

the chief alteration was proposed in the replacement of sections 13 & 14 of the Regs in their present form (i.e. as amended on 4/338/20) by a new section which will provide for a single Currency Reserve Fund instead of three funds. The system of having three funds has proved unworkable in practice, and it serves no useful purpose when all the currency is taken currency.

The revised Regs have been carefully considered by the Board and have the concurrence of the Treasury representative.

They correspond in substance with those recently approved for the W. African Board, & I think that there need be no difficulty

In order to give them effect from the 1st of July, 1923, it seems necessary to add a para as suggested in pencil.

I C.D. to make a copy of the Regs in the right hand column, amended as in pencil, a good paper for signature by the S. D.S.

EJ 26.11.23

I do not think that the West African papers are essential. The modifications recommended in the East African Regulations follow the West African exactly, and there is more reason for the change in the case of East Africa in that in the present state of the Board's finances, the division of the funds (which it does not yet possess) into three categories is meaningless and rather absurd. As a matter of fact, this arrangement for separate funds for currency notes, subsidiary coin, etc., originates in cases where a Currency Board deals

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... with parts of the currency in use in the Colony
concerned, and there is no justification for the
separation where the Board deals with the whole of the
currency in use.

The proposal that the **new Regulations** should
have retrospective effect is **more a matter of con-
venience than anything else**. It will **simplify greatly**
the Board's presentation of the accounts which are
now in preparation.

As approved 20/11/20

27/11/20
(
11/12/20
1/1/21

E. A. C. B. 2.



55169

COMMUNICATIONS TO BE ADDRESSED TO
SECRETARY, EAST AFRICAN CURRENCY BOARD,
GIVE REFERENCE AND THE DATE OF THIS
LETTER BEING QUOTED.

4, MILLBANK, 25 NOV 24
WESTMINSTER,
LONDON, S.W. 1.

21st November, 1924.

Sir,

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I am directed by the East African Currency Board to inform you that it has had under consideration the existing Regulations defining its Constitution, Duties and Powers, and I forward for the approval of the Secretary of State the accompanying draft of proposed revised Regulations. The essential difference is the substitution for the old paragraphs 13 and 14 of a revised paragraph similar to that recently approved in the case of the West African Currency Board. Minor alterations rendered necessary by the substitution of the new paragraph and other slight amendments in wording to bring the Regulations up to date are embodied.

It is desired in view of the form in which the draft accounts of the Board for the year ended 30th June last have been framed that the proposed revision shall have retrospective effect as from the 1st July 1923.

I am, Sir,

Your obedient Servant,

Herbert Plunkett

for THE EAST AFRICAN CURRENCY BOARD

Under Secretary of State,
Colonial Office,
S.W. 1.

ESTING EAST AFRICAN CURRENCY
BOARD REGULATIONS.

The East African Currency Board has been constituted to provide for and to control the supply of currency to the East Africa Protectorate, the Uganda Protectorate, and any other Dependencies in East Africa which may be added by the Secretary of State, to ensure that the currency is maintained in satisfactory condition, and generally to watch over the interests of the said Dependencies so far as currency is concerned.

The members of the Board and the Secretary are appointed by the Secretary of State.

The Board will have power to appoint officers for the discharge of such duties in connexion with the currency in the United Kingdom or in East Africa, and at such rates of salary as the Board may think fit, subject in each case to the approval of the Secretary of State.

*Regulations defining the Constitution
Duties and Powers of the*
PROPOSED EAST AFRICAN CURRENCY
BOARD REGULATIONS;
10/1/1920

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1. The East African Currency Board will provide for and control the supply of currency to Kenya Colony and Protectorate, the Uganda Protectorate, the Tanganyika Territory, and any other Dependencies in East Africa which may be added by the Secretary of State, to ensure that the currency is maintained in satisfactory condition, and generally to watch over the interests of the said Dependencies so far as currency is concerned.
2. The members of the Board and the Secretary are appointed by the Secretary of State.
3. The Board will have power to appoint officers for the discharge of such duties in connexion with the currency in the United Kingdom or in East Africa, and at such rates of salary as the Board may think fit, subject in each case to the approval of the Secretary of State.

The Board will, in accordance with section 9 of the East Africa and Uganda (Currency) (No.2) Order in Council, 1920, take over the powers, rights, duties, assets, and obligations of the Currency Board established for the purposes of the East Africa and Uganda (Currency) Order in Council, 1905.

The Board is authorized to incur expenditure necessary for the due performance of such duties as are now or may be hereafter assigned to them.

The Board will have authority to make all necessary arrangements for the minting of any special coins authorized for circulation in the said Dependencies, and to comply with applications for the supply of any coins at the time being legally current in those Dependencies. Subject to the provisions of these Regulations and of any legislation from time to time in force in East

4. The Board will, in accordance with section 9 of the East Africa and Uganda (Currency) (No.2) Order in Council, 1920, take over the powers, rights, duties, assets, and obligations of the Currency Board established for the purposes of the East Africa and Uganda (Currency) Order in Council, 1905.

5. The Board is authorized to incur expenditure necessary for the due performance of such duties as are now or may be hereafter assigned to them.

6. The Board will have authority to make all necessary arrangements for the minting of any special coins authorized for circulation in the said Dependencies, and to comply with applications for the supply of any coins at the time being legally current in those Dependencies. Subject to the provisions of these Regulations and of any legislation from time to time in force in East

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 present current in the Dependencies
 so long as these remain legal
 tender.

...board may charge for coin or
 currency notes to be delivered
 in East Africa against prepay-
 ment in London such premium
 above the nominal value (at the
 rate of ten florins to the
 pound, not exceeding the
 actual cost of transporting
 specie (packing, carriage,
 insurance), as they may think
 fit, and may vary the charge
 from time to time within this
 limit. If coin or notes are
 delivered on telegraphic order
 in East Africa, the Board may
 increase the premium as they think

7. The Board, may charge for coin or
 currency notes to be delivered in
 East Africa against prepayment in
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 twenty shillings to the pound),
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✓ ~~various~~ Such drafts to
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such conditions as it may direct as
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9
The Board may fix such
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to time for the trans-
actions referred to in
Regulations 7 and 8

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recording the issue and cancellation of notes.

Profits on the issue of silver coin, nickel-bronze coin, and currency notes shall, after the necessary deductions have been made for expenses of administration, be allocated at the discretion of the Board between the funds hereinafter referred to as "the Silver Coinage Fund", "the Nickel-Bronze Coinage Fund", and "the Note Guarantee Fund".

Expenditure in connection with the manufacture, issue and redemption of coin or notes and also any losses which may be incurred, will be debited at the discretion of the Board against the respective fund. In case of necessity each of the three funds shall be available to support the others.

Subject to the provisions of paragraph 23 of these Regulations, the Board may invest their funds in securities of the Government of any part of His Majesty's dominions, or

destruction of such cancelled notes, and for recording the issue and cancellation of notes.

14. Proceeds of the sale of coin and currency notes and all other revenue of the Board shall, after the necessary deductions have been made for all expenses, and for any contributions made to the revenue of the East African Governments under section 19 of these regulations, be credited to a fund hereinafter referred to as the Currency Reserve Fund. Any losses which may be incurred will be debited to the Fund.

15. Subject to the provisions of paragraph 19 of these Regulations, the Board may invest their funds in securities of the Government of any part of

in such other manner as the Secretary of State may approve.

His Majesty's dominions, or in such other manner as the Secretary of State may approve. The extent to which investments may be made will be left to the discretion of the Board, whose duty it will be to hold, subject to any directions which may be received from the Secretary of State, a proportion of its reserve in a liquid form.

The Board shall submit half-yearly to the Secretary of State a statement of the position of the Coinage and the Guarantee Funds on the last day of the half-year.

16
15. The Board shall submit half-yearly to the Secretary of State a statement of the position of the Currency Reserve Fund on the last day of the half-year, including a statement of securities.

the proportion borne to the total face value of the notes in circulation by that portion of the Note Guarantee Fund which is held in current coin of East Africa (hereinafter referred to as the coin portion of the fund) falls below a limit to be fixed from time to time by the Secretary of State, the Board shall take all practicable steps to restore the proportion as soon as possible.

The Board shall cause to be published half-yearly in the Government Gazette of the East African Protectorate an abstract showing (a) the whole amount of currency notes in circulation on the last day of the half year; (b) the amount of the coin portion of the Note Guarantee Fund on the said day; (c) the nominal value of, the price paid for, and the latest known market price of the securities forming the investment portion of the Note Guarantee Fund.

The accounts of all the transactions of the Board will be audited by the Colonial Audit Department.

The Board will submit annually for the approval of the Secretary of State a statement of their transactions during the preceding year.

When the Board are satisfied that their reserves are more

16. The Board shall cause to be published half-yearly in the Kenya Government Gazette an abstract showing (a) the whole amount of the East African coinage and currency notes in circulation on the last day of the half-year; (b) the total amount of the Currency Reserve Fund on the said day; (c) the nominal value of, the price paid for, and the latest known market price of the securities forming the investment portion of the Reserve Fund.

17. The accounts of all the transactions of the Board will be audited by the Colonial Audit Department.

18. The Board will submit annually for the approval of the Secretary of State a statement of their transactions during the preceding year.

19. When the Board are satisfied that their reserves are more

These Regulations were
brought into force as from the date
of publication, and
The Regulations were
the Secretary of State for the
Colonies on the 11

December, 1924, and
(1) → as Govt Order No. 43

Gazette of the 11th Feb. 1925.

- (1) Kenya
- (2) T T
- (3) Uganda

- (2) General Order No. 1
in the Gazette of the 23rd Jan.
- (3) Government Order No. 1
in the Gazette of the 16th Feb.
1925.
are hereby recorded.

than sufficient for all the purposes for which such reserves may be required, they may, with the approval of the Secretary of State, pay over the whole or any part of the surplus amount in aid of the revenues of the Dependencies in East Africa in such proportions as may be hereafter determined.

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than sufficient for all the purposes for which such reserves may be required, they may, with the approval of the Secretary of State, pay over the whole or any part of the surplus amount in aid of the revenues of the Dependencies in East Africa in such proportions as may be hereafter determined.

20. These Regulations shall be deemed to have been

in force as from the
1st July 1923.

Approved

(Signed) L. S. AMERY,

Secretary of State

for the Colonies

11th Dec 1914

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20 This Regulation shall be deemed to have been made on the 1st day of 1932.

Approved

(Signed) L. S. AMERY.

no/55/103/10

G. D.
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11 Dec. 1924.

DRAFT.

The Sec. of
A. Currency Board

Sir
I am so to ack.
the receipt of your letter

MINUTE.

no. F.A.C.B. 2 of the
21st. of Nov., and to
transmit to you the acc.

- Mr. Jeffries 5/12/24
- Mr. ... 6.11.24
- Mr.
- Sir O. Davis.
- Sir G. Grindle.
- Sir H. Bond.
- Sir J. Macartton Smith.
- Lord ...
- Mr. Thomas.

vised Regulations
defining the Constitution
Duties & Powers of the
S. African Currency

Board of which he
has

for copy
Regulations
original copy
dated with
...

Mo/55169/24
E.A.

G. D.
6 DEC
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E. Africa Currency

Lord Arnold.

Board of which he

Mr. Thomas.

has

original copy
signed & dated with
date of this letter

has approved.

2. Copies of the Reports
are being sent to
the Gov. of Kenya &

Uganda, & to the
O.A.C. of the T.T.,

with a request that
they may be published
in the Official Gazette
of those Dependencies.

(sd) W.C. Bottomley

amendments in the present
original regulations which have
been approved on various
occasions by my predecessor,
& from ~~some~~ unimportant
verbal amendments, the
Chief ~~amendment~~
~~the insertion of the~~
alteration made lies in
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paragraph for paragraphs
13 & 14 of the old regulations.

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