

ACT No. XXIII OF 1947.

[PASSED BY THE INDIAN LEGISLATURE]

(Received the assent of the Governor General on the 18th April 1947.)

An Act further to amend the Reserve Bank of India Act, 1934,

WHEREAS it is expedient further to amend the Reserve Bank of India Act, 1934, for the purposes hereinafter appearing; Amendment of section 2, Act II of 1934

It is hereby enacted as follows :—

1. This Act may be called the Reserve Bank of India (Second ~~Short~~ title Amendment) Act, 1947.

2. In section 2 of the Reserve Bank of India Act, 1934 (herein- Amendment of section 2, Act II of 1934 after referred to as the said Act), after clause (b) the following clause shall be inserted, namely :—

‘(bb) “foreign exchange” has the same meaning as in the Foreign Exchange Regulation Act, 1947;’ VII of 1947

3. In section 17 of the said Act,—

(a) to sub-clause (a) of clause (11) the words “or of 1934” Amendment of section 17, Act II of 1934 shall be added;

(b) to clause (12) the words “and foreign exchange” shall be added;

(c) after clause (12) the following clause shall be inserted, namely :—

“(12A) the purchase and sale of securities issued by the Government of any country outside India and expressed to be payable in a foreign currency, being in the case of purchase by the Bank, securities maturing within a period of ten years from the date of purchase;”;

(d) for clause (13) the following clause shall be substituted, namely :—

“(13) the opening of an account with or the making of an agency agreement with, and the acting as agent or correspondent of, a bank incorporated in any country outside India or the principal currency authority of any country under the law for the time being in force in that country or any international bank formed by such principal currency authorities, and the investing of the funds of the Bank in the shares of any such international bank;”.

4. For sections 40 and 41 of the said Act, the following section shall be substituted, namely :— Substitution of new section for sections 40 and 41, Act II of 1934

‘40. The Bank shall sell to or buy from any authorised person who makes a demand in that behalf at its office in Bombay, Calcutta, Delhi or Madras, foreign exchange at such rates of exchange and on such conditions as the Central Government may from time to time by general or special Transactions in foreign exchange.

Price anna 1 or 1½d.

order determine, having regard so far as rates of exchange are concerned to its obligations to the International Monetary Fund :

Provided that no person shall be entitled to demand to buy or sell foreign exchange of a value less than two lakhs of rupees.

Explanation.—In this section “authorised person” means a person who is entitled by or under the Foreign Exchange Regulation Act, 1947, to buy, or as the case may be, sell, the foreign exchange to which his demand relates’.

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