor is unable to perform the functions of his office whether by reason of illness or any other cause whatsoever.

Deputy
Governor.

14. (1) If the Minister thinks fit he may appoint a Deputy Governor of the Bank and a Deputy Governor so appointed shall replace the Banking Manager on the Board and serve as Deputy Chairman of the Board. The Deputy Governor shall perform such functions as may be assigned to him from time to time by the Governor and shall act for the Governor whenever the Governor is unable to perform the functions of his office whether by reason of illness or any other cause whatsoever.

(2) The term of office of the Deputy Governor shall be specified in the instrument appointing him and shall not exceed five years, but on the expiration of his term of office he shall, subject to section 15, be eligible for reappointment.

(3) The Banking Manager shall act for the Deputy Governor whenever the Deputy Governor is unable to perform the functions of his office whether by reason of illness or any other cause whatsoever.

15. (1) No person shall be appointed a Director who —

General dis-
qualifications
of the Board
of Directors.

- (a) is a member of the House of Assembly;
- (b) is an officer in the public service; or
- (c) is a director, officer or other employee of a bank.

(2) The Governor of British Guiana may terminate the appointment of the Governor and the Minister may terminate the appointment of any other Director if the Governor or such Director —

- (a) by writing under his hand addressed to the person who appointed him resigns his office;
- (b) becomes subject to any of the disqualifications specified in subsection (1) of this section;
- (c) becomes bankrupt or insolvent, applies for any benefits under the law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes any assignment in whole or in part of his income from the Bank for the benefit of such creditors;
- (d) is convicted of an offence involving dishonesty, fraud or moral turpitude;
- (e) becomes totally or permanently incapable of performing his duties; or
- (f) is guilty of gross misconduct.

(3) The Minister may terminate the appointment of a Director of the Board referred to in paragraph (c) of subsection (1) of section 10 who absents himself from three consecutive meetings of the Board without leave from the Board.

16. (1) The Governor, the Deputy Governor and the Banking Manager shall owe their duty entirely to the Bank and shall not engage in any paid employment, or professional or business activity outside the duties of their respective offices, except as permitted under subsection (2) of this section.

Special dis-
qualifications
for Governor,
Deputy
Governor
and Banking
Manager.

(2) Notwithstanding the provisions of subsection (1) of this section, the Governor, the Deputy Governor and the Banking Manager may, with the approval of the Minister —

- (a) serve on any committee or commission appointed by the Government to inquire into any matter affecting currency or banking, or into any economic or financial matters relating to British Guiana;
- (b) serve on any international financial institution of which British Guiana is or becomes a member;
- (c) serve on the Board of any company, corporation or other body in which the Government or the Bank holds stock or shares or otherwise participates.

(3) If the Governor, the Deputy Governor or the Banking Manager engages in any paid employment, or professional or business activity outside the duties of his office contrary to the provisions of subsection (1) of this section, the Governor of British Guiana in the case of the Governor and the Minister in the case of the Deputy Governor and the Banking Manager may terminate his appointment.

17. (1) The Governor, the Deputy Governor and the Banking Manager shall be paid by the Bank such salaries and allowances as may be determined from time to time by the Minister, but the salary and allowances payable to any such Director may not be reduced during his term of office.

Remuneration.

(2) The Directors of the Board referred to in paragraph (c) of subsection (1) of section 10 and any person appointed to act for any Director under subsection (4) of section 10 shall be paid by the Bank such fees as may be determined from time to time by the Minister.

Preservation
of secrecy.

18. (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, a Director, officer, or other employee of the Bank, shall not disclose to any person any information which he has acquired in the performance of his duties or the exercise of his functions.

(2) Any person who contravenes the provisions of subsection (1) of this section shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

Part V — Currency

Currency of
British
Guiana.

19. (1) The unit of currency of British Guiana shall be a dollar to be known as the Guyana dollar which shall be divided into 100 cents.

(2) The symbol "G\$" may be used as the abbreviated reference to the Guyana dollar.

Par value in
relation to
gold.

20. The Government shall, after consultation with the Bank, determine the par value of the Guyana dollar in terms of gold in accordance with international agreements to which British Guiana is a party or which are otherwise binding on British Guiana. The par value so determined shall be published in the Gazette.

Use of
Guyana
dollar.

21. All monetary obligations or transactions in British Guiana (whether imposed or authorised by a law or otherwise) shall be deemed to be expressed and recorded, and shall be settled in Guyana dollars unless otherwise provided for by law or agreed between the parties.

Issue of notes
and coins,
legal tender,
and with-
drawal.

22. (1) Subject to the provisions of subsections (5) and (6) of this section, the Bank shall have the sole right to issue notes and coins in British Guiana and subject as aforesaid, only such notes and coins issued by the Bank shall be legal tender in British Guiana.

(2) The Bank may determine that any issue or denomination of notes or coins issued by the Bank shall cease to be legal tender with effect from any date. The Bank shall cause notice of such determination to be published in the Gazette and any such notice shall give holders of the notes and coins to be withdrawn a reasonable time within which such notes or coins shall be exchanged by the Bank at their face value for other currency which is legal tender.

(3) Legal tender notes shall be accepted throughout British Guiana without limitation as to amount in settlement of any public or private debt or monetary obligation.

(4) Legal tender coins shall be accepted throughout British Guiana in settlement of any public or private debt or monetary obligation up to a limit of ten dollars for coins of denominations of twenty-five cents and above and up to a limit of two dollars for coins of lower denominations.

(5) The Currency Board notes and the Currency Board coins of any series or denomination shall continue to be legal tender in British Guiana for such time as the Minister may determine on the recommendation of the Bank, and shall publish in the Gazette and, if he shall so decide, concurrently in other media of public information.

(6) Nothing in this section shall affect any rights which Barclays Bank D.C.O. may have to issue bank notes in British Guiana so long as section 19 of the Barclays Bank D.C.O. Act 1925 and 1957 of the United Kingdom continues to apply as part of the law of British Guiana.

Assets to
cover cur-
rency issue,
reserves of
external assets.

23. (1) The Bank shall at all times hold assets of an amount in the value sufficient to cover fully the value of the total amount of its notes and coins for the time being in circulation.

(2) The Bank shall maintain at all times a reserve of external assets of not less than fifty per centum of the total amount of its notes and coins for the time being in circulation.

(3) The reserve of external assets shall consist of all or any of the following —

- (a) gold in any form;
- (b) foreign exchange in the form of —
 - (i) demand or time deposits with foreign central banks or with the Bank's agents or correspondents abroad;
 - (ii) documents and instruments customarily used for the making of payments or transfers in international transactions;
 - (iii) notes or coins;
- (c) securities of, or securities guaranteed by, foreign governments or international financial institutions.

(4) Whenever British Guiana becomes a member of the International Monetary Fund, the Bank may include in its reserve of external assets British Guiana's drawing facility equivalent to its gold tranche position in the International Monetary Fund.

24. (1) The denominations, inscriptions, form, material and other characteristics of the notes and coins shall be determined by the Bank with the approval of the Minister. Characteristics of currency.

(2) The Bank shall publish in the Gazette the denominations and other characteristics of notes and coins issued by it.

25. For so long as the Currency Board notes and coins continue to be legal tender in British Guiana under subsection (5) of section 22, such notes and coins shall be exchanged at par for the Bank's notes and coins at all offices of the Bank. Thereafter, the Bank shall continue to exchange Currency Board notes and coins at par for such further periods as the Bank, with the approval of the Minister, shall determine and publish in the Gazette. Exchange of Currency Board notes and coins.

26. The Bank may prescribe the conditions under which mutilated, defaced or otherwise defective notes or coins may be exchanged at the Bank. Exchange of mutilated notes and coins.

27. (1) Except as provided by subsection (2) of this section, no person shall for the purpose of putting such instrument into circulation draw, exchange, make or issue any bill of exchange, promissory note or other instrument for the payment of money payable to bearer on demand; or borrow, owe or take up any sum or sums of money on any bill of exchange, promissory note or other instrument for the payment of money payable only to bearer on demand. Bills and notes payable to bearer on demand.

(2) Cheques or drafts payable to bearer on demand, may, in the usual course of commercial practice be drawn on banks or their agents by other banks or their customers.

(3) Subsection (1) of this section shall not apply to bank notes issued before the commencement of this Ordinance by banks duly authorised to issue such notes.

(4) Notwithstanding anything to the contrary in any other law, any person contravening the provisions of this section shall be guilty of an offence and shall be liable on summary conviction to a fine of five hundred dollars or to a fine equal to twice the amount of the bill, note or other instrument in respect of which the offence is committed, whichever is the greater.

(5) Subject to the provisions of article 45 of the Constitution of British Guiana, a prosecution under this section shall not be instituted except by the Bank or by any agent duly authorised by the Bank in writing.

Cap. 14.
Cap. 10. (6) For the avoidance of doubt, it is hereby declared that a note issued by the Bank under this Ordinance is within the meaning of the expression "currency note" in section 201 of the Summary Jurisdiction (Offences) Ordinance and in section 241 of the Criminal Law (Offences) Ordinance.

(7) Nothing in this section shall affect the operation of section 19 of the Barclays Bank D.C.O. Act, 1925 and 1957 of the United Kingdom so long as that section continues to apply as part of the law of British Guiana.

Part VI — Foreign Exchange Transactions

Dealing in gold or silver. 28. The Bank may import, export, buy, sell, hold or otherwise deal in gold or silver in any form under such terms and conditions as it may determine, provided that the buying and selling rates involved in such transactions shall be in accordance with international agreements to which British Guiana is a party or which are otherwise binding on British Guiana.

Permitted foreign exchange transactions. 29. (1) The Bank may buy, sell, or otherwise deal in foreign exchange in any form.

(2) The Bank may hold balances, denominated in foreign currencies, with foreign central banks or with the Bank's agents or correspondents abroad and, in its discretion, may invest such balances in marketable foreign securities.

- (3) The Bank may act as agent for and accept deposits from —
- (a) foreign central banks, or foreign banking or financial institutions;
 - (b) foreign governments or agencies of foreign governments;
 - (c) international financial institutions.

(4) The Bank may make arrangements or enter into agreements with any foreign central bank or foreign banking or financial institution to borrow in such manner, at such rates of interest and upon such terms and conditions as it may think fit, any foreign currency which the Bank may think it expedient to acquire.

Terms of transactions in foreign exchange. 30. The Bank may determine the terms and conditions under which it will engage in transactions in foreign exchange, provided that the buying and selling rates involved in such transactions shall be in accordance with international agreements to which British Guiana is a party or which are otherwise binding on British Guiana.

Institutions with which Bank may deal in foreign exchange. 31. The Bank may engage in transactions in foreign exchange only with —

- (a) banks;
- (b) the Government;
- (c) any specified public entity;
- (d) foreign central banks or foreign banking financial institutions;
- (e) foreign governments or agencies of foreign governments;
- (f) international financial institutions.

Exchange control. No. 28 of 1958. 32. The Bank may exercise any powers or functions conferred upon or entrusted to the Bank by or under the Exchange Control Ordinance, 1958, or any other law for the time being in force relating to exchange control.

Payments agreements. 33. The Bank may administer any payments agreement entered into by or on behalf of British Guiana.

34. The Bank shall be the fiscal agent for all the transactions of the Government with international financial institutions of which British Guiana is or becomes a member.

Fiscal agent for Government's transactions with international financial institutions.

35. The Bank shall act as depository for the Guyana dollar holdings of international financial institutions of which British Guiana is or becomes a member.

Depository.

Part VII — Relations with Banks

36. (1) The Bank shall open accounts for and accept deposits from, collect money and other monetary claims for and on account of banks, and generally act as banker to banks.

Banker to banks.

(2) The Bank may provide additional services to banks operating in British Guiana, including interbank clearings and the provision of safe deposit facilities.

37. The Bank may purchase from, sell to and rediscount on behalf of banks, bills of exchange, promissory notes and other credit instruments, bearing at least the endorsement of a bank, maturing within one hundred and eighty days from the date of rediscount or acquisition by the Bank and issued or made for the purpose of financing —

Rediscounts.

- (a) the importation or exportation of goods and products;
- (b) the trading of goods and products within British Guiana;
- (c) the storage of goods and products which are not perishable and which are duly insured or deposited under conditions assuring their preservation in warehouses approved for the purposes of the Customs Ordinance or in other places approved by the Bank;
- (d) industrial or agricultural production, provided that if the Bank finds it to be in the interest of the national economy, the Bank may from time to time declare acceptable for the purposes of this section instruments relating to industrial or agricultural production maturing within two hundred and seventy days; and provided further that the Bank may require the credit instruments accepted by it under this section to be secured by a pledge, hypothecation or assignment of the related products or crops.

Cap. 309.

38. The Bank may grant loans or advances for fixed periods, not exceeding six months, to banks which pledge the following as collateral security for such loans or advances —

Loans.

- (a) the credit instruments referred to in section 37;
- (b) negotiable securities of the Government of British Guiana.

39. Subject to the provisions of sections 37 and 38, the Bank may determine the general terms and conditions under which it extends credit to banks. In particular, the Bank shall determine and announce the rates of interest it will charge for rediscounting eligible paper under section 37, and granting loans or advances to banks under section 38.

Conditions for credit transactions.

40. (1) The Bank may require banks to maintain minimum balances on deposit with the Bank as reserves against their deposit and other liabilities, provided that such balances shall not exceed twenty per centum of the total liabilities of each bank.

Reserve requirements.

(2) Subject to the limit specified in subsection (1) of this section, the Bank may prescribe different ratios for different types of liabilities and may further prescribe the method of computing the amount of the required reserves.

(3) Any prescription of, or change in, the minimum reserve requirements under subsection (1) or (2) of this section, shall take effect only after the expiration of thirty days' notice to the banks of the intention of the Bank to take such action.

(4) The Bank may impose on any bank which fails to maintain sufficient minimum balances required under subsection (1) or (2) of this section a penalty interest charge not exceeding one-thirtieth of one per centum per day on the amount of the deficiency.

Power to vary liquid assets ratio.

41. (1) Subject to subsection (2) of this section, the Bank may by notice published in the Gazette determine the percentage of liabilities which banks are required to maintain as liquid assets under section 17 of the Banking Ordinance, 1965 so however that such percentage shall not be less than fifteen nor more than thirty per centum for demand liabilities and not less than ten nor more than twenty per centum for time liabilities.

(2) Where any such percentage is to be increased —

- (a) the increase shall be so effected as not to exceed five percentage points in any one period of thirty days; and
- (b) it shall be the duty of the Bank to give all banks at least thirty days' notice of the date on which the increase shall take effect.

Regulation of interest rates of banks.

42. The Bank may, having regard to the viability of banking business, determine and announce the maximum or minimum rates of interest and other charges which banks may —

- (a) impose for specified types of loans, advances or other credits; and
- (b) pay on deposits.

Credit controls over banks.

43. (1) The Bank may, after consultation with the banks, issue orders prescribing in respect of the loans, advances or investments of banks —

- (a) the purposes for which they may or may not be granted;
- (b) the maximum maturities or, in the case of loans and advances, the type and minimum amount of security which shall be required, and in the case of letters of credit, the minimum amount of margin deposit; or
- (c) the limits for any particular categories of loans, advances or investments or for their total amount outstanding.

(2) For the avoidance of doubt, orders issued under subsection (1) of this section shall not be retroactive, and all such orders shall apply to all banks engaging in the credit transactions covered by the orders and shall, together with their effective dates, be published in the Gazette.

Credit controls over specified financial institutions.

44. (1) The Bank may, after consultation with the specified financial institutions, issue orders to control the volume, terms and conditions of credit, including instalment credit, extended through loans, advances or investments by such institutions.

(2) For the avoidance of doubt, such orders shall not be retroactive, and all such orders shall apply to all specified financial institutions engaging in the credit transactions covered by the orders and shall, together with their effective dates, be published in the Gazette.

Information to be furnished by banks, etc.

45. (1) Every bank and specified financial institution shall furnish to the Bank, at such time and in such manner as the Bank may prescribe, such information and data as the Bank may require for the proper discharge of its functions and responsibilities.

(2) The Bank may publish in whole or in part at such times as it may decide, the information or data furnished under subsection (1) of this section, provided that no information shall be published which would disclose the financial affairs of any person unless the consent of that person has been obtained in writing.

Part VIII — Relations with the Government

46. (1) The Bank may act as fiscal agent and trustee of, and as banker to the Government. Fiscal agent and banker to the Government.

(2) The Bank may also perform the functions of fiscal agent and trustee of the banker to any specified public entity in accordance with, and within the scope determined by, any special arrangements made between the Bank and the specified public entity concerned.

47. The Bank in its capacity as fiscal agent and trustee of, and banker to the Government or any specified public entity may — Functions as fiscal agent.

- (a) be the official depository of the Government or specified public entity concerned for any funds whether held in British Guiana or elsewhere and accept deposits and effect payments for the account of the Government or specified public entity, provided that the Bank may, after consultation with the Government or the specified public entity, select any other bank to act in its name and for its account as the depository of the Government or the specified public entity in places where the Bank maintains no office or branch;
- (b) maintain and operate special accounts, including trustee accounts, in accordance with arrangements made between the Bank and the Government or with the specified public entity concerned;
- (c) service the public debt, including the issuing of, payment of interest on, and redemption of, bonds and other securities of the Government;
- (d) pay, remit, collect or accept for deposit or custody funds in British Guiana or elsewhere;
- (e) purchase, sell, transfer or accept for custody cheques, bills of exchange and securities;
- (f) collect the proceeds, whether principal or interest, resulting from the sale for, or accruing to the interest of, the Government or a specified public entity of securities or other property;
- (g) purchase, sell, transfer or accept for custody gold, silver or foreign exchange.

48. With a view to offsetting fluctuations between receipts and payments of the Government, the Bank may make direct advances to the Government, provided that at any one time the total outstanding amount of such direct advances shall not exceed fifteen per centum of the average annual ordinary revenues collected and accounted for by the Government during its last three preceding financial years. Such direct advances shall not, during any financial year of the Bank, be outstanding for a total of more than three hundred and fifty days. The advances shall bear interest at such rate as may be determined by the Bank in agreement with the Minister, but in no event shall such rate be less than three per centum per annum. Direct advances to the Government.

49. (1) The Bank may purchase or sell negotiable securities issued by the Government. Credit operations with Government securities.

(2) At no time shall the amount of the negotiable securities owned by the Bank under the authority of subsection (1) of this section,

exceed thirty per centum of the average annual ordinary revenues collected and accounted for by the Government during the last three preceding financial years.

Prohibition of other credit to the Government. 50. Except as provided in sections 47, 48, and 49, the Bank shall not extend any credit directly or indirectly to the Government or any specified public entity.

Bank as adviser to the Government. 51. (1) It shall be the duty of the Bank to advise the Government on any matter which in its opinion is likely to affect the achievement of the principal objectives of the Bank as defined in section 5.

(2) The Bank may advise the Government on any matter within the jurisdiction of the Bank whenever necessary and the Government may request the Bank to render advice on particular measures, situations or transactions, or on monetary, banking, and credit conditions in British Guiana.

(3) The Government and the specified public entities shall furnish the Bank at such time and in such manner as the Bank may request with such information as the Bank may require for the proper discharge of its functions and responsibilities.

Part IX — Miscellaneous Provisions

Revaluation profits. 52. Profits or losses from any revaluation of the Bank's net assets or liabilities in gold, foreign exchange or foreign securities as a result of any change in the par value of the Guyana dollar, or of any change in the par value of the currency unit of any other country shall be excluded from the computation of the annual profits and losses of the Bank. All such profits or losses shall be carried in a special account called "Revaluation Account":

Provided that no profits shall be credited to the General Reserve Fund or paid to the Government under section 8 whenever the Revaluation Account shows a net loss; such profits shall be credited to the same account in an amount sufficient to cover the loss.

Loans to employees. 53. The Bank may make loans to its officers and employees on such terms and conditions as may be approved by the Board.

Exemption from taxation. 54. The Bank shall be exempt from the provision of any law relating to income tax and from the payment of stamp duty.

Power to make By-laws. 55. The Board may make By-laws under the seal of the Bank for the good order and management of the Bank.

Prohibited operations. 56. The Bank shall not —

- (a) except as expressly authorised by this Ordinance, engage in trade, own or acquire any direct interest in any commercial, agricultural, industrial or similar undertaking, except in the course of the satisfaction of debts due the Bank, provided that any such interest shall be disposed of at the earliest suitable opportunity;
- (b) purchase, acquire or lease real property except for its own business premises or for the use of its employees;
- (c) draw or accept bills payable otherwise than on demand.

Economic training. 57. The Bank shall promote the training of persons in monetary matters, banking, statistics, finance and other subjects, and, with that object, may bear, or contribute towards the payment of, the cost of training (whether in British Guiana or elsewhere) of meritorious or promising employees of the Bank in any of the subjects aforesaid.

58. The financial year of the Bank shall be the same as the financial year of the Government and the accounts of the Bank shall be closed at the end of each financial year. Financial year.

59. The Bank shall submit to the Minister half-yearly reports on the state of the national economy, with special reference to financial developments, and on the policies being followed by the Bank. Half-yearly reports.

60. Within three months after the end of each financial year the Bank shall submit to the Minister a report on its operations throughout that year, together with the balance sheet and the profit and loss account as certified by the external auditors appointed in accordance with section 62. Annual reports.

61. (1) After submission to the Minister, the Bank may publish the half-yearly and annual reports referred to in sections 59 and 60. Publication of reports, etc.

(2) The Bank shall, as soon as practicable after the close of business on the second and fourth Wednesday in every month —

- (a) transmit to the Minister a statement showing its assets and liabilities at the close of business on that day; and
- (b) publish a copy of the said statement in the Gazette.

(3) The Bank may also issue such other publications as it considers to be in the public interest.

62. The Minister shall appoint external auditors annually to audit the accounts of the Bank and certify the annual balance sheet and the profit and loss account of the Bank. The fees for such audit shall be determined by the Minister and paid by the Bank. Audit.

63. The Minister, after consultation with the Bank, may make regulations as may be required from time to time for carrying into effect the provisions of this Ordinance. Regulations.

64. Sections 5, 7, 8 and 9 of the Currency Ordinance, 1965 are hereby repealed. Repeal. No. 8 of 1965.

Part X — Transitional Provisions

65. The Bank shall assume all liabilities, obligations and responsibilities in respect of the currency notes of the Government remaining outstanding at the commencement of this Ordinance, in the books of the Board of Commissioners of Currency, British Caribbean Territory (Eastern Group), hereinafter referred to as "the Currency Board", and shall in return receive from the Government any sums in sterling or sterling securities transferred to it by the Currency Board under Article 12 of the Currency Agreement of 1964. Bank to receive net assets of Currency Board.

66. Any securities of or guaranteed by the Government received by the Bank in redemption of the Currency Board notes and coins presented by it to the Currency Board shall not be deemed to be credits to the Government for the purposes of computing the limits on credit specified in sections 47, 48 and 49. Exclusion of fiduciary issue from the limits on Government credit.

67. Upon the commencement of this Ordinance, any act done and preliminary expenses incurred by the Government in connection with the formation of the Bank, including the printing of notes and minting of coins, to be issued by the Bank, shall, as the Government may direct, have the same effect and validity as if such acts had been validly done and such expenses validly incurred by the Bank; and the Bank may continue any act so commenced but remaining unfinished at the commencement of this Ordinance as if such act had been initiated by the Bank. Preliminary acts and expenses.

Provisions to
apply where
banks have
not opened
accounts with
the Bank.

68. (1) The Bank shall, for such time as section 36 may not be in operation, issue its notes and coins to banks in exchange for an equivalent amount in sterling for immediate delivery in London and redeem its notes and coins for sterling for immediate delivery in London, and may —

- (a) from time to time fix an exchange charge in respect of issue or redemption not exceeding one per centum of the sum exchanged;
- (b) fix a minimum amount that may be tendered for issue or redemption.

(2) The exchange charge and the minimum amount fixed under subsection (1) of this section shall be published as soon as practicable in the Gazette.

OBJECTS AND REASONS

This Bill seeks to provide for the establishment and functions of the Bank of Guyana as the central bank for British Guiana.

P. S. d'AGUIAR,
Minister of Finance.

(Bill No. 31/1965).