

No. 9, 1933.]

ACT

To amend the law relating to legal tender, currency, exchanges and banking.

BE IT ENACTED by the King's Most Excellent Majesty, the Senate and the House of Assembly of the Union of South Africa as follows:—

Definitions.

1. In this Act the expression "the principal Act" means the Currency and Banking Act, 1920 (Act No. 31 of 1920), as amended by the Currency and Banking Act Amendment Act, 1923, (Act No. 22 of 1923), and the Currency and Banking (Further Amendment) Act, 1930 (Act No. 26 of 1930), and any expression to which a meaning is ascribed in the principal Act shall, when used in this Act, bear the same meaning.

Obligation to repay loan in any particular money may be fulfilled by payment in Union legal tender.

2. (1) Whenever in terms of any contract of loan of money the debtor is under an obligation to repay the money lent or any portion thereof or to pay any interest thereon in coins or notes or other instruments which are, or at any time were, legal tender in the Union, whether such obligation arose before or after or partly before and partly after the commencement of this Act, he may at his option fulfil such obligation by the payment of the amount which he is bound to pay in notes of the Bank or in coins which are legal tender in the Union at the time when the payment takes place (to the amount to which they are legal tender).

(2) Any person who after the commencement of this Act and before its promulgation in the *Gazette* as a law has paid any money under a contract of loan of money to which this section applies may recover from the person to whom he paid the money the difference between the amount paid by him and the amount which, in accordance with the provisions of this section, he might have elected to pay at the date when he paid the money, provided he institutes proceedings in a competent court for such recovery within three months after such promulgation.

Amendment of section 16 of Act No. 31 of 1920.

3. Section *sixteen* of the principal Act is hereby amended by the deletion of all words after the word "prescribe".

Amendment of section 17 of Act No. 31 of 1920, as amended by section 8 of Act No. 22 of 1923 and section 4 of Act No. 26 of 1930.

4. Section *seventeen* of the principal Act is hereby amended—

- (a) by the substitution for the word "forty" where that word occurs for the first time of the word "thirty";
- (b) by the substitution for the words "one-fourth" of the word "half"; and
- (c) by the deletion of all words after the word "requirements".

Amendment of section 18 of Act No. 31 of 1920, as amended by section 9 of Act No. 22 of 1923.

5. Section *eighteen* of the principal Act is hereby repealed and the following section substituted therefor:—

Amendment of section 19 of Act No. 31 of 1920.

Notes to be legal tender. 18. A tender of a note of the Bank (whether by the Bank itself or by any other person) shall be legal tender of payment of the amount expressed in such note.

6. Section *nineteen* of the principal Act is hereby amended—

- (a) by the deletion in sub-section (1) of all words after the word "Act" where that word occurs for the first time;
- (b) by the substitution in sub-section (2) for the word "forty" of the word "thirty".

Amendment of section 23 of Act No. 31 of 1920.

7. Section *twenty-three* of the principal Act is hereby amended—

- (a) by the substitution in sub-section (1) for the word "forty" of the word "thirty"; and
- (b) by the substitution in sub-section (2) for the words "One-fourth" of the word "Half".

Reserve Bank authorized to make investments to prevent undue fluctuations in exchange value of Union currency.

8. (1) The Bank may, in the manner and to the extent which it considers best calculated to prevent undue fluctuations in the exchange value of the units of currency which are legal tender in the Union in relation to the units of currency which are legal tender in the United Kingdom of Great Britain and Northern Ireland, buy and sell gold and bills or securities expressed in currencies other than that of the Union.

(2) Any loss suffered by the Bank as a result of depreciation in any gold or bills or securities acquired by the Bank under the provisions of sub-section (1) caused by variations in rates of exchange shall be charged to the Consolidated Revenue Fund ; and any profit earned by the Bank as a result of appreciation in any gold or bills or securities so acquired by the Bank caused by such variations shall be paid into the Consolidated Revenue Fund.

(3) For the purpose of arriving at the loss or profit referred to in sub-section (2), the gold or bills or securities acquired by the Bank under the provisions of sub-section (1) shall be valued on the last day of every financial year of the Bank at cost or in accordance with the rate of exchange prevailing on that day, whichever method gives the lower value.

(4) The Controller and Auditor-General may accept as correct a certificate by the auditors of the Bank that any statement of account to which such certificate refers is a true and complete statement of all transactions, receipts and payments by the Bank by virtue of the provisions of this section, during the period covered by the statement.

(5) This section shall be deemed to have come into operation on the twentieth day of January, 1933.

Regulations
regarding
currency, banking
or the exchanges.

9. (1) The Governor-General may make regulations in regard to any matter directly or indirectly relating to or affecting or having any bearing upon currency, banking or exchanges.

(2) Such regulations may provide that the Governor-General may apply any sanctions therein set forth which he thinks fit to impose, whether civil or criminal.

(3) The Governor-General may, by any such regulations, suspend in whole or in part this Act or any other Act of Parliament or any other law relating to or affecting or having any bearing upon currency, banking or exchanges, and any such Act or law which is in conflict or inconsistent with any such regulation shall be deemed to be suspended in so far as it is in conflict or inconsistent with any such regulation.

Repeal of Act
No. 48 of 1931.

10. The Finance Emergency Regulations Act, 1931 (Act No. 48 of 1931) is hereby repealed.

Short title and
commencement.

11. This Act shall be known as the Currency and Exchanges Act, 1933 and, subject to the provisions of sub-section (5) of section *eight*, shall be deemed to have come into operation on the twenty-eighth day of December, 1932.