

38283

1938

38283

KENYA

CO 533/498

CLOSED
UNTIL
1970

Savings Bank Legislation

Previous

1936

98.
188 Genl
98 Rof
2/2

Subsequent

1660/16/60 genl

271 2/12

207 10/15

Mr. Panton 16

Mr. Chadwick 14/12

Mr. Lee 7/12

Mr. Walker -

Mr. Curran 27/1

Mr. Lee 26/11

Mr. Walker 2/2

Mr. Lee 2/12

Mr. Freestone 3

80

C. D. 16/12

299 1/12

B.S.
Tittle

1. Governor 689

30/11/38

2

Enquire whether any objection is seen to certain minor amendments which experience of the working of the Savings Bank Ordinance has shown to be desirable.

The proposed new Section 9(1) when read with Section 15 (2) (a) appears to give effect to the need for greater clarity explained in para 1 of the despatch.

The proposed new Section 9(2) appears to be unobjectionable.

It is not clear why the Gov has submitted for approval the new Rule 8(1). Rules are not normally submitted for approval, nor is there any instruction in the circular despatch of 2/7/35 that in the case of Savings Bank rules the normal procedure should not be followed. From the 1936 despatch it

copy attached

copy attached

appears that the original Rules under the Savings Bank Ordinance were not sent home for approval prior to issue. However, the new

Rule 8(1) seems unobjectionable, & it is perhaps unnecessary to raise this point of procedure. & C.O.

Subject to legal objections, approve the proposed amendments to the Ordinance & Rules.

Charles White

J.P. Cassin
10/12

C.D.
14 FEB
16

C.O.

38283/38

Mr. Costley-White *10/2*
Mr. Dale *11.2.* (*Discussed with Mr. Waller*)
Mr. Paskin *13/2*

DOWNING STREET

17 February, 1939.

Mr. A. J. Dawe. *M: Zeebster vs p.*

Sir H. Moore.

Sir, *J.H. Aust. 5*
1660/16/1000

Sir G. Tomlinson.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

I have etc. to acknowledge

the receipt of your despatch No. 689

of the 30th of November and to offer

the following observations on the

amendments to the Savings Bank Ordinance

and Rules proposed therein.

The inclusion of the recommendation

2. *A* in para. 52 of the Report of

the Committee appointed to examine the

Savings Bank Systems in the Colonies

(Miscellaneous No. 451) the recommendation

is made that annual gross limits, *and* *not*

not net limits, should be prescribed

to the amounts which may be deposited

annually in the Savings Bank. The Committee

deprecatd the substitution, for

provisions of this sort, *in* *of* the

prescription of a limit to interest-

bearing deposits. I would therefore

suggest that further consideration

should

DRAFT.

Kenya
NO. 109.1
GOVERNOR

FURTHER ACTION.

should be given to the desirability
 of setting an annual limit to gross
 deposits. If, on reconsideration,
 you decide that such a limit should be
 introduced, I would suggest that a rule,
 on the lines of what follows, should be
 substituted for the first proviso to
 Rule 8(1) of the Savings Bank Rules, 1937:-

"No depositor shall be entitled
 to deposit in any one year in excess
 of £200 or at any time increase by
 way of deposits the total amount
 standing in his name in the books of
 the Savings Bank beyond the sum of
 £750."

This rule would, I am advised, both avoid
 conflict with the Ordinance and at the
 same time make clear the position with
 regard to the aggregate limit of deposits
 referred to in para. 6 of your despatch.

I see no objection to the amendment
 of Section 9(2) of the Ordinance referred
 to in the fourth paragraph of your despatch, subject to the following point.

C. O.

Mr.
 Mr.
 Mr.

Sir C. Parkinson.
 Sir G. Tomlinson.
 Sir C. Bottomley.
 Sir J. Shuckburgh.
 Permt. U.S. of S.
 Paylt. U.S. of S.
 Secretary of State.

As drafted, the new subsection appears to make compulsory the
 cessation of interest on the amount withdrawn in the
 entirety to which is set apart the amount not
 in fact withdrawn owing to a change of intention on the
 part of the depositor. You will no doubt consider some
 amendment to meet this point.

Malcolm MacDonald

(Signed) MALCOLM MACDONALD.

DRAFT.

FURTHER ACTION.



RE
30 NOVEMBER, 1938
C. C.

Sir,

1936
937

With reference to your predecessor's despatch No. 115 of the 6th February, 1937, on the subject of the Savings Bank Ordinance, 1936, I have the honour to submit, for your consideration, certain minor amendments which experience of the working of the Ordinance has shown to be desirable.

2. The first proviso to Rule 8(1) of the Savings Bank Rules, 1937 (Government Notice No. 63 of the 8th January, 1937) places a limit of £200 on the amount deposited in any one year on which interest is payable. The proviso reads as follows :-

"Provided that when the deposits made to an account in any year ending the thirty-first day of December exceed two hundred pounds, no interest shall be paid during that year on the portion of the deposit in excess of two hundred pounds;"

3. It has been suggested that this proviso is ultra vires, as the Ordinance does not provide for the making of any rule to debar any part of a deposit from bearing interest. To place the matter beyond doubt it is proposed to amend Section 9(1) of the Ordinance to read as follows :-

"9.(1) Interest shall be payable on deposits, not exceeding such maxima as may be prescribed, at the rate of two and a half per centum per annum, or at such other rate as may be fixed from time to time by the Governor in Council with prior approval of the Secretary of State;

Provided that not less than three months' notice of any change of rate shall be given in the Gazette."

4. Section --

THE RIGHT HONOURABLE
MALCOLM MACDONALD, M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON....S.W.1.

4. Section 9(2) of the Ordinance provides that on the withdrawal of a sum from the Bank the accretion of interest on that sum shall cease on the last day of the month preceding that in which such sum is withdrawn. It has, however, been the custom, where the issue of a warrant precedes actual withdrawal, to follow the procedure adopted in the United Kingdom and to regard the last day of the month preceding the date of the issue of a warrant for repayment as the date when the accretion of interest ceases. This practice is not in conformity with a strict interpretation of the provisions of Section 9(2) and it is therefore desired to amend this section in the manner set out below so as to regularise the existing procedure :-

"9. (2) Such interest shall not be payable on any amount which is less than twenty shillings or on any fraction of twenty shillings and shall not commence to accrue until the first day of the month next following the day of deposit, and shall cease in respect of any part of a deposit on the last day of the month preceding that in which authority to withdraw such part of the deposit shall have been given, or such part of the deposit shall be withdrawn, whichever shall first happen."

5. It is further proposed to amend the two provisos to Rule 8(1) of the Rules so that this sub-rule will read as follows :-

"8. (1) A deposit of one shilling or any number of shillings, but not a fraction of a shilling, may be paid to the credit of any account:

Provided that when the net deposits made to an account in any year ending the thirty-first day of December exceed two hundred pounds, no interest shall be paid during that year on the portion of such net deposits in excess of two hundred pounds;

Provided further that the Postmaster General shall refuse to accept any deposit which would cause the total amount of deposits and interest (exclusive of the interest accrued for the current year but not yet due) standing to the credit of any account to exceed the sum of £750; but nothing in this proviso contained shall be deemed to prevent the Postmaster General from paying to the credit of any account any interest which may be due thereon at any time."

In regard to the first proviso, doubt has been expressed as to whether the annual limit of £200 upon which interest is payable refers to the gross amount paid in by the depositor in any one year irrespective of any sums withdrawn during that period. The intention is that in any one year a depositor should be permitted to increase the amount standing to his credit by a sum of up to £200 on an interest-bearing basis, and the amended draft proviso refers, therefore, to net deposits.

6. Under the second proviso to Rule 8(1) as it stands, the total amount of deposits paid to the credit of any account is limited to £750, exclusive of interest. Ambiguity arises from the fact that interest is added to deposits, and in order to make the position clear it is proposed to make the £750 limit inclusive of interest paid into the account, but exclusive of interest accrued for the current year but not yet due.

7. I should be glad to learn whether any objection is seen to these amendments.

8. Copies of this despatch are being sent to the Governments of Uganda and Tanganyika Territory.

I have the honour to be,

Sir,

Your most obedient, humble servant,

RB Brooke-Popham

AIR CHIEF MARSHAL.
GOVERNOR.