STATUTORY INSTRUMENTS

# 1979 No. 1332

# EXCHANGE CONTROL

## The Exchange Control (Payments etc.) (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 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 (Payments etc.) (Exemption) Order 1979 and shall come into operation on 24th October 1979.

**2.** The exemptions granted by articles 3, 4 and 5 of this Order are subject to the condition that they shall not apply to any person in respect of any payment or other act or any refraining from doing any act if that person is making that payment or doing or refraining from doing that act knowingly as consideration for or in association with—

(*a*) 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

(*b*) 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.

**3.** Subject to article 2 of this Order, there shall be exempted from the provisions of sections 5 and 6 of the Exchange Control Act 1947 (hereinafter called "the Act")—

(*a*) any payment made to or for the credit of or by order or on behalf of any person resident outside the scheduled territories, not being a person resident in Southern Rhodesia; and

(*b*) the placing of any sum to the credit of a person resident outside the scheduled territories, not being a person resident in Southern Rhodesia.

**4.** Subject to article 2 of this Order, section 7 of the Act shall not apply to any payment.

(a) 1947 c. 14.

**5.** Subject to article 2 of this Order, section 24 of the Act (which imposes a duty to collect sterling due from any person resident outside the scheduled territories and foreign currency due from any person) and section 25 thereof (which imposes in certain circumstances duties not to delay the sale or importation of goods) shall not apply to any person.

**6.** There shall be exempted from the provisions of section 5(*a*) of the Act any payment made in the United Kingdom or in the Channel Islands in cash to a person resident in Southern Rhodesia—

(*a*) by a person resident outside the United Kingdom and the Channel Islands; or

(*b*) by a person resident in the United Kingdom or the Channel Islands if that payment—

(i) does not exceed £150 sterling in value, and

(ii) does not form part of a transaction or series of transactions wherein the aggregate value of the payments exceeds £150 sterling; or

(*c*) by a banker acting in the course of his business if that payment is being made from moneys standing to the credit of an account of a person resident outside the scheduled territories, not being the account of a person resident in Southern Rhodesia, with that banker; or

(*d*) by a banker acting in the course of his business if that payment is in respect of the encashment by that person of a travellers cheque or letter of credit in favour of that person.

**7.**—(1) Articles 2, 5 and 6 of the Exchange Control (Payments) Order 1967(**a**) are hereby revoked and the Schedule thereto is hereby deleted.

(2) **The Exchange Control (Payments) (Amendment) Order 1971(b) is hereby revoked.**

**8.** 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(**c**).

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

19th October 1979.

(a) S.I. 1967/1189. (b) S.I. 1971/1632. (c) 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 effects.

First, article 2 imposes a condition which limits the exemptions granted by articles 3, 4 and 5. None of those exemptions apply in the case of compensation deals in favour of a person resident in Southern Rhodesia, that is to say payments made or acts done or left undone knowingly as consideration for or in association with a transaction described in paragraphs (*a*) or (*b*) of article 2.

Secondly, subject to that condition, articles 3 and 4 exempt from the prohibitions imposed by sections 5, 6 and 7 of the Act every payment *except* a payment made to or for the credit of or by order or on behalf of a person resident in Southern Rhodesia and also exempt from the provisions of section 5(*c*) the placing of any sum to the credit of any person *except* a person resident in Southern Rhodesia.

Thirdly, subject to the same condition, article 5 exempts every person from the duties imposed by sections 24 and 25 of the Act (which impose respectively duties to collect certain debts and not to delay the sale or importation of goods in certain circumstances).

Fourthly, article 6 gives certain exemptions in respect of payments made in cash in the United Kingdom (including the Isle of Man) or the Channel Islands to persons resident in Southern Rhodesia. It exempts such payments if made:

(*a*) by persons resident elsewhere;

(*b*) by persons resident in the United Kingdom, the Channel Islands and the Isle of Man subject to a limit of £150 in any transaction or series of transactions;

(*c*) by bankers if payments are being made from the account of a person resident outside the scheduled territories, not being a person resident in Southern Rhodesia; and

(*d*) by bankers when encashing travellers cheques etc., in favour of persons resident in Southern Rhodesia.

Fifthly, article 7 revokes articles 2, 5 and 6 of the Exchange Control (Payments) Order 1967 and the Schedule thereto. It also revokes the Exchange Control (Payments) (Amendment) Order 1971 which itself deleted article 1 of the 1967 Order. The Exchange Control (Exports) (Southern Rhodesia) Order (S.I. 1979/1335) which comes into operation with this Order revokes and replaces articles 3, 4 and 7 of the 1967 Order which is thus revoked in its entirety.

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