



THE
CEYLON GOVERNMENT
GAZETTE

EXTRAORDINARY.

No. 8,587 – SATURDAY, MARCH 9, 1940.

Published by Authority.

PART I.—GENERAL.

GOVERNMENT NOTIFICATIONS.

1/23 (FSO)

**THE DEFENCE (CONTROL OF IMPORTS)
REGULATIONS.**

Order.

BY virtue of the powers vested in me by regulation 3 of the Defence (Control of Imports) Regulations, I, Andrew Caldecott, Governor of Ceylon, do by this Order further amend the Order under the said regulation published at page 1918 of *Gazette Extraordinary* No. 8,543 of November 1, 1939, as amended by the Orders published in *Gazette* No. 8,548 of November 10, 1939, in *Gazette Extraordinary* No. 8,558 of December 11, 1939, in *Gazette* No. 8,565 of January 5, 1940, and in *Gazette* No. 8,577 of February 16, 1940, as follows:—

(1) in Clause (2) of that Order, by the insertion immediately after paragraph (i) of the following new paragraph:—

“(j) such telegraph apparatus or parts of telegraph apparatus as may be imported by the company known as Cable and Wireless, Ltd., for the maintenance and working of the Cable Station at Colombo.”; and

(2) In the First Schedule to that Order—

(a) by the substitution, for item 62, of the following new item:—

“ 62. All manures other than—
Basic Slag
Mineral Rock Phosphate
Calcium Cyanamide
Nitrate of Soda
Muriate of Potash
Sulphate of Ammonia
Sulphate of Potash
Superphosphate
Sylvinite
Kainit ”;

(b) by the substitution, for item 126, of the following new item:—

“ 126. Tea machinery, or parts of such machinery other than—

(a) parts specially adapted for use in tea machinery made in Ceylon, and imported for such use, and
(b) fire bricks used for insulating tea driers.”

Colombo, March 8, 1940.

A. CALDECOTT,
Governor.

L. D.—CF 26/39

1/22/15 (FSO)

THE DEFENCE (PROHIBITION OF EXPORTS)
REGULATIONS.

Order.

IN pursuance of the provisions of Regulation 3 of the Defence (Prohibition of Exports) Regulations, I, Andrew Caldecott, Governor of Ceylon, do hereby add to the Schedule to those Regulations, the following new item:—

- “ 4. Empty gunny bags, and gunny cloth of any description.”

Colombo, March 8, 1940.

A. CALDECOTT,
Governor.

1/23 (FSO)

THE DEFENCE (CONTROL OF IMPORTS)
REGULATIONS.

Order.

BY virtue of the powers vested in me by regulation 4 of the Defence (Control of Imports) Regulations, I,

Andrew Caldecott, Governor of Ceylon, do by this Order further amend the Order under the said regulation published at page 1919 of *Gazette Extraordinary* No. 8,543 of November 1, 1939, as amended by the Orders published in *Gazette* No. 8,548 of November 10, 1939, in *Gazette Extraordinary* No. 8,558 of December 11, 1939, in *Gazette* No. 8,565 of January 5, 1940, and in *Gazette* No. 8,577 of February 16, 1940, as follows:—

(1) in Clause (2) of that Order, by the insertion, immediately after paragraph (k), of the following new paragraph:—

- “(l) such telegraph apparatus or parts of telegraph apparatus as may be imported by the company known as Cable and Wireless, Ltd., for the maintenance and working of the Cable Station at Colombo.”

Colombo, March 8, 1940.

A. CALDECOTT,
Governor.

Notice to Shippers of Rubber.

IN order to ensure that the foreign exchange proceeds arising from the sale of rubber shipped either direct or with transshipment from countries within the British Empire to certain countries outside the sterling area (referred to as “listed countries”) are made available to the exchange control authorities it has been decided that the following rules shall govern the issue of export licences for such shipments under the Defence (Finance No. 2) Regulations, with effect from March 23, 1940.

Applicants for export licences for rubber will, however, realize that, although compliance with the exchange conditions here set out will be essential to the issue of a licence, such compliance will not suffice by itself to qualify for a licence, since other wartime considerations and the requirements of the International Rubber Regulation Scheme must also be taken into account.

Rules governing the exchange conditions for the issue of Licences for the Export of Rubber from Ceylon to certain countries outside the Sterling Area.

Definitions.

1. In these rules—

- (a) “listed currencies” comprise United States dollars, Netherlands and Netherlands East Indian guilders, Swiss francs and belgas.
- (b) “listed countries” mean—
- (1) all territories in or adjacent to the continent of America, with the exception of—
 - (a) Canada, Newfoundland and any other part of His Majesty's dominions,
 - (b) the Argentine Republic,
 - (c) any dependency of the French Republic:
 - (2) the Philippine Islands and all territories under the sovereignty of the United States of America;
 - (3) Belgium, the Belgian Congo and Ruanda-Urundi;
 - (4) the Netherlands and the Netherlands East Indies;
 - (5) Switzerland.
- (c) “importing country” means the country to which rubber is consigned from Ceylon.
- (d) “exports” include re-exports whether shipped in original, or repacked or retreated form.
- (e) “authorized bank” means a bank authorized to deal in foreign exchange under the Defence (Finance) Regulations, either in the United Kingdom or in Ceylon.

Exchange conditions for the issue of export licences.

2. Except as otherwise provided in these rules, no export licence under the Defence (Finance No. 2) Regulations for the export of rubber from Ceylon to any listed country will be issued unless the Controller of Exchange is satisfied that steps have been taken by one or other of the approved methods described in Rule 3 to secure that payment for such exports has been, or will be made in one of the listed currencies, and that that currency has been, or will be sold to an authorized bank.

Approved methods of payment:

3. (1) The means of payment which will be approved by the Controller of Exchange are:—

- (a) payment in a listed currency to be paid by draft, telegraphic transfer or otherwise to an authorized bank or to its agent abroad for account of such bank.

- (b) payment in rupees provided that evidence is produced that the rupees or their equivalent in sterling have been or will be bought from an authorized bank by sale of the equivalent in listed currency ;
- (c) payment through a sterling Letter of Credit issued in London as provided for in Rule 4 ;
- (d) payment in sterling, against documents or otherwise in London or in the importing country.

(2) Unless the shipment is made by or to the order of an approved producer or dealer as provided for in Rule 5, who will assume responsibility for ensuring that the sterling is so provided, confirmation by an authorized bank that payment has been arranged by one of the methods stated in paragraph (1) will be required.

4. Payment by sterling Letters of Credit will be approved provided that they are opened in London and registered with the Bank of England on Form E 2. Such credits must call for an undertaking from the credit taker to purchase sterling in cover of bills drawn thereunder at the official rate of exchange by the sale of listed currency to the Bank of England through an authorized bank. The Bank of England's registration number must be quoted by the shipper in his application for an export licence. Where necessary, telegraphic information of such registration should be obtained.

Letters of Credit.

5. (1) Approved producer or dealer means, in the case of the dealers operating in London, a member of the Rubber Growers' Association or Rubber Trade Association of London, and in the case of producers or dealers operating in Ceylon, producers or dealers who may be approved for that purpose by the Controller of Exchange.

Shipment by or sale to approved dealer in rubber.

(2) The approved producer or dealer by or to whose order any rubber is shipped from Ceylon will be held responsible (subject to paragraph (3) below) for satisfying the Controller of Exchange that the appropriate listed currency is sold to an authorized bank within 6 months of shipment.

(3) In the case of any resale to another approved dealer, the responsibility for the sale of listed currency under (2) will be transferred to the buyer and contracts should be worded accordingly.

(4) In the case of any irregularity or failure on the part of an approved producer or dealer to comply with the conditions of the rules, his name will be deleted from the approved list.

6. (1) Shipments made in pursuance of contracts entered into by the shippers before March 9, 1940, will be exempt from the provisions of these rules.

Exemption of old contracts.

(2) Shippers, whether producers, agents, dealers or others, who desire to claim exemption in respect of pre-existing contracts must submit in writing to the Controller of Exchange particulars of all such contracts. Wherever possible such claims should be submitted through and certified by the appropriate trade associations. The officers of such associations will be responsible for pursuing the necessary inquiries to verify the existence of such contracts, and for elucidating any queries which may be raised on them by the Bank of England, or by the Controller of Exchange.

(3) Lists of pre-existing contracts may be submitted by Associations from time to time as convenient, but the official lists should be completed and submitted within one month of the coming into operation of these rules.

7. Producers who ship rubber for consumption in their own factories in a listed country without any intermediate sale will be required, as a condition of the issue of export licences to give an undertaking, confirmed by their bankers that all remittances made to Ceylon and used to pay for local charges incurred in producing the rubber have been made by the sale of a listed currency through an authorized bank.

Consumer producers.

8. An approved producer or dealer may be permitted to ship unsold rubber to a listed country on entering into an undertaking, confirmed by his bankers if so required, with the Controller of Exchange to account for the appropriate listed currency received in payment for such rubber, and to sell it to an authorized bank within six months of the date of shipment from Ceylon.

Shipment of unsold rubber.

9. (1) Applicants for licences for the export of rubber to listed countries will be required to submit (in duplicate) a declaration, in the prescribed form stating the following information :—

Procedure.

(a) particulars of the shipment ;

(b) (i.) if the rubber is being shipped by an approved dealer or has been sold to such a dealer, the name and address of the dealer ;

(ii.) if the shipment is claimed to be exempt from the normal procedure under Rule 6 or 7, particulars of the contract or undertaking by virtue of which such exemption is claimed ;

(iii.) in all other cases, particulars of the approved method by which payment for the shipment has been or is to be made, such particulars being confirmed by a certificate to that effect on the application form by an authorized bank.

(2) The Controller of Exchange may call for such evidence in support of any declaration made as above as he may deem necessary.

10. In any case in which the Controller of Exchange is satisfied that any persons have been in the habit of remitting payment for shipments in lump sums not related to individual shipments, he may issue an export licence on the certification by an authorized bank as to the amounts of listed currencies sold. Any bank giving such a certificate will keep suitable records to ensure that the amounts of listed currencies so certified do not exceed the amounts received from the shippers concerned.

Running Accounts.

Valuation of
shipments.

11. Steps will be taken to verify in due course that the full exchange proceeds of all shipments to listed countries have, in fact, resulted in foreign exchange being received by an authorized bank and for this purpose the Controller of Exchange will require proof, by exhibition of contracts or otherwise, that the prices shown in applications for permission to export are the contracted prices. In any case where the Controller of Exchange considers that the declared (or contract) value of a shipment is less than the true value on the basis of current market prices at the date of the contract (or at the date of shipment if there is no contract), he will be empowered to assess the value on the basis of current market prices and require evidence or the guarantee of an authorized bank that the provisions of this scheme as regards reimbursement will be carried out for the full amount.

Freight.

12. If the shipper is required to pay freight or other charges on the shipment in one of the listed currencies and he is also the seller who will receive the foreign exchange proceeds, he may, on giving particulars of such charges, be permitted to deduct them from the amount in listed currency for which he is required to account. If he is required to pay such charges but will not himself receive the foreign exchange proceeds he should apply for foreign exchange to pay the charges in the usual way through an authorized bank.

March 9, 1940.

C. E. JONES,
Controller of Imports, Exports and Exchange.