

APPENDIX I

(A) EXTRACTS OF MAJOR LEGAL ENACTMENTS OF THE PARLIAMENT OF CEYLON
IN 1964 WHICH RELATE TO THE FUNCTIONS AND OPERATIONS OF THE
CENTRAL BANK AND BANKING INSTITUTIONS.

(B) MAJOR ADMINISTRATIVE MEASURES ADOPTED BY THE MONETARY BOARD
IN 1964.

(A) Extracts of Major Legal Enactments of the Parliament of Ceylon in 1964 which relate to the Functions and Operations of the Central Bank and Banking Institutions

(1) Appropriation Act, No. 23 of 1964

AN ACT TO PROVIDE FOR THE SERVICE OF THE FINANCIAL YEAR, 1964—65, TO AUTHORIZE THE RAISING OF LOANS IN OR OUTSIDE CEYLON FOR THE PURPOSE OF SUCH SERVICE, TO MAKE FINANCIAL PROVISION IN RESPECT OF CERTAIN ACTIVITIES OF THE GOVERNMENT DURING THAT FINANCIAL YEAR, TO ENABLE THE PAYMENT BY WAY OF ADVANCES OUT OF THE CONSOLIDATED FUND OF CEYLON OR ANY OTHER FUND OR MONEYS OF, OR AT THE DISPOSAL OF, THE GOVERNMENT, OF MONEYS REQUIRED DURING THAT FINANCIAL YEAR FOR EXPENDITURE ON SUCH ACTIVITIES, TO PROVIDE FOR THE REFUND OF SUCH MONEYS TO THAT CONSOLIDATED FUND, AND TO MAKE PROVISION FOR MATTERS CONNECTED WITH OR INCIDENTAL TO THE AFORESAID MATTERS.

1. This Act may be cited as the Appropriation Act, No. 23 of 1964.

2. (1) Without prejudice to any other law authorizing any expenditure, the expenditure of the Government, which it is estimated will be rupees two thousand two hundred and seven million four hundred and thirty-four thousand eight hundred and fifty-six for the service of the financial year beginning on October 1, 1964, and ending on September 30, 1965, shall be met —

- (a) from payments which are hereby authorized to be made out of the Consolidated Fund of Ceylon, or any other fund or moneys of, or at the disposal of, the Government; and
- (b) from the proceeds of loans which are hereby authorized to be raised, whether in or outside Ceylon, for and on behalf of the Government, so however, that the aggregate of such proceeds does not exceed rupees six hundred and sixty million.

The sum of rupees two thousand two hundred and seven million four hundred and thirty-four thousand eight hundred and fifty-six hereinbefore referred to may be expended as specified in the First Schedule to this Act.

(2) The provisions of sub-section (1) of this section shall have effect without prejudice to the provisions of any other written law authorizing the raising of loans for and on behalf of the Government.

3. (1) The receipts of the Government, during the financial year referred to in section 2, from each activity specified in column (i) of the Second Schedule to this Act shall be credited to the account of such activity, but the aggregate of the receipts so credited shall not exceed the maximum limit specified in the corresponding entry in column (iii) of that Schedule. Any receipts from such activity in excess of such maximum limit shall be credited to the Consolidated Fund of Ceylon.

(2) The expenditure incurred by the Government, during the financial year referred to in section 2, on each activity specified in column (i) of the Second Schedule to this Act shall be paid out of the receipts of the Government from such activity during that financial year, but such expenditure shall not exceed the maximum limit specified in the corresponding entry in column (ii) of that Schedule.

(3) The debit balance, outstanding at the end of the financial year referred to in section 2, of any activity specified in column (i) of the Second Schedule to this Act shall not exceed the maximum limit specified in the corresponding entry in column (iv) of that Schedule, and the total liabilities of that activity at the end of that financial year shall not exceed the maximum limit specified in the corresponding entry in column V of that Schedule.

4. Whenever, at any time during the financial year referred to in section 2, the receipts of the Government from any activity specified in column (i) of the Second Schedule to this Act are insufficient to meet the expenditure incurred by the Government on such activity, the Minister of Finance may, from time to time, by Order direct that such sums as he may deem necessary to meet such expenditure shall be payable, by way of advances, out of the Consolidated Fund of Ceylon; or any other fund or moneys of, or at the disposal of, the Government, so however, that the aggregate of the sums so advanced does not exceed the maximum limit of expenditure specified in the corresponding entry in column (ii) of that Schedule. Any sums so advanced in respect of such activity shall be refunded to that Consolidated Fund in such manner as the Minister of Finance may by Order direct.

5. Any moneys which, by virtue of the provisions of the First Schedule to this Act, have been allocated to any vote other than Votes Nos. 3, 5 and 7, appearing under any head specified in that Schedule but have not been expended and are not likely to be expended, may be transferred to any other vote under that head by order of the Secretary to the Treasury or other officer authorized by him.

6. The Minister of Finance, with the approval of the Government, may by Order vary or alter any of the maximum limits specified in column (ii), column (iii), column (iv) or column (v), of the Second Schedule to this Act. Any such Order shall, if so expressed therein, be deemed to have had effect from such date prior to the date of the making of such Order as may be specified therein.

7. The House of Representatives may, by resolution, amend the Second Schedule to this Act, by adding to the appropriate columns of that Schedule, any activity and all or any of the maximum limits relating to such activity.

Note on the Schedules:

The First Schedule to this Act gives a break-down of the sums payable for general service for the Financial Year beginning 1st October, 1964 and ending 30th September, 1965, estimated at Rupees two thousand two hundred and seven million four hundred and thirty four thousand eight hundred and fifty six under various heads of general services.

The Second Schedule to this Act deals with the activities of the Government under various departmental heads and specifies the maximum limits of expenditure, the maximum limits of receipts to be credited to the accounts of activities of Government, maximum limits of debit balances of activities of Government, and the maximum limits of liabilities of the activities of Government under each separate head.

(ii) *Bank Debts Tax (Amendment) Act, No. 33 of 1964*

An Act to amend the Bank Debts Tax Act, No. 42 of 1957

1. This Act may be cited as the Bank Debts Tax (Amendment) Act, No. 33 of 1964.

2. Section 15 of the Bank Debts Tax Act, No. 42 of 1957, as amended by Act, No. 1 of 1959, is hereby amended as follows:—

(1) by the substitution, for the words "certificate relates.", of the following:—

'certificate relates:

Provided that in respect of every outstation branch of the Bank of Ceylon and of the People's Bank, such certificate shall be under the hand of the manager of such branch, and such manager shall send such certificate, together with a copy thereof, to the said Governor before the expiry of thirty days after the end of the three calendar months to which such certificate relates.

In this section, "outstation branch" means a branch situated in Ceylon and outside the area within the administrative limits of the Colombo Municipal Council.; and

(2) by the substitution, for the marginal note to that section, of the following marginal note:—

"Certificate relating to total amount of debits, &c., to be sent to Deputy Secretary to the Treasury every three months."

**(B) MAJOR ADMINISTRATIVE MEASURES ADOPTED BY THE
MONETARY BOARD IN 1964.**

(a) Circular No. 18.

Central Bank of Ceylon,
P. O. Box 590,
Colombo 1.
January 15, 1964.

Ref. No. BC/B9/25/52

To: Commercial Banks.

Central Bank's Exchange Rates

Reference: Section 74 of the Monetary Law Act Chapter 422.

The Central Bank will, as from January 15, 1964, buy spot from a commercial bank the sterling proceeds of the discounts of export bills at the Central Bank's buying rate of 1sh. 6 $\frac{3}{4}$ d. per Ceylon Rupee. The Central Bank will also sell sterling forward on the same day at the same rate up to an amount not exceeding the amount of sterling it has purchased under this arrangement for delivery on a date not earlier than seven days prior to the maturity of the bills so discounted. Every application for forward cover at the special rate in terms of this circular should be supported by a certificate that such application is in conformity with the terms of this circular.

The provisions of this circular may be withdrawn, added to or amended at any time.

S. D. AMERASINGHE,
Chief Accountant.

D. C. GUNESKERA,
Deputy Governor.

(v)

(b) Circular No. 19.

Central Bank of Ceylon,
P. O. Box No. 590,
Colombo 1.
August 24, 1964.

Refinance- Rate of interest on medium and long term credit.

Reference: Section 88 A (1) (c) of the Monetary Law Act (as provided by Section 67 of the Finance Act, No. 11 of 1963).

The rate of interest on refinance loans granted by the Central Bank to credit institutions for the promotion or development of industry, agriculture, trade, commerce or business, shall be 5% per annum.

S. D. AMERASINGHE
Chief Accountant.

D. W. RAJAPATIRANA
Governor.

(c) CENTRAL BANK'S EXCHANGE RATES FOR U.S. DOLLARS

Date	Circular No.		Buying (per \$100)	(per \$100) Selling
22.6.64	1/196	Spot	Rs. 476.25	Rs. 476.50
		Forward up to 3 months	Rs. 476.25	-/25 cts. per month premium against spot.
20.7.64	1/197	Spot	Rs. 477.00	Rs. 477.25
		Forward up to 3 months	Rs. 477.00	-/25 cts. per month premium against spot