

BASUTOLAND, BECHUANALAND
PROTECTORATE, SWAZILAND.

HIGH COMMISSIONER'S NOTICE
No. 98 of 1949.

CONSOLIDATED EXCHANGE CONTROL
REGULATIONS.

It is hereby notified for general information that under and by virtue of section *one* of the Basutoland Emergency Powers (Defence) Proclamation, 1939 (No. 35 of 1939), section *one* of the Bechuanaland Protectorate Emergency Powers (Defence) Proclamation, 1939 (No. 36 of 1939), and section *one* of the Swaziland Emergency Powers (Defence) Proclamation, 1939 (No. 37 of 1939), respectively, His Excellency the High Commissioner has been pleased to make the regulations set out in the Annexure hereto for Basutoland, the Bechuanaland Protectorate and Swaziland, each of which is hereinafter respectively referred to as "the Territory".

By Command of His Excellency
the High Commissioner.

W. A. W. CLARK,
Chief Secretary.

High Commissioner's Office,
Cape Town, 28th April, 1949.

ANNEXURE.

DEFINITION OF TERMS.

1. In these regulations, unless the context otherwise indicates—

"authorized dealer" means, in relation to any transaction in respect of gold, a person authorized by the Resident Commissioner to deal in gold, and in relation to any transaction in respect of foreign exchange, a person authorized by the Resident Commissioner to deal in foreign exchange;

"foreign currency" means any currency other than currency which is legal tender in the Territory;

"gold" means gold in any form, except in regulations 2 and 5 in which "gold" means any gold other than wrought gold;

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“ owner ”, in relation to any security, includes any person who has the right to sell or transfer that security, or who has the custody thereof, or who receives or has the right to receive, whether on his own behalf or on behalf of any other person, dividends or interest thereon, or who has any other interest therein;

“ security ” means shares, stock, bonds, debentures, debenture stock, unit certificates and includes any letter or other document conferring or containing any evidence of rights in respect of any security;

“ bond ” does not include any mortgage bond or notarial bond registered or registrable in any registration office in the Territory other than a debenture bond;

“ the appropriate officer ” means any officer of customs or excise, any immigration officer or any person authorized by the Resident Commissioner to act as such;

“ Resident Commissioner ” includes any person designated by the Resident Commissioner for the purpose of these regulations;

“ transfer ” includes transfer by way of loan or security, and for the purposes of these regulations a person shall be deemed to transfer securities from the Territory elsewhere if he transfer securities from a register in the Territory to a register outside the Territory;

“ sterling area ” includes the Union of South Africa, the Mandated Territory of South West Africa, Basutoland, the Bechuanaland Protectorate and Swaziland and such other Territories as the Resident Commissioner may by notice in the *Gazette* declare to be included in the sterling area.

RESTRICTION ON PURCHASE, SALE AND LOAN OF FOREIGN CURRENCY AND GOLD.

2. (1) Except with permission granted by the Resident Commissioner, and in accordance with such conditions as the Resident Commissioner may impose, no person other than an authorized dealer shall buy or borrow any foreign currency or any gold from, or sell or lend any foreign currency or any gold to any person not being an authorized dealer.

(2) An authorized dealer shall not buy or borrow or sell or lend any foreign currency or gold except on such conditions as the Resident Commissioner may determine and the Resident Commissioner may in his discretion, by order prohibit any or all authorized dealers from selling or lending foreign currency or gold to any specified person or persons.

(3) Every person other than an authorized dealer desiring to buy or borrow or sell or lend foreign currency or gold shall make application to an authorized dealer and shall furnish such information and submit such documents as the authorized dealer may require for the purpose of ensuring compliance with any conditions determined under sub-regulation (2) of this regulation.

(4) No person other than an authorized dealer shall—

(a) use or apply any foreign currency acquired from an authorized dealer for or to any purpose other than that stated in his application to be the purpose for which it was required; or

(b) do any act calculated to lead to the use or application of such foreign currency for or to any purpose other than that so stated.

RESTRICTION ON EXPORT OF CURRENCY, GOLD,
SECURITIES, ETC.

3. (1) Subject to any exemption which may be granted by the Resident Commissioner, no person shall, except with permission granted by the Resident Commissioner and in accordance with such conditions as the Resident Commissioner may impose—

(a) take or send out of the Territory any bank-notes, gold, securities or foreign currency, or transfer any securities from the Territory elsewhere; or

(b) send, consign or deliver any bank-notes, gold, securities or foreign currency to any person for the purpose of taking, sending or transferring such bank-notes, gold securities or foreign currency out of the Territory; or

(c) make any payment to, or in favour, or on behalf of a person resident outside the sterling area, or place any sum to the credit of such person; or

(d) draw or negotiate any bill of exchange or promissory note, transfer any security or acknowledge any debt, so that a right (whether actual or contingent) on the part of such person or any other person to receive a payment in the Territory is created or transferred as consideration—

(i) for the receiving by such person or any other person of a payment or the acquisition by such person or any other person of property, outside the Territory; or

(ii) for a right (whether actual or contingent) on the part of such person or any other person to receive a payment or acquire property outside the Territory;

or make or receive any payment as such consideration.

(2) Nothing in sub-regulation (1) contained shall prohibit the doing by a person authorized by the Resident Commissioner of anything within the scope of his authority.

(3) Any person who is about to leave the Territory (in this sub-regulation referred to as "the traveller") shall, if requested so to do by the appropriate officer—

(a) declare whether or not he has with him any bank-notes, gold, securities or foreign currency; and

(b) produce any bank-notes, gold, securities, or foreign currency which he has with him;

and the appropriate officer and any person acting under his directions may search the traveller and examine or search any article which the traveller has with him, for the purpose of ascertaining whether he has with him any bank-notes, gold, securities or foreign currency, and may seize any bank-notes, gold, securities or foreign currency produced or found upon such examination or search unless either—

(i) the appropriate officer is satisfied that the traveller is, in respect of any bank-notes, gold, securities or foreign currency which he has with him, exempt from the prohibition imposed by sub-regulation (1); or

(ii) the traveller produces to the appropriate officer a certificate granted by the Resident Commissioner which shows that the exportation by the traveller of any bank-notes, gold, securities or foreign currency, which he has with him does not involve a contravention of that sub-regulation.

No female shall be searched in pursuance of this sub-regulation except by a female.

(4) The appropriate officer and any person acting under his directions may examine or search any goods consigned or letters or parcels sent from the Territory to a destination outside the Territory for the purpose of ascertaining whether there are being sent therewith any bank-notes, gold, securities, or foreign currency and may seize any bank-notes, gold, securities or foreign currency found upon such examination or search unless the appropriate officer is satisfied that the Resident Commissioner has granted a certificate which shows that the sending as aforesaid of the bank-notes, gold, securities or foreign currency does not involve a contravention of sub-regulation (1), and that such certificate was not granted in reliance on any incorrect statement.

(5) All bank-notes, gold, securities and foreign currency seized under sub-regulation (3) or (4) shall be forfeited for the benefit of the General Revenue of

the Territory: Provided that the Resident Commissioner may, in his discretion, direct that any banknotes, gold, securities or foreign currency so seized, be refunded or returned, in whole or in part, to the person from whom they were taken, or who was entitled to have the custody or possession of them at the time when they were seized.

(6) For the purposes of this regulation, any bills of exchange or promissory notes payable otherwise than in currency which is legal tender in the Territory shall be deemed to be foreign currency; and for the purposes of sub-regulation (1) (a), documents of title, relating to securities shall be deemed to be securities, and references to securities in sub-regulations (3), (4) and (5) shall be construed as including references to such documents of title.

BLOCKED ACCOUNTS.

4. (1) In this regulation "blocked account" means an account opened with an authorized dealer for the purposes specified in the succeeding sub-regulations.

(2) Whenever a person in the Territory is under a legal obligation to make a payment to a person outside the Territory but is precluded from effecting the payment as a result of any restrictions imposed by or under these regulations, the Resident Commissioner may authorize such person to make the payment to a blocked account.

(3) The Resident Commissioner may by notice in the *Gazette* direct, in respect of any particular person who is not in the Territory, or in respect of persons resident in a particular country, that all sums due by any other persons to such particular person or to persons resident in such particular country (hereinafter referred to as a "creditor") shall be paid into a blocked account.

(4) Whenever such direction has been given—

(a) any person who holds or may thereafter hold moneys on behalf of any creditor mentioned in sub-regulation (3), or who is or may thereafter become indebted to such a creditor shall forthwith, or as the case may be, on the date upon which such moneys become due or such debt becomes payable, pay the said moneys or the sum representing such debt into the said blocked account;

(b) no person shall, without permission of the Resident Commissioner and in accordance with such conditions as the Resident Commissioner may impose, make any payment on behalf of any creditor mentioned in sub-regulation (3);

(c) any person who owes money to such a creditor but is not under a legal obligation to make a payment, unless called upon by his creditor to do so,

shall forthwith report to the Resident Commissioner, in writing, the amount of his indebtedness to the said creditor and the conditions on which the amount will become payable. The Resident Commissioner may thereupon, if the amount is payable at call, order him to pay the amount forthwith into a blocked account, or, if the amount is payable within a specified period after notice, order him to pay the amount into a blocked account within such period;

(d) no person shall, without the permission of the Resident Commissioner and in accordance with such conditions as the Resident Commissioner may impose, undertake any transaction in respect of property or assets belonging to or directly or indirectly controlled by any creditor mentioned in sub-regulation (3), or take any action whereby any moneys which would otherwise have accrued to such a creditor, cease to become due to him or whereby any obligation resting upon such person to pay any moneys due or payable to such a creditor into a blocked account would otherwise be evaded.

(5) Any payment made to a blocked account in terms of this regulation shall, to the extent of the sum paid, operate as a valid discharge to the person making payment.

(6) Where the liability to make the payment is a liability to make the payment in currency other than the currency of the Territory, the amount of the liability in the currency of the Territory and the extent of the discharge shall be ascertained by converting the amount into the currency of the Territory at a rate fixed by the Resident Commissioner.

(7) No sum standing to the credit of a blocked account shall be dealt with in any way except with permission granted by the Resident Commissioner or a person authorized by the Resident Commissioner and in accordance with such conditions as the Resident Commissioner or such authorized person may impose.

(8) The Resident Commissioner may grant exemptions from the provisions of this regulation and may authorize the refund to any person of moneys paid by him into a blocked account. To the extent of such refund no payment shall be deemed to have been made for the purposes of sub-regulation (5).

ACQUISITION BY RESIDENT COMMISSIONER OF GOLD.

5. (1) Every person resident in the Territory who becomes entitled to sell or to procure the sale of any gold shall, within thirty days after becoming so entitled, offer that gold, or cause it to be offered, for

sale to the Resident Commissioner or to a person authorized by the Resident Commissioner to act under this regulation; and the Resident Commissioner or a person so authorized may purchase that gold at such price as the Resident Commissioner may fix, being a price which, in the opinion of the Resident Commissioner, is not less than the market value of the gold on the day of purchase.

(2) (a) The provisions of sub-regulation (1) of this regulation shall not impose upon any person an obligation to offer any gold for sale or to cause any gold to be offered for sale, if he is, in respect of that gold, exempted from this regulation by the Resident Commissioner or by a person so authorized.

(b) The Resident Commissioner or a person so authorized may withdraw any exemption granted in terms of paragraph (a) of this sub-regulation.

(3) If in any criminal proceedings against any person for failure to comply with sub-regulation (1), there is produced to the Court any document of which such person is proved or has admitted himself to be the author and which contains a statement by such person from which it may reasonably be inferred that any gold is held by him or on his behalf or in his name, it shall be presumed until the contrary is proved, that such person is entitled to sell or to procure the sale of the gold in question.

ACQUISITION BY THE RESIDENT COMMISSIONER OF FOREIGN CURRENCY.

6. (1) Every person resident in the Territory who becomes entitled to sell or to procure the sale of any foreign currency shall within thirty days after becoming so entitled, make or cause to be made, a declaration in writing of such foreign currency to the Resident Commissioner or to an authorized dealer.

(2) Every person resident in the Territory who becomes entitled to assign or to procure the assignment of, any right to receive outside the Territory in respect of any credit or of any balance at a bank, payment of any amount in a foreign currency shall, within thirty days after becoming so entitled, make or cause to be made, a declaration in writing of such right to the Resident Commissioner or to an authorized dealer.

(3) Any person who has, in terms of sub-regulation (1) or (2), made a declaration in writing to the Resident Commissioner or to an authorized dealer shall be deemed to have offered such foreign currency or such right, as the case may be, for sale to the Resident Commissioner or to such authorized dealer and the Resident Commissioner or such authorized dealer may purchase such foreign currency or such right at a

price which, in the case of foreign currency, shall not be less than the market value of that currency on the day of purchase and in the case of a right shall be such as the Resident Commissioner may fix.

(4) Any person from whom the Resident Commissioner or an authorized dealer purchases foreign currency or a right in terms of this regulation shall do all things necessary for the purpose of transferring that foreign currency or assigning that right to the Resident Commissioner or to such authorized dealer.

(5) No person who is entitled (whether actually or contingently) to receive a payment in a foreign currency shall, except with permission granted by or on behalf of the Resident Commissioner and in accordance with such conditions as may be imposed by the Resident Commissioner or on its behalf do, or refrain from doing, any act with intent to secure that—

(a) the receipt by him of the whole or any part of the payment in such currency is delayed;

(b) the payment ceases, in whole or in part, to be receivable by him or receivable in that currency;

(c) the contingency on which the right to receive payment as aforesaid is dependent (including the declaration of a dividend or profit by a company in which such a person has an interest), does not eventuate.

(6) Any foreign currency or any right in respect of which a declaration has been made in terms of sub-regulation (1) or (2) but which has not been purchased by the Resident Commissioner or by a person authorized by the Resident Commissioner to act under this regulation shall not be sold, transferred or otherwise disposed of without the permission of the Resident Commissioner and in accordance with such conditions as the Resident Commissioner may impose.

(7) The provisions of sub-regulations (3), (4) and (6) shall not impose upon any person an obligation in respect of any foreign currency or any right if he is, in respect of that currency or that right, as the case may be, exempted from this regulation by the Resident Commissioner.

(8) The Resident Commissioner may withdraw any exemption granted in terms of sub-regulation (7).

(9) For the purpose of this regulation any person who has at any time since the commencement of these regulations been in the Territory shall be deemed, until the contrary is proved, to have been and still to be resident in the Territory.

(10) (a) No person shall, during any period of twelve months, export from the Territory to a country outside the sterling area a total quantity of goods which exceeds in value ten pounds or such greater

amount as the Resident Commissioner may determine, unless the relative bill of entry export in respect of such goods is accompanied by a declaration in such form as may be prescribed by the Resident Commissioner, duly completed and signed by the consignor or a person duly authorized by him and attested by an authorized dealer, provided that—

(i) where the goods are forwarded through the post, a declaration in the said form so completed, signed and attested shall be furnished to the postmaster at the time the parcel is handed in at the post office; and

(ii) where goods are exported to Lourenço Marques or *via* Lourenço Marques to countries outside the sterling area from stations where there are no customs officers, the relative declaration shall be forwarded direct to the Resident Commissioner.

(b) The Resident Commissioner may direct that the said declaration shall be completed in respect of any commodity or article, irrespective of its value.

(c) For the purposes of this sub-regulation "value" shall mean the value for customs purposes as defined in section *sixty-five* of Proclamations Nos. 46, 49 and 51 of 1944 respectively.

(11) If in any proceedings against any person for a contravention of sub-regulation (1) of this regulation there is produced to the Court any document of which such person is proved or has admitted himself to be the author and which contains a statement by such person from which it may reasonably be inferred that any foreign currency is held by him or in his name or on his behalf, it shall be presumed until the contrary is proved that such person is entitled to sell or to procure the sale of the foreign currency in question.

(12) If in any proceeding against any person for a contravention of sub-regulation (2) of this regulation there is produced to the Court any document of which such person is proved or has admitted himself to be the author and which contains a statement by such person from which it may reasonably be inferred that any amount is standing to his credit outside the Territory or that he has any balance at a bank outside the Territory, it shall be presumed, until the contrary is proved, that such person is entitled to assign or to procure the assignment of such a right as is referred to in the said sub-regulation (2).

POWER TO PRESCRIBE CURRENCIES IN RESPECT OF
CERTAIN TRANSACTIONS.

45.11.66/207(1) The Resident Commissioner may from time to time prescribe, by notice in the *Gazette* or by instructions to authorized dealers, the currency or currencies or the manner in which payment may or may not be

made in connection with imports or exports or other transactions involving payments between persons in the Territory and persons outside the Territory, and no person shall, except with the permission of the Resident Commissioner or authorized dealer, and in accordance with such conditions as the Resident Commissioner or authorized dealer may impose, make or receive payment otherwise than in the currency or currencies or in the manner so prescribed.

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RESTRICTION ON EXPORT OF CAPITAL.

8. (1) No person shall, except with permission granted by the Resident Commissioner or by an authorized dealer and in accordance with such conditions as the Resident Commissioner or authorized dealer may impose—

(a) export from the Territory to a country outside a sterling area during any period of twelve months a total quantity of goods which exceeds in value ten pounds or such greater amount as the Resident Commissioner may determine, if—

(i) no payment for such goods has been or is to be received in the Territory from a person outside the sterling area; or

(ii) such goods are exported at a price which is less than the value thereof; or

(iii) the period within which payment for such goods is to be made exceeds six months from the date of shipment from the Territory or such shorter period as an authorized dealer may determine in respect of such goods;

(b) take out of the Territory to a country outside the sterling area goods, including personal apparel, household effects and jewellery which have a value in excess of three hundred pounds or of such greater amount as the Resident Commissioner may determine;

(c) enter into any other transaction whereby capital is directly or indirectly exported from the Territory to a country outside the sterling area.

(2) The provisions of sub-regulations (3), (4) and (5) of regulation 3 shall apply *mutatis mutandis* to goods referred to in sub-regulation (1) (b).

(3) For the purposes of this regulation "value" shall mean the value for customs purposes as defined in section *sixty-five* of Proclamations Nos. 46, 49 and 51 of 1944 respectively.

ASSIGNMENT TO RESIDENT COMMISSIONER OF RIGHT TO EXPORTED GOODS.

9. (1) Whenever a person has exported goods from the Territory to any country outside the sterling area and has failed to sell such goods within six months

from the date of shipment from the Territory, or within such shorter period as may have been determined in terms of sub-regulation (1) (a) (iii) of regulation 8, without having permission in terms of sub-regulation (1) of regulation 8 aforesaid to export such goods without sale, or without payment within the period mentioned by sub-regulation (1) (a) (iii) aforesaid; then in such event such person shall within 14 days from the date of expiry of the said period report in writing to the Resident Commissioner or to an authorized dealer that the said goods have not been sold, and the Resident Commissioner may thereupon order such person to assign to the Resident Commissioner or to a person authorized by the Resident Commissioner his right to the said goods.

The sum payable as consideration for any assignment in terms of this regulation shall be such sum as may be determined by or on behalf of the Resident Commissioner, but shall not be less than the amount realized by the Resident Commissioner after deduction of the cost of realization.

(2) After the date on which this regulation comes into force, no person shall export any goods on conditions which would preclude him from giving effect to an order issued in terms of sub-regulation (1).

ASSIGNMENT TO RESIDENT COMMISSIONER OF RIGHT TO GOODS PURCHASED OUTSIDE THE STERLING AREA.

10. (1) Whenever a person in the Territory has purchased goods in any country outside the sterling area and has paid for or made a payment on account of such goods, but the said goods have not been shipped to the Territory within four months from the date on which such payment was made, such person shall within fourteen days from the date of expiry of the said period of four months report in writing to the Resident Commissioner, or to an authorized dealer, that the goods have not been shipped to the Territory and the Resident Commissioner may thereupon order such person to assign to the Resident Commissioner or to a person authorized by the Resident Commissioner his right to the said goods.

The sum payable in consideration for any assignment made in accordance with this regulation shall be such as the Resident Commissioner may fix but shall not be less than the amount realized by the Resident Commissioner after deduction of the cost of realization.

(2) After the date on which this regulation comes into force no person shall purchase any goods on conditions which would preclude him from giving effect to an order issued in terms of sub-regulation (1).

(3) If in any criminal proceedings against any person for failure to make a report to the Resident Commissioner or to an authorized dealer as required by sub-regulation (1), it is proved that such person was unable, after the expiration of a period of six months from the date upon which any payment referred to in the said sub-regulation was made by him, to produce a bill of entry import in respect of the goods in question after having been called upon to do so by the Resident Commissioner or by an authorized dealer, it shall be presumed, until the contrary is proved, that the goods in question were not shipped to the Territory within four months from the said date.

PROHIBITION OF EXPORT OF GOODS IMPORTED FROM COUNTRIES OUTSIDE THE STERLING AREA.

11. (1) No person shall, except with permission granted by the Resident Commissioner, and in accordance with such conditions as the Resident Commissioner may impose, export from the Territory any article imported from any country outside the sterling area.

(2) For the purpose of this regulation an article manufactured in the Territory in whole or in part from imported products, materials or parts, shall be deemed to have been imported from a country outside the sterling area, if the cost to the manufacturer at the place of manufacture of such products, materials or parts imported from a country outside the sterling area, after the deduction of any duties paid or payable in respect of the importation thereof, is equal to 50 per cent. or more of the cost of such article to the manufacturer in its finished condition.

(3) In this regulation "manufactured" includes processed or assembled and "manufacture" and "manufacturer" have corresponding meanings.

RESTRICTIONS ON DEALINGS IN SECURITIES BELONGING TO NON-RESIDENTS.

12. (1) No person shall, without permission granted by the Resident Commissioner or a person authorised by the Resident Commissioner and in accordance with such conditions as the Resident Commissioner or such authorized person may impose—

(a) acquire or dispose in any way of any controlled security;

(b) act as nominee for a non-resident or appoint a non-resident as nominee in respect of any dealings in securities;

(c) make any entry in a security register which involves the transfer of a security into or out of the name of a non-resident;

(d) change an address of a non-resident in any security register except a change to an address in the same country as that currently recorded in the register;

(e) enter in a security register or do any act with intent to secure the entry in such register of an address in the Territory if he knows or has reason to believe that the purchaser of the security is a non-resident or that a non-resident has an interest in the security;

(f) transfer a security owned by a non-resident or in which a non-resident has an interest from a United Kingdom register to a register in the Territory.

(2) (a) Any person who holds, possesses or has in his custody any controlled securities shall submit such securities to an authorized dealer within thirty days from the date of commencement of this regulation or within thirty days from the date on which he becomes the holder of such securities or on which such securities come into his possession or are placed in his custody, whichever is the later date.

(b) The securities submitted in terms of paragraph (a) must be accompanied by a list giving the following particulars:—

(i) Full name and country of residence of owner or person interested in the securities, together with a signed declaration by the holder that to the best of his knowledge, the owner or interested person is actually resident in the country stated.

(ii) Name of company or body which issued the securities.

(iii) Total number of securities.

(iv) Full name and residential address of person in possession of the securities or who has the securities in his custody.

For the purpose of facilitating identification of controlled securities the Resident Commissioner may direct authorized dealers to affix to the securities so submitted to them their stamp together with such endorsement as the Resident Commissioner may determine.

(3) For the purposes of this regulation—

(a) “ controlled security ” means—

(i) any security which is registered in the name of a non-resident, or of which a non-resident is the owner, or in which a non-resident has an interest;

(ii) any security acquired from a non-resident or acquired outside the sterling area, by any person, irrespective of the residence of such person;

(b) "non-resident" means a person resident outside the sterling area;

(c) "nominee" means a person through whose agency all or any of the rights of the owner of a security are exercised.

PROHIBITION OF DEALINGS IN BEARER SECURITIES AND BEARER OPTIONS.

13. (1) No person shall pay any dividend or interest coupon issued in respect of any bearer security irrespective of whether such coupon became payable before or becomes payable after the commencement of this regulation.

(2) No person shall issue any bearer option or extend the currency period of any existing bearer option.

(3) No person shall dispose of, acquire or otherwise deal in—

(a) bearer securities;

(b) any bearer option issued after the date of publication of these regulations in the *Gazette*.

(4) The owner of any bearer security may, with the permission of the Resident Commissioner, and in accordance with such conditions as the Resident Commissioner may impose, convert such security into a registered security.

(5) Application for permission to convert bearer securities into registered securities shall be accompanied by a sworn declaration in such form as the Resident Commissioner may prescribe, duly completed by the owner of the security or his authorized agent.

(6) (a) The Resident Commissioner or a person authorized by the Resident Commissioner may grant exemptions from the provisions of sub-regulations (1), (2) and (3).

(b) The provisions of sub-regulation (5) shall *mutatis mutandis* apply in respect of applications for exemption under paragraph (a) of this sub-regulation relating to bearer securities or to dividend or interest coupons issued in respect of such bearer securities.

(7) The provisions of this regulation shall apply in respect of all bearer securities and bearer options irrespective of whether such securities or options were or are issued inside or outside the Territory.

(8) For purposes of this regulation "option" means the right to subscribe for or take up the whole or any part of an issue of capital.

CONTROL OF CAPITAL ISSUES.

14. (1) Except with the consent of the Resident Commissioner and in accordance with such conditions as the Resident Commissioner may impose no person shall during any period of twelve months—

(a) make in the Territory an issue or issues of capital which amount in the aggregate to more than five thousand pounds; or

(b) renew or postpone the date of maturity of securities maturing for repayment in the Territory which amount in the aggregate to more than five thousand pounds.

(2) The Resident Commissioner may from time to time by notice in the *Gazette*—

(a) exempt particular classes of issuers of capital, either generally or in respect of particular classes of issues of capital, from the operation of sub-regulation (1); or

(b) increase, either generally or in respect of particular classes of issues or issuers of capital, the aggregate exemption limits of five thousand pounds prescribed in sub-regulation (1);

and may by similar notice withdraw any such aforementioned notice or reduce to not less than five thousand pounds any exemption limit prescribed in any such aforementioned notice as the case may be.

(3) For the purpose of this regulation—

(a) a person shall be deemed to make an issue of capital who—

(i) raises capital in the Territory by the issue, whether within or outside the Territory, of any securities or who issues any securities whether for cash or otherwise; or

(ii) receives any money on loan on the terms or in the expectation, that the loan will or may be repaid wholly or partly by the issue of securities or by the transfer of any securities issued after the making of the loan;

(b) the amount of capital issued or to be issued shall be deemed to be the amount to be raised by the issue or the total nominal value of the securities whichever is the greater.

Provided that the raising of any loan by any local authority shall be deemed to constitute an issue of capital whether or not securities are issued or transferred in connection with such loan.

(4) If in any advertisement, prospectus or other document which offers for subscription any securities there be included any statement intimating or purporting to convey that the Resident Commissioner has approved or consented to the issue of the securities such statement shall be included only at the top or commencement of the advertisement, prospectus or

other document and shall be made and qualified in the following words:—

“The Resident Commissioner has consented under Exchange Control Regulation 14 to the issue of the securities referred to hereunder but that consent does not imply that the Resident Commissioner has investigated or is responsible in any way for the soundness of the proposals involved or for the correctness of any statement made or opinions or estimates given in connection with such proposal.”

RESTRICTION ON IMPORT OF BANK-NOTES OF THE BANK OF ENGLAND.

15. (1) No person shall, except with permission granted by the Resident Commissioner and in accordance with such conditions as the Resident Commissioner may impose, import into the Territory bank-notes of the Bank of England.

(2) The Resident Commissioner may order any person who is in possession of notes of the Bank of England to deposit such notes for safe custody with the Resident Commissioner and any notes so deposited shall not be released except with permission granted by the Resident Commissioner and in accordance with such conditions as the Resident Commissioner may impose.

BUSINESSES CONTROLLED BY PERSONS OUTSIDE THE TERRITORY.

16. Where the control of any business is established outside the Territory, any transaction with a branch of such business in the Territory shall be treated as if the said branch were a separate person. The manager or controller of such branch in the Territory shall assume the same obligations under these regulations as he would have been required to assume if the said branch were independent of control from outside the Territory.

PROVISION OF SECURITY.

17. (1) The Resident Commissioner or a person authorized by the Resident Commissioner may order any person to provide security in such form and in such amount as the Resident Commissioner may determine, that he will comply, either generally or in respect of any particular transaction, with the provisions of any of these regulations specified by the Resident Commissioner or by a person authorized by the Resident Commissioner.

(2) Where any person who has provided security in terms of this regulation, has failed to comply with the provisions of the regulations in respect of which

the security has been provided, the Resident Commissioner may direct that the said security shall be forfeited for the benefit of the General Revenue of the Territory.

The forfeiture of such security shall not prevent any other action against the person concerned for his failure to comply with the provisions of these regulations.

FURNISHING OF INFORMATION.

18. (1) The Resident Commissioner, or any person authorized by the Resident Commissioner, may order any person to furnish any information at such person's disposal which the Resident Commissioner or such authorized person deems necessary for the purposes of these regulations and any person generally or specifically appointed by the Resident Commissioner for the purpose may enter the premises of a person so ordered and may inspect any books or documents belonging to, or under the control of such person.

(2) If any person makes any statement in any information furnished in compliance with such an order which is in conflict with any other statement previously made by him in giving information required in connection with the subject-matter of such order, he shall be deemed to have made an incorrect statement in terms of regulation 21 and may, on an indictment, summons or charge alleging that he made the two conflicting statements, be convicted of making an incorrect statement in contravention of the said regulation 21 upon proof of the two statements in question and without proof as to which of the said statements was incorrect, unless he proves that when he made each statement he believed it to be true.

EXEMPTION FROM STAMP DUTY.

19. Stamp duty shall not be chargeable on any document made for the sole purpose of meeting the requirements of these regulations.

FORMS.

20. The Resident Commissioner may prescribe such forms for the purposes of these regulations as he may think expedient.

PENALTY.

21. Every person who contravenes or fails to comply with the provisions of any of these regulations, or contravenes or fails to comply with the terms of any notice or order or direction issued or any permission

or exemption granted under these regulations, or who obstructs any person in the execution of any power or function assigned to him by or under these regulations, or who makes any incorrect statement in any declaration made or return rendered for the purposes of these regulations (unless he proves that he did not know, and could not by the exercise of a reasonable degree of care have ascertained, that the statement was incorrect) or refuses or neglects to furnish any information which he is required to furnish under these regulations, shall be guilty of an offence and liable upon conviction to a fine not exceeding five thousand pounds or to imprisonment for a period not exceeding five years or to both such fine and such imprisonment.

Provided that where he is convicted of an offence against any of these regulations in relation to any security, foreign currency, gold, bank-note, cheque, postal order, bill, note, debt, payment or goods, the fine which may be imposed on him shall be a fine not exceeding five thousand pounds, or a sum equal to the value of the security, foreign currency, gold, bank-note, postal order, bill, note, debt, payment or goods, whichever shall be greater.

REPEAL OF REGULATIONS.

22. (1) The regulations published under High Commissioner's Notice No. 308 of 1942, as amended by High Commissioner's Notice No. 47 of 1943, are hereby repealed.

(2) Any certificate issued, exemption, permission or consent granted, order given, period fixed, return, declaration, report or appointment rendered or made, security provided, information furnished or act done under or in terms of the provisions of any regulation repealed by this regulation, shall be deemed to have been issued, granted, given, fixed, rendered, made provided, furnished or done under or in terms of the corresponding provision of these regulations: provided that the provisions of this sub-regulation shall not apply in respect of any power or function, vested in the Resident Commissioner by any regulation so repealed, which the Resident Commissioner exercised through the medium of a notice in the *Gazette*.