1938 38283 38283 CO 533/498 CLOSED Savingo Bank Legislation UNTIL 1970 Previous 98. 1888 Gal 21/2 98 Gal 21/2 1936 Subsequent (ccopales gal dia der he Parkin 16 m Chadwick 147/12 THE STATE OF 7/12 - Puris N. Wille Ar annu 27. the Lee 26/1. N. Wille 4 2/2

6.9. Governor 689 Title Enqueres whether any objection is seen to certain menor amendments which experience of the working of the Sarings Bank Ordinance has shown to be desirable The proposed new Section 9(1) when nead with Section 16 (2) (1) appears to give effect to the new for greater clarity explaines in fara 1 of the deaps. The perpased new Section 9(2) appears to be unity celimatite I to not clear vely be Gor hassubmisted for afferral the new Rule 86). Rules are not wormally submitted for affinal nor is there any any minutes in the contain deep of 3/1/05 that copy attacked in the Case of Surveys Barok rules. are wound procedure should not be followed. from the 1936 for it appears that be original Rules inches. why attacked the Saringo Bank ordiname wine not sent home for approval prior to issue Howevi, the new Rule . 8 (1) seems unsticutionable, a it is behaps unnecessary to raise Chis point of procedure 260. Subject to legal obsers, approve he proposed amoundments to bethe ordinage 11 Rola 2 Rules. Clothe white m

I think we may offere him amendments to the ordin and Aus. They time to down up andiquity about his rake affined feeter of himits are the acuracy of which The activations to hate 7 (1)-10) en pro a me. Ruce 8(1) is amount to allow for where to be pain on our definite on her up to from their was as with previously as to whater the Sun apres to were your or net the enfluction que des not offen into amin'any ? The weeker may wish he Signer & Lya deliminate of the Charles

## Mr. Waiker

I should be grateful if you would let me know whether you have any observations on these proposals. So far as I can tell, from a masty scruting, they appear unobjectionable.

Phase

## Mr. La

There ply have now them to be a few of the service of the service

and (1) here to 2 10.58. for commend . I should also have legal openion on the pohe winder on T.T. Rules ( vide 1660/51/37) show what co. attitude has been on the riching. Est forgest on deposits", all g while deputs on the arms hely with of the 9 4 h Marie Registration of the second I agree we have 3 of a Define how he the Plu make min sur 1 had content the the softendam's gim in Part to make I de is in up that you saw in the second of I sept he for see And to the open to to see the see ? how and it when the wife to know

Jo a .....

M. Wille

lines I have you dance ?

Make 2011

de regarde live of deposite, the 18.

Cotte in face 32 of its report recommended annual from living from the live, in a literal to the many many or defending the textitation of a limit to deposite them.

intent. I would begget, as he's her done to for a I recollect in all och cares - that is we refer Kenya to this pass & suggest full wished white anything on the form deposits is not desirable. If it is decided to intodure but a limit, suggest to substitution of the deposite in pas 2 (4) 13 of 1660/30/37 land suggested to T.T.) while he been traffic to the 50% at feeling. Just a me to come of all inflict with to be dies a world sent accounty & popoulendent is face 3. It would also that die to forthe experies the egyptet del to sent on the line potent in fame to. Det for Franchister for the 4) Steen read why sale from I barred Thosedast tea hopies , of an est. Jong ley hand the Loposed was land to bad and it does not forder for the resumption of iterest of the auctinity tribles. is not winted to the among loft is it the l. bac 4 be salmilen ? Pupur a anju po consa. = ange N. Bile. the lines suggesten & N. Walher. Phase July 109 1 Sunga 109 1 Sunand 19 2 39 14 75 10.31/39

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Mr. Costley-White Wh

Mr. Dale 11.2. ( Discussed with he healther Mr. Paskin 13/2

Mr. A. J. Dawe. M: Frest Sir H. Moore.

Sir G. Tomlinson.

Sir J. Shuckburgh. Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

## DRAFT

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 inhabor of the recommendation 2. A in para. 32 of the Report of

the Committee appointed to examine the Savings Bank Systems in the Colonies

(Miscellaneous No. 451) the recom is made that annual gross limits, but

not not limits, should be prescribed

to the amounts which may be deposited

in the Savings Bank. The Committee deprecated the substitution, for

provisions of this sort to the

prescription of a limit to interest-

bearing deposits. I would therefore suggest that further consideration

FURTHER ACTION.

should

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 provisos 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.#

his sule 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 eferres to in para of your despatch. ace no objection to the amendment of Section 9(2) of the Ordinance referred to in the fourth paragraph of your despatch, Subject le felowing poul.

Sir C. Parkinson Sir G. Tomlinson

Sir C. Bottomley.

Sir J. Shuchburgh Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Lower

amusual toward this point.

(Signed) MALCOLM WasDONALD

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antiaty to will a setting to amount is not

in fact withdrawn owing to a change Vinhamia on tu

front of the deficion. You will no soull consider some

DRAFT

FURTHER ACTION



## GOVERNMENT HOUSE NAIROBI KENYA

R-L

30 NOVEMBER, 1938

Sir.

With reference

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.

Bank Rules, 1937 (Government Notice No. 63 of the Savings 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 the deposit in excess of two hundred pounds;"

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:

not exceeding such maxima as may be prescribed, at the rate of two and a half per centum per annum, 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

4. Section --

THE RIGHT HONOURABLE

MALCOLM MACDONALD, M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON...S.W.1.

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 on any fraction of twenty shillings and shall not commence to accrue until the first day of the month next following the desire of deposits and shall not ease in respect of any part of a deposit and shall last day of the month preceding that in which authority to withdra such part of the deposit shall have been given, or such part of the deposit shall be within a which ever shall first happen,"

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 provise 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.

- Under the second provise 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 2750 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.
- 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,

GOVERNOR. AIR CHIEF MARSHAL.

RBrooke Potham