

No. XIII.

BANK NOTES.

An Act to regulate the issue of Bank Notes ; to make Bank Notes a legal tender except at the chief offices of the banks in Sydney ; to amend the Stamp Duties Act of 1880 ; to declare the past operation of section one of the Bank Issue Act of 1893 ; and to repeal that section and re-enact it with amendments. [9th April, 1894.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

Application of this Act.

1. This Act shall apply only to the banks named in the Schedule to this Act and to the notes of those banks : Provided that the Governor with the advice of the Executive Council may by notice in the *Gazette* amend the Schedule by taking from the list one or more of the banks therein named. And the Schedule so amended shall for all purposes be considered as the Schedule to this Act.

What banks may issue notes.

2. Notes shall only be issued, circulated, or reissued in this Colony under the authority and subject to the provisions of this Act, and by a bank named in the Schedule to this Act.

Limit of note issue.

3. No bank shall issue, reissue, or have in circulation at any one time in this Colony notes to an amount in excess of one-third of the paid-up capital of the bank (such amount not in any case being greater than one third of Two million pounds), together with the value of the coin and gold bullion held by the bank in the said Colony, and no bank shall issue notes to an amount in excess of one million pounds in this Colony.

Inspection of books and of coin and bullion of bank.

Any bank issuing, reissuing, or having in circulation notes in excess of the amount authorised shall be liable to a penalty equal to the amount of that excess.

4. Any officer nominated by the Colonial Treasurer for that purpose may at any reasonable times enter the premises of a bank, and may require the manager, accountant, or any officer of the bank to produce for his inspection, and may inspect and take copies of any books of account of note issue of the bank, and may inspect and value the coin and gold bullion in the bank.

Monthly statement to be made by bank.

Whosoever hinders or obstructs any of the first-mentioned officers in the exercise of any of the powers conferred by this section, or refuses or neglects to produce any books of account of note issue when lawfully required, shall be liable to a penalty of one hundred pounds for the first offence and two hundred pounds for any subsequent offence.

5. Each bank shall cause to be prepared and published in the *Gazette* on or before the fifteenth day of each month a statement of the average amount of coin and gold bullion held by the bank in the Colony during the last preceding month, and of the average amount of the notes of the bank issued, reissued, or circulated in the Colony during that period, which statement shall be verified by the oath or declaration of the manager, chief cashier, or chief clerk of the bank to which the statement refers.

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If a bank fails to cause to be published the statement verified as aforesaid, or if the statement be false in any particular, the bank shall be liable to a penalty of five hundred pounds for the first offence and one thousand pounds for every subsequent offence.

6. The annual composition payable to the Commissioner of Stamp duty at rate of 2½ per cent. Stamp Duties under section twenty-four of the Stamp Duties Act of 1880 shall be at the rate of fifty shillings for every one hundred pounds upon the amount of notes mentioned in that section.

7. A tender of notes issued under the authority of this Act shall, everywhere within the Colony, except as hereinafter provided, be a legal tender to the amount expressed in those notes. Notes to be legal tender except at chief office in Sydney.

Provided that this section shall operate in respect of the notes of any bank only so long as it continues to pay them in gold on demand at its chief office in Sydney.

Provided also that no notes shall be legal tender of payment by any bank at its chief office in Sydney.

8. Section one of the Bank Issue Act is hereby repealed, and it is declared and enacted that the past operation of that section had and shall have the effect only of charging the assets of a bank in the event of the winding-up of that bank whether voluntary or otherwise. Repeal of sec. 1 of Bank Issue Act.

9. All notes issued, circulated, or reissued in this Colony by any bank shall, to the amount of the issue authorised, be a first charge in the event of the winding-up of the bank on all the assets and property of the bank, being assets for the payment of debts or other obligations contracted or entered upon or due and payable in the Colony aforesaid. Notes to be first charge on winding-up.

10. All penalties may be recovered by action of debt in the Supreme or any District Court. Recovery of penalties.

11. In this Act the word "bank" includes a branch bank and agency, and means a company or corporation carrying on the business of banking; and the word "notes" means promissory-notes made by a bank payable to bearer on demand. Definitions.

12. This Act shall have effect for eighteen months and no longer from the date of the passing thereof, and may be cited as the "Bank Notes Act of 1893." short title. Commencement and

SCHEDULE.

Bank of New South Wales.
 Commercial Banking Company of Sydney (Limited).
 Union Bank of Australia (Limited).
 Bank of Australasia.
 Australian Joint Stock Bank (Limited).
 London Bank of Australia (Limited).
 Commercial Bank of Australia (Limited).
 City Bank of Sydney.
 English, Scottish, and Australian Bank (Limited).
 Bank of New Zealand.
 National Bank of Australasia (Limited).
 Queensland National Bank (Limited).