STATUTORY INSTRUMENTS

# 1979 No. 1331

# EXCHANGE CONTROL

## The Exchange Control (Gold and Foreign Currency) (Exemption) Order 1979

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| *Made* - - - - | 19*th October* 1979 |
| *Laid before Parliament* | 23*rd October* 1979 |
| *Coming into Operation* | 24*th October* 1979 |

The Treasury, in exercise of the powers conferred upon them by sections 1(2), 2(1), 31 and 36(5) of the Exchange Control Act 1947**(a)**, hereby make the following Order:—

**1.** This Order may be cited as the Exchange Control (Gold and Foreign Currency) (Exemption) Order 1979, and shall come into operation on 24th October 1979.

**2.**—(1) There shall be exempted from the provisions of section 1(1) of the Exchange Control Act 1947 (hereinafter called "the Act") the buying, borrowing, selling and lending of gold and foreign currency other than Southern Rhodesian currency.

(2) Any person who buys or borrows gold or foreign currency in the United Kingdom or the Channel Islands, and any person resident in the United Kingdom or the Channel Islands who buys or borrows gold or foreign currency elsewhere, is hereby notified under section 1(2) of the Act of the following conditions as to the use to which such gold or foreign currency may be put, that is to say the conditions that—

(*a*) it shall not be used to make any payment to or for the credit of or by order or on behalf of a person resident in Southern Rhodesia;

(*b*) any such gold shall not be placed to the order of a person resident in Southern Rhodesia;

(*c*) no person shall make or procure the making of any payment or part with or dispose of any such gold knowingly as consideration for or in association with

(i) the receipt by any person resident in Southern Rhodesia of a payment made outside the scheduled territories or the acquisition by any such person of property which is outside the scheduled territories; or

(ii) the transfer to any such person, or the creation in favour of any such person, of a right (whether present or future and whether vested or contingent) to receive a payment outside the scheduled territories or to acquire property which is outside the scheduled territories.

(a) 1947 c. 14.

3. Any person in or resident in the United Kingdom or the Channel Islands who is entitled to sell or procure the sale of gold shall be exempt from the provisions of section 2 of the Act (which obliges any such person to offer gold for sale to an authorised dealer).

4. Section 3 of the Act (which obliges persons in the United Kingdom and the Channel Islands holding gold or specified currency as bailees to notify the Bank of England of such holdings) shall not apply to any person except in relation to gold held on behalf of or to the order of a person resident in Southern Rhodesia.

5. Section 4(4) of the Act (which obliges persons to encash sterling travellers cheques etc. issued but no longer required for the purpose of obtaining foreign currency) shall not apply to any person.

6. The Orders specified in the Schedule to this Order are hereby revoked.

7. This Order shall extend to the Channel Islands, and any reference in this Order to the Exchange Control Act 1947 includes a reference to that Act as extended by the Exchange Control (Channel Islands) Order 1947(a).

*John MacGregor,*
*Peter Morrison,*
Two of the Lords Commissioners
of Her Majesty's Treasury.

19th October 1979.

SCHEDULE

ORDERS REVOKED

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|---|---|
| The Exchange Control (Bailees Exemption) Order 1947 | S.R. & O. 1947/2037 |
| The Exchange Control (Temporary Visitors' Exemption) Order 1947 | S.R. & O. 1947/2049 |
| The Exchange Control (Specified Currency and Prescribed Securities) Order 1967 | S.I. 1967/556 |
| The Exchange Control (Specified Currency and Prescribed Securities) (Amendment) Order 1968 | S.I. 1968/1233 |
| The Exchange Control (Purchase of Foreign Currency) Order 1970 | S.I. 1970/789 |
| The Exchange Control (Purchase of Foreign Currency) (Amendment) Order 1977 | S.I. 1977/920 |
| The Exchange Control (Purchase of Foreign Currency) (Amendment) Order 1978 | S.I. 1978/756 |
| The Exchange Control (Purchase of Foreign Currency) (Amendment) (No. 2) Order 1978 | S.I. 1978/1683 |
| The Exchange Control (Gold Coins Exemption) Order 1979 | S.I. 1979/648 |

(a) S.R. & O. 1947/2034.

## EXPLANATORY NOTE

*(This Note is not part of the Order.)*

The scheduled territories still consist of the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar. This Order has the following effect.

First, article 6 inter alia revokes the Exchange Control (Specified Currency and Prescribed Securities) Order 1967. The obligation imposed by section 2 of the Act (Surrender of Gold and Foreign Currency) no longer applies in relation to any foreign currency or (by virtue of article 3) to any gold coin or gold bullion. Because no foreign currency is now specified, section 17 of the Act no longer applies in relation to any security.

Secondly article 2(1) grants an exemption (except in relation to Southern Rhodesian currency) from section 1(1) of the Act, so that it no longer prohibits the buying, borrowing, selling or lending of any foreign currency (other than Southern Rhodesian currency) or gold coin or gold bullion. But article 2(2) notifies a binding condition in relation to the use to which gold and foreign currency (including travellers cheques etc.) bought or borrowed in the United Kingdom or the Channel Islands, or elsewhere by a resident of the United Kingdom or the Channel Islands, may be put, namely that it shall not be used for the purposes specified in article 2(2)(*a*), (*b*) or (*c*). Readers are reminded that the Control of Gold and Treasury Bills (Southern Rhodesia) Directions 1965 (S.I. 1965/1939) are still in force.

Thirdly, article 4 grants a complete exemption from section 3 of the Act (which imposes obligations on persons holding gold and foreign currency notes as bailees) except in relation to gold held for persons resident in Southern Rhodesia.

Fourthly, article 5 grants a complete exemption from section 4(4) of the Act (which imposes an obligation to encash travellers cheques which are no longer required).

Fifthly, article 6 revokes other Exemption Orders which have become redundant by reason of the exemptions granted by this Order.

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