



THE CEYLON GOVERNMENT GAZETTE

EXTRAORDINARY

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PART I: SECTION (I) — GENERAL

Government Notifications

L. D.—C. F. 25/39.

M/F—No. 43/1/197 (EC/MF).

The Supplies and Services (Transitional Powers) Act, 1945

ORDER made by the Governor-General under section 3 (1) of the Supplies and Services (Transitional Powers) Act, 1945, of the Imperial Parliament, as adapted, modified and extended to Ceylon by the Supplies and Services (Transitional Powers) (Colonies, &c.) Order in Council, 1946.

Governor-General's Office,
Kandy, 23rd August, 1950.

By His Excellency's command,
J. A. MULHALL,
Secretary to the Governor-General.

ORDER

The Defence (Finance) Regulations published in *Gazette* No. 8,509 of September 19, 1939, are hereby varied, with effect from the first day of September, 1950, as follows:—

(1) by the substitution, for regulation 2, of the following new regulation:—

- “ 2. (1) The Monetary Board established under the Monetary Law Act, No. 58 of 1949, shall be the Controller of Exchange for the purposes of these regulations.
(2) The Monetary Board may appoint such Deputy and Assistant Controllers of Exchange and such other officers and servants as the Board may consider necessary for the purposes of these regulations. ” ;

and

(2) in paragraph (1) of regulation 10, by the substitution, for the definition of “ Controller ”, of the following new definition:—

- “ “ Controller ” means the Controller of Exchange and includes any Deputy Controller of Exchange and any Assistant Controller of Exchange ; ” .

The Monetary Law Act

REGULATION made by the Monetary Board of the Central Bank of Ceylon under Section 10 (c) of the Monetary Law Act, No. 58 of 1949.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

REGULATION A

Hours of Business

1. The Central Bank of Ceylon shall be open for banking business—
(a) on any day, other than a Saturday or Sunday or bank holiday, between the hours of 10 a.m. and 3 p.m. ; and
(b) on any day, not being a bank holiday, which is a Saturday between the hours of 9.30 a.m. and 12 noon.

Cap. 135.

2. In this regulation, “ bank holiday ” means any day declared to be a bank holiday by or under the Holidays Ordinance.

The Monetary Law Act

REGULATION made by the Monetary Board of the Central Bank of Ceylon under Section 10 (c) of the Monetary Law Act, No. 58 of 1949.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

REGULATION B

Service of notices, &c.

Any communication, notice, order, circular or other document may be served by post by registered letter on any banking institution, and if so served, shall be deemed to have been served at the time when the letter containing the same would be delivered in the ordinary course of post, and in proving such service, it shall be sufficient to prove that the communication, notice, order, circular or other document was properly addressed and put into the post.

The Monetary Law Act

REGULATION made by the Monetary Board of the Central Bank of Ceylon under Section 26 of the Monetary Law Act, No. 58 of 1949.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

REGULATION C

Authority to obtain information

1. The Director of Economic Research or any officer of the Department of Economic Research authorised in that behalf by the Director may exercise the powers conferred on him by Section 26 (1) of the Monetary Law Act, No. 58 of 1949, by notice in writing under his hand. The notice shall specify the time within which the requirements thereof shall be complied with.

2. In this regulation—

- (a) the expression "Director of Economic Research" means the head of the Department of Economic Research; and
- (b) the expression "Department of Economic Research" means the Department of Economic Research established and maintained by the Central Bank under the Monetary Law Act.

The Monetary Law Act

REGULATION made by the Monetary Board of the Central Bank of Ceylon, under Sections 10 (c), 92, 93, 95 and 96 of the Monetary Law Act, No. 58 of 1949.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

REGULATION D

Reserve Requirements

1. The reserves required to be held by commercial banks shall take the form of rupee deposits in the Central Bank and shall—

- (a) in the case of demand deposits, be an amount equal to ten per centum of the total of the demand deposits; and
- (b) in the case of time and savings deposits, be an amount equal to five per centum of the total of such deposits.

The percentages specified above shall be deemed to constitute the reserve ratios applicable respectively to the classes of deposit liabilities mentioned above.

2. The calculation of the amount of the required reserves of a commercial bank shall be made each Friday on the basis of the total of its demand deposits and of the total of its time and savings deposits, at the close of business on the Wednesday immediately preceding, or if the Wednesday was a Bank holiday, on the working day last preceding it.

Each amount so calculated shall be maintained as a reserve at the close of business on the date of calculation and on each succeeding day until the date of the next succeeding calculation.

3. Interest at the rate of one thirtieth of one per centum per day shall be paid under Section 96 (1) of the Act by a commercial bank to the Central Bank on the amount of the deficiency of its required reserves. Such interest shall be paid not later than the Friday next following the Friday on which such reserves were calculated under Section 95 of the Act.

4. A notice issued under the hand of the Chief Accountant of the Central Bank, or any officer authorised by him in that behalf, stating—

- (a) that the reserves of such commercial banks are below the amount of the required reserves;
- (b) the date on which there was deficiency of such reserves;
- (c) the amount of such deficiency; and
- (d) the amount of interest payable on the amount of the deficiency,

shall be deemed to be sufficient notice to such bank of the interest due from such bank.

5. Every commercial bank shall not later than 12 noon on each Friday, furnish to the Chief Accountant of the Central Bank a return substantially in the form prescribed in the Schedule hereto.

6. In this regulation unless the context otherwise requires—

- "Bank holiday" means any day declared to be a bank holiday by or under the Holidays Ordinance;
- "demand deposits" means all those liabilities, of the commercial banks which are denominated in Ceylon currency and are subject to payment in legal tender upon demand by cheque, draft, or order; but does not include any such liability if it is subject to payment upon conditions.
- "time and savings deposits" means all deposit liabilities other than demand deposits as defined above.

SCHEDULE

(Form of Report)

WEEKLY REPORT OF DEPOSIT LIABILITIES

For close of business Wednesday,* ———— 195

From : _____
(Name of Bank)To : The Chief Accountant,
Central Bank of Ceylon.

The amounts of deposit liabilities reported below are based on the deposit balances shown by the books of the bank at the close of business of the day specified above.

Branch or Agency in Ceylon	Demand Deposits in Current Account	Time and Savings Deposits
Total		

REQUIRED RESERVES

For week commencing Friday, ———— 195—.

_____ % of Rs. _____ Rs. _____
(Demand deposits)_____ % of Rs. _____ Rs. _____
(Time and savings deposits)

Total reserves required to be on deposit with the Central Bank Rs. _____

I hereby certify that the above statement is correct and in accordance with the books of this bank and that the figures shown above under demand deposits and time and savings deposits respectively are in accordance with the regulations prescribed by the Monetary Board of the Central Bank for that purpose.

Official Signature.

Date : _____

This report should reach the Chief Accountant not later than 12 noon on the Friday, immediately following the date to which the report refers.

*Strike out if Wednesday was a bank holiday and enter the immediately preceding day which was a working day.

Note.—(1) State separately deposits against principal office in Ceylon and each branch or agency in Ceylon, if any.

(2) Demand deposits in current account are the total of credit balances in current accounts without deducting debit balances in such accounts in respect of overdrafts allowed.

(3) All amounts should be shown to be nearest rupee.

The Monetary Law Act

REGULATION made by the Monetary Board of the Central Bank, and approved by the Minister of Finance, under section 56 of the Monetary Law Act, No. 58 of 1949.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

REGULATION E

Replacement of Unfit Currency

1. In this Regulation unless the context otherwise requires :—

Definitions.

“ altered note ” means a note in which an alteration has been made in the number, date, signature or value or in any other respect ;

“ authorised officer ” means any officer authorised in that behalf by the Board ;

“ half note ” means one half of a note which has been divided vertically through or near the centre ;

“ mismatched note ” means an imperfect note formed by joining a half note of one note to a half note of another note ;

“ mutilated note ” means a portion of a note (being a note the other portion of which is missing) which is clearly more than a half note and each part of which, if it consists of parts of a note joined together, is identifiable as part of the same note ;

“ note ” means a currency note of the Central Bank, including a currency note issued or deemed to be issued by the Board of Commissioners of Currency under Ordinance, No. 21 of 1941 ;

“ number ” includes the letters of the series to which the note belongs ;

“ obliterated note ” means a note, not being a mutilated or altered note, of which a portion has become or has been rendered undecipherable.

- Time limit to claims.** 2. No claim for the refund of the value of a damaged or mutilated note will be entertained unless such claim is made within a period of twelve months reckoned from the date when it might first have been made.
- Value limit to claims.** 3. No claim in respect of a half note or a mismatched note shall be entertained unless such half note or each of the half notes comprising the mismatched note is part of a note of which the denomination exceeds two rupees.
- Half notes to be entire.** 4. A claim for the value of a half note shall be rejected unless the number of the note is identified on the half note and such half note is entire and has not been divided and rejoined.
- Claims concerning mutilated notes of less than ten rupees.** 5. A claim for the value of a mutilated note of a denomination not exceeding ten rupees shall be rejected unless in the opinion of the authorised officer the portion tendered is at least three quarters of the whole note, or, if made up of two or more pieces, such pieces belong to one and the same note.
- Claims concerning mutilated notes of more than ten rupees.** 6. A claim for the value of a mutilated note of a denomination exceeding ten rupees shall be rejected unless the number of the note can be identified with certainty by the authorised officer as one of not more than two numbers.
- Stamping of mutilated notes.** 7. Where a claim for the value of a mutilated note is rejected under paragraph 5 or paragraph 6 of this Regulation the note shall be stamped with the words "PAYMENT REFUSED" and dated before it is returned to the claimant.
- Obliterated notes.** 8. A claim in respect of an obliterated note or half note shall not be entertained unless the authorised officer is satisfied as to the identity of such note or half note.
- Altered notes.** 9. No claim in respect of an altered note shall be entertained. The authorised officer shall retain every altered note tendered for payment, whether or not the alteration has been made with intent to defraud, and may in addition require every tenderer of an altered note to state in writing the circumstances in which such altered note came into his possession.
- Claims in respect of wilfully mutilated notes.** 10. No claim in respect of a wilfully mutilated note shall be entertained by the authorised officer. If there are clear indications of wilful mutilation, the authorised officer shall retain the note and in addition require every tenderer of a wilfully mutilated note to state in writing the circumstances in which such note came into his possession.
- Claims for half value of notes exceeding rupees 10.** 11. A claim for half the value of a note of the denomination of Rs. 50 and above, of which a half note only is presented, shall be entertained if the authorised officer is satisfied that a claim in respect of a note of the corresponding number and denomination has not been entertained earlier and that the note remains unpaid, or if entertained earlier, that only half value had been paid on that occasion.
- Claim for full value notes exceeding rupees 10.** 12. (1) A claim for the full value of a note—
 (i) when only a half note is tendered ; or
 (ii) when the portion tendered is less than a half note but contains one number which can be identified beyond doubt,
 shall be accompanied by a statement, signed by the claimant, that he was the last lawful holder of the entire note and also briefly detailing the circumstances in which the loss or destruction of the missing portion of the note took place.
 (2) If full value of the note has already been paid the claim shall be rejected.
 (3) If half the value of the note has already been paid the authorised officer may order half the value of the note to be paid.
 (4) If another claim has been received and is under investigation, the authorised officer may order that one claimant be paid the full value of the note, or that each claimant be paid half the value of the note or that both claims be rejected.
 (5) If the authorised officer is not satisfied that the counterpart of the section of the note tendered has been lost or destroyed in such circumstances that there is no probability of its being presented at some future date, he may order half the value of the note to be paid or reject the claim.
 (6) If the authorised officer is satisfied that the counterpart of the section of the note tendered has been lost or destroyed in such circumstances that there is no probability of its being presented at some future date, he may order that full value be paid on the claimant furnishing an indemnity Bond with two sureties in the form prescribed in the Schedule hereto.
- Notes to be retained by Central Bank.** 13. Save as otherwise provided in this Regulation, any note presented in prosecution of a claim shall be retained by the Central Bank whatever be the decision on the claim.
- Payment of value of damaged notes as matter of grace.** 14. Notwithstanding anything in any other provision of this Regulation, the value of damaged or mutilated currency notes are refunded as an act of grace and no holder shall be entitled as of right to claim the value of any damaged or mutilated currency note.

SCHEDULE

Form of Indemnity Bond

KNOW ALL MEN BY THESE PRESENTS THAT WE, _____ principal, and _____ and _____ Sureties, are held and firmly bound unto the Central Bank of Ceylon in the sum of Rupees _____ Lawful money of Ceylon, to be paid to the Central Bank of Ceylon ; for which payment to be well and truly made we bind ourselves, our heirs, executors, administrators and representatives;

and every two of us bind ourselves, our heirs, executors, administrators and representatives, jointly, and each of us binds himself, his heirs, executors, administrators, and representatives, severally, firmly by these presents, here by renouncing the *beneficium ordinis divisionis et excussionis*, and all privileges to which Sureties as such are by law entitled

Witnesses :—

Signed by us, and dated the _____ day of _____ 19_____.

WHEREAS the above-bounded _____ alleges that he is the holder of the following Currency Note, to wit :—

AND WHEREAS the said Currency Note _____ has been mutilated and defaced and the said _____ has applied to the Central Bank of Ceylon for payment of the amount of the said Note, and the Central Bank of Ceylon has acceded to the said Application on condition of the said _____ and two sufficient Sureties executing such Obligation as above written, and the said _____ have accordingly as such Sureties agreed to execute the said Obligation with such condition as hereunder is written and whereas the stamp duty on these presents is not payable by virtue of section 117 (c) of the Monetary Law Act ;

NOW the condition of the above-written Obligation is such, that if the above-bounded, their heirs, executors, administrators, or representatives, shall from time to time and at all times hereafter keep harmless and indemnify the Central Bank of Ceylon, and all and every the officers and servants of the Central Bank, from and against all actions, suits and other legal proceedings which shall be brought against the Central Bank of Ceylon or any of the officers or servants of the Central Bank, or in which he or they respectively may become involved, and also against all costs, damages, and expenses which by him or them respectively shall be sustained, or have to be paid at any time in respect of the said Currency Note, any of them, or the payment of the money hereby secured, or any part thereof, then the above-written Obligation shall be void, otherwise the same shall remain in full force and virtue. Provided and it is hereby agreed by the said _____ with the Central Bank of Ceylon, that in the defence and prosecution of any action, suit or other legal proceeding preferred to in the foregoing clause for indemnity, or maintained in virtue thereof, the Central Bank of Ceylon shall not be responsible or accountable to the said _____ or any of them, or any or either of their heirs, executors, administrators, or representatives, for any act, omission, or mistake, and that in the defence or prosecution of such action, suit, or other legal proceeding the Central Bank of Ceylon and its officers and servants, shall be required to do such acts and taken such steps only as shall in that behalf be approved or advised by the Attorney-General, or the person executing the duties of that Officer for the time being.

In witness whereof we have hereunto set our hand and seals at _____ this, _____ day of _____ in the year of Our Lord One Thousand Nine Hundred _____ and _____.

Witnesses :—

The Monetary Law Act

REGULATION made by the Monetary Board of the Central Bank of Ceylon, under Section 97 of the Monetary Law Act, No. 58 of 1949.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

REGULATION F

Settlement of Balances

The deposit reserves maintained by each commercial bank in the Central Bank shall, upon each settlement of balances under Section 97 of the Monetary Law Act, be credited or debited with the amount of the balance according as it is to the credit or the debit of that bank.

The procedure applicable for the purposes of the settlement of balances shall from time to time be notified by the Central Bank to each commercial bank by circular.

Monetary Law Act, No. 58 of 1949

THE Monetary Board of the Central Bank of Ceylon, in terms of Section 131 of the Monetary Law Act has appointed Mr. C. L. B. Perera, Superintendent, Department of Public Debt of the Central Bank of Ceylon, to be Registrar of Public Debt for the purposes of the Registered Stock and Securities Ordinance (Cap. 289), with effect from August 28, 1950.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

Monetary Law Act, No. 58 of 1949

Parities

IT is hereby notified in terms of Section 72 (1) of the Monetary Law Act that the parities of foreign currencies with respect to the Ceylon rupee have been determined and certified under Sections 72 and 75 of the Act, as set out in the Schedule hereto.

Colombo, August 28, 1950.

JOHN EXTER,
Governor, Central Bank of Ceylon.

<i>Country</i>	SCHEDULE		<i>Parity</i>
	<i>Currency Unit</i>		
			<i>Rs. c.</i>
Australia	Pound ..	10·68
Burma	Rupee ..	1·00
Canada	Dollar ..	4·33
Denmark	Kroner ..	0·69
India	Rupee ..	1·00
Japan	Yen ..	·0132
New Zealand	Pound ..	13·23
Pakistan	Rupee ..	1·44
Philippines	Peso ..	2·38
Singapore	Dollar ..	1·55
South Africa	Pound ..	13·34
Sweden	Kroner ..	0·92
Switzerland	Franc ..	1·11
United Kingdom	Pound ..	13·34
U. S. A.	Dollar ..	4·76