



ST HELENA

A BILL

FOR

AN ORDINANCE

to amend the Currency Ordinance, 1975, to make provision for the treatment of any deficit that may arise in the Currency Fund; and to further regulate the distribution of any surplus in the Fund; and for connected and incidental purposes.

Enacted by the Governor of St Helena with the advice and consent of the Legislative Council of St Helena.

Short title

1. This Ordinance may be cited as the Currency (Amendment) Ordinance, 2019.

General Reserve of Currency Fund

2. Section 16 of the Currency Ordinance, 1975, is amended by renumbering the existing text as subsection (1) and adding the following subsections:

“(2) If at the end of the financial year, the calculation in accordance with section 18 results in a deficit, the deficit of the Fund must be met from the General Reserve.

(3) If at the end of any financial year the General Reserve exceeds 10% of the liabilities of the Fund, the Commissioners, with the approval of the Governor acting in his or her discretion, may direct that the amount in excess of that 10% is to be transferred in whole or in part to the General Revenue of St Helena.”.

Distribution of surplus of Fund

3. Section 17 of the Currency Ordinance, 1975, is amended—

(a) by repealing paragraph (c) and substituting:

“(c) any remaining surplus must be transferred to the General Reserve.”;

(b) by deleting paragraph (d).

Surplus or deficit of Fund

4. Section 18 of the Currency Ordinance, 1975, is amended—
- (a) by deleting the heading and substituting:
 “Determination of surplus or deficit of Fund”;
 - (b) by inserting the words “or deficit” in subsection (1) after the word “surplus”;

EXPLANATORY NOTE

(This note is not part of the Ordinance)

The Currency Ordinance, 1975, currently makes provision for calculation and distribution of a surplus in the Currency Fund, but there is no express provision on how to deal with any deficit arising during a financial year. Sections 16 and 18 of the Ordinance are therefore amended to make provision for determination of a deficit and that any such deficit that arises must be met from the General Reserve.

Section 17 of the Ordinance also currently requires the surplus in a financial year—

- (a) firstly, to be transferred to the General Reserve to cover any shortfall where the General Reserve is less than 10% of demand liabilities;
- (b) then any balance used to redeem any securities which were issued by SHG under section 20(1) to balance the Fund if total assets were less than total liabilities; and
- (c) any surplus remaining after that must then be transferred to the General Revenue of the St Helena Government.

Section 17 is amended to provide that any surplus remaining after the transfers in paragraphs (a) and (b) must be transferred to the General Reserve of the Fund. If the General Reserve then at the end of any financial year exceeds 10% of the liabilities of the Fund, the Commissioners may, with the approval of the Governor, direct that the amount in excess of 10% be transferred to the General Revenue of St Helena.