

THE SOLOMON ISLANDS MONETARY AUTHORITY
ORDINANCE 1976

Arrangement of Sections

PART I - PRELIMINARY

SECTION

1. Short title and commencement.
2. Interpretation.

PART II - CONSTITUTION

3. Establishment and incorporation of Authority.
4. Principal objects of the Authority.
5. Places of business agents, etc.
6. Board of Directors.
7. Procedure.
8. Power to appoint officers and employees.
9. Meetings of the Board.
10. Conflicts of interest.
11. Secrecy.

PART III - CAPITAL PROFIT AND RESERVES

12. Capital.
13. Profit.
14. General Reserve.

PART IV - CURRENCY

15. Unit of currency.
16. Parity.
17. Obligations of Authority in respect of currency.
18. Sole right of issue.
19. Contracts, etc., to be in Solomon Islands currency.
20. Legal tender.

21. Printing and minting.
22. Denominations and form of currency.
23. Certain notes and coin not redeemable.
24. Exemption from stamp duty.
25. Reserve of external assets.
26. Value of reserve of external assets.

PART V - OPERATIONS

27. Relations with Government.
28. Authority may prescribe reserves.
29. Provision of information by banks and financial institutions.
30. General powers of the Authority.
31. Prohibited activities.

PART VI - ACCOUNTS AND STATEMENTS

32. Financial year.
33. Valuation of securities.
34. Deficiency of assets to be covered by Government.
35. Audit.
36. Publication of accounts and annual report.

PART VII - TRANSITIONAL ARRANGEMENTS

37. Transitional arrangements.
38. Inclusion of Australian currency in reserve of external assets.
39. Repeal of Cap. 57.

SOLOMON ISLANDS

NO. 4 OF 1976



Assented to in Her Majesty's name and on Her Majesty's behalf this sixth day of February 1976.

[L.S.]

D.C.C. LUDDINGTON
Governor

AN ORDINANCE

**TO ESTABLISH THE SOLOMON ISLANDS MONETARY
AUTHORITY AND FOR PURPOSES CONNECTED
THEREWITH**

[Friday 27th February 1976] Date of
commence-
ment.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

ENACTED by the Governor of the Solomon Islands with the advice and consent of the Legislative Assembly of the Solomon Islands, as follows:-

PART I - PRELIMINARY

Short title
and com-
mencement.

1. This Ordinance may be cited as the Solomon Islands Monetary Authority Ordinance 1976 and shall come into operation on such date as the Governor may by notice appoint, and the Governor may appoint different dates in relation to different provisions of this Ordinance.

Interpre-
tation.

2. In this Ordinance, unless the context otherwise requires-
"Australian currency" means notes and coin which are legal tender within the Commonwealth of Australia and which have not been illegally dealt with;

"Authority" means the Solomon Islands Monetary Authority established under section 3(1);

"bank" means a financial institution whose business includes the acceptance of deposits of money withdrawable or transferable by cheque;

"banking business" means the business of accepting deposits of money withdrawable or repayable on demand or after a fixed period or after notice and the employment of those deposits in whole or in part by lending or any other means for the account and at the risk of the person accepting such deposits;

"Board" means the Board of Directors of the Authority;

"Chairman" means the Chairman of the Board;

"demand liabilities" means notes and coin (other than ^{numismatic proof and brilliant uncirculated specimen coins issued} such notes and coin as have ceased to be legal tender and have been written off under section 20(4)(b)) together with amounts standing to the credit of any accounts opened in accordance with section 30(b);

"dollar" means the currency issued under the provisions of this Ordinance;

Am. by
No. 6 of 1977

the Authority for sale to collectors of coins and

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

31

"financial institution" means any person doing banking business;

"General Reserve" means the General Reserve established under section 14;

"notes" and "coins" mean, respectively, currency notes and coins issued under the terms of this Ordinance;

"Secretary" means the Secretary of the Authority;

"Solomon Islands currency" means the currency referred to in section 15.

PART II - CONSTITUTION

3.- (1) There is hereby established an Authority to be known as the Solomon Islands Monetary Authority which shall be a body corporate under that name with perpetual succession and a common seal and which may, in such name sue or be sued, and may enter into contracts, subject to the provisions of this Ordinance, may acquire, purchase, take, hold and enjoy real and personal property of every description and may convey, assign, surrender and yield up, charge, mortgage, transfer or otherwise dispose of, or deal with or in, real or personal property.

Establishment and incorporation of Authority.

(2) All deeds, documents and other instruments required to be sealed with the common seal of the Authority shall be sealed therewith in the presence of the Chairman and of the Secretary or some other person authorised by the Authority to act in that behalf, who shall sign every such deed, document or other instrument to which such seal is affixed, and such signing shall be sufficient evidence that such seal was duly and properly affixed and that the same is the lawful seal of the Authority.

(3) Service of any document upon the Authority shall be deemed to be effected by delivering the same or by sending it by registered post to the Secretary.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

Principal
objects of
the Autho-
rity.

4. The principal objects of the Authority shall be -
- (a) to regulate the issue, supply, availability and international exchange of money;
 - (b) to advise the Government on banking and monetary matters;
 - (c) to promote monetary stability;
 - (d) to promote a sound financial structure; and
 - (e) to foster financial conditions conducive to the orderly and balanced economic development of the Solomon Islands.

Places of
business,
agents, etc.

5.- (1) The Authority shall have its principal place of business in Honiara but may establish such branch offices elsewhere as it sees fit.

(2) The Authority may appoint such agents and correspondents as it may require from time to time.

Board of
Directors.

6.- (1) There shall be a Board of Directors of the Authority who shall be responsible for the policy and affairs of the Authority.

(2) The Board shall comprise directors consisting of a Chairman and not less than two and not more than four members, each of whom shall be appointed by the Governor on the recommendation of the Minister by notice in writing.

(3) The term of office of each director, including the Chairman, shall be specified in the notice appointing him and shall not be less than two years and shall not exceed five years except that the first Chairman may be appointed for a period of less than two years:

Provided that any director retiring on the expiry of his term of office shall, subject to subsections (5) and (6), be eligible for re-appointment.

*Solomon Islands Monetary Authority
Ordinance 1976 – No. 4 of 1976*

33

(4) The terms and conditions of appointment shall be set out in a letter of appointment addressed to each director, including the Chairman, by the Minister and such terms and conditions shall not be altered to their disadvantage during their period of office.

(5) The Chairman shall not while holding office hold any other office, whether remunerated or not, without the written permission of the Minister.

(6) Subject to subsection (5) a person may not be appointed or remain a director who -

- (a) is a member of the Legislature of the Solomon Islands; or
- (b) is a director, officer or employee of any bank.

(7) The names of all members of the Board as first constituted and every change in the membership thereof shall be published in the Gazette.

7. Subject to the provisions of this Ordinance, the Authority may regulate its own procedure and, in particular, may regulate the holding of meetings, the notice to be given of such meetings, the proceedings thereat, the keeping of minutes, the custody, production and inspection of such minutes, and the opening, keeping, closing and audit of accounts. Procedure.

8. The Board may appoint and employ at such remuneration and on such terms and conditions as it may prescribe such officers and employees as the Board may consider necessary for the due performance of the objects of the Authority. Power to appoint officers and employees.

9. The Board shall meet as often as the Chairman may consider the business of the Authority may require but not less frequently than six times a year. Meetings of the Board.

10.- (1) No member of the Board shall act as a delegate of any commercial, financial, agricultural, industrial or other interest or receive or accept directions therefrom in respect of duties to be performed under this Ordinance. Conflicts of interest.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

(2) All members of the Board shall fully disclose to the Board any commercial, financial, agricultural, industrial or other interest that they may have in any matter which becomes the subject of Board action.

(3) No member of the Board, nor any officer or employee of the Authority shall accept any gift or advantage for himself, or on his behalf for persons with whom he may have family, business or financial connections which would result or give the appearance of resulting, in a diminution in his impartiality in any matter relating to his duties under this Ordinance.

(4) Any person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine of \$10,000 or to imprisonment for seven years, or to both such fine and such imprisonment.

Secrecy.

11.- (1) No member of the Board, nor any officer or employee of the Authority shall disclose to any person any information relating to the affairs of the Authority or of any bank or financial institution or other person which he has acquired in the performance of his duties under this Ordinance except for the purpose of the performance of his duties or when lawfully required to do so by a court.

(2) Any person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine of \$10,000 or to imprisonment for seven years, or to both such fine and such imprisonment.

PART III - CAPITAL, PROFIT AND RESERVES

Capital.

12.- (1) The authorised capital of the Authority shall be five hundred thousand dollars and may be increased from time to time by such amounts as may be proposed by the Board and approved by the Governor on the recommendation of the Minister. Upon the establishment of the Authority there shall be issued to the Government capital stock equivalent to fifty thousand dollars which shall be a charge on and paid from the Consolidated Fund. Further amounts of capi-

Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976

35

tal may be issued to the Government and fully paid from time to time as may be proposed by the Board and approved by the Governor on the recommendation of the Minister.

(2) All capital stock of the Authority as and when issued shall be for the sole account of the Government and shall not be transferable or subject to encumbrance. No reduction of capital shall be effected except by an amendment to this Ordinance.

(3) In calculating the amount to be paid by the Government by way of subscription to the capital of the Authority, account shall be taken off any amounts already paid to the Authority by the Government by way of preliminary expenses and the value of other assets vested in the Authority.

13. The net profits of the Authority for any financial year ^{Profit.} shall be determined by the Authority after meeting all current expenditure for that year and after making provision for -

- (a) bad and doubtful debts, depreciation in investments and other assets, and contributions to staff and pension funds; and
- (b) such other purposes as the Board may deem necessary.

14.- (1) The Authority shall establish a General Reserve to ^{General Reserve.} which shall be allocated at the end of each financial year of the Authority the net profit of the Authority until such time as the General Reserve is equal in amount to half the authorised capital of the Authority after which half the net profit shall be allocated to the General Reserve until the General Reserve is equal to twice the authorised capital of the Authority.

(2) After allocations have been made to the General Reserve under subsection (1) the remainder of the net profit shall be transferred to the Consolidated Fund.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

(3) If in any year the Authority should make a net loss which exceeds the amount of the General Reserve at the end of that year, a sum equivalent to such excess shall be paid to the Authority from the Consolidated Fund.

(4) With the approval of the Minister, the Board may direct that a part, not exceeding half, of the General Reserve may at any time after the General Reserve has reached an amount equal to half the authorised capital of the Authority be converted into issued and fully-paid capital:

Provided that the amounts so converted shall not at any time exceed the difference between the issued and paid-up capital and the authorised capital of the Authority.

PART IV - CURRENCY

- | | |
|---|--|
| Unit of
currency. | 15. The currency unit of the Solomon Islands shall be the Solomon Islands dollar which shall be divided into 100 cents. |
| Parity. | 16. The parity of the dollar shall be declared by the Governor by Order acting in accordance with the provisions of the International Monetary Fund on the advice of the Minister who shall consult with the Authority. |
| Obligations
of Authority
in respect
of currency. | <p>17. The Authority shall at its office in Honiara -</p> <p>(a) buy and sell on demand convertible foreign currency for immediate delivery abroad against Solomon Islands currency; the foreign currency, or currencies, in which the Authority is obliged to deal under this section shall be specified by the Governor by order acting on the advice of the Minister who shall consult with the Authority; and</p> <p>(b) at its discretion, buy and sell other currencies eligible for inclusion in the reserve of external assets specified in section 25 against Solomon Islands currency:</p> |

Provided that -

(i) the rate of exchange quoted by the Authority for spot-transactions shall not differ from any parity declared by the Governor under section 16 by more than such margins as are permitted by any international monetary agreements binding on the Solomon Islands as may from time to time be prescribed;

(ii) the Authority shall not be required to buy or sell Australian dollars or other foreign currencies in amounts less than such minimum sum as may from time to time be prescribed by the Board.

18. (1) The Authority shall have the sole right of issuing currency notes and coins for, on behalf of and throughout the Solomon Islands and no other person shall issue currency notes, bank notes or coins or any documents or tokens payable to bearer on demand being documents or tokens having the appearance of currency notes or coins.

Sole right of issue.

(2) Any person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine of \$10,000 or to imprisonment for seven years, or to both such fine and such imprisonment.

19. (1) Every sale, bill of exchange, promissory note, security for money and every transaction, dealing, matter and thing whatsoever relating to money, or involving the payment of, or liability to pay, any money which, but for this section would have been deemed to be made, executed, entered into or done in or in relation to Australian currency shall in the Solomon Islands be deemed instead to be made, executed, entered into, done and had, in and in relation to an equivalent amount of currency of the Solomon Islands:

Contracts, etc., to be in Solomon Islands currency.

Provided that this section shall not affect any obligation to pay any money in any country where the Australian dollar is legal tender.

*Solomon Islands Monetary Authority
Ordinance 1976.— No. 4 of 1976*

(2) At the time of coming into force of this section a reference -

- (a) in any Ordinance and in any subsidiary legislation made under any such Ordinance;
- (b) in any bill of exchange, promissory note, security for money, contract or agreement (whether such contract or agreement is in writing or not), deed or other instrument; or
- (c) in any other matter whatsoever,

to an amount of money in Australian currency shall, unless the context is such that it would be inappropriate or the contrary intention appears, be construed as a reference to a corresponding amount of money in the currency provided for by this Ordinance.

(3) For the purposes of this section, sums expressed in Australian dollars shall be converted into Solomon Islands dollars on the basis of the parity first declared under the provisions of section 16.

Legal tender. 20.- (1) Subject to the provisions of this subsection, currency issued by the Authority shall be legal tender in the Solomon Islands -

- (a) in the case of notes, for the payment of any amount;
- (b) in the case of gold coins, for the payment of any amount;
- (c) in the case of silver coins, for the payment of an amount not exceeding fifty dollars;
- (d) in the case of other coins of a denomination of one dollar or more, for the payment of an amount not exceeding ten dollars;

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

39

- (e) in the case of coins of a denomination of five cents or more but less than one dollar, for the payment of an amount not exceeding five dollars;
 - (f) in the case of coins of a denomination of less than five cents, for the payment of an amount not exceeding one dollar.
- (2) A note or coin that has been illegally dealt with shall not be legal tender.
- (3) For the purposes of this Ordinance, a note or coin shall be deemed to have been illegally dealt with if it has been impaired, diminished or lightened otherwise than by fair wear and tear, or has been defaced by having any name, word, device or number printed, stamped or engraved thereon whether it has or has not been thereby diminished.
- (4) (a) The Authority shall have power, on giving not less than three months' notice in the Gazette to that effect, to call in any currency notes and coins on payment of the face value thereof and any such currency notes and coins with respect to which such notice has been given shall, upon the expiration of such notice, be deemed to be demonetised and cease to be legal tender:

Provided that the holders of any such notes or coins or of any notes issued under the authority of the Solomons Government Currency Notes Regulation 1916 that ceased to be legal tender under the Currency Regulation 1937 shall be entitled at any time to claim payment of the value thereof from the Authority or, where a transfer in respect thereof has been made under paragraph (b) to the Consolidated Fund, or under the Currency Regulation 1937 to general revenue, from the Consolidated Fund.

(b) When any notes or coin cease to be legal tender under paragraph (a) an amount equivalent to the face value of any such notes or coin remaining in circulation five years after they have so ceased to be legal tender shall be transferred to the Consolidated Fund and the said amount shall be written off the liabilities of the Authority.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

(c) Where coins are presented for payment under the proviso to paragraph (a) more than five years after they have ceased to be legal tender the Authority may levy a handling charge of such amount as the Board may from time to time determine.

(d) For the purpose of this subsection the value of notes issued under the Solomons Government Currency Notes Regulation 1916 shall be calculated at the rate of exchange ruling between the Solomon Islands dollar and sterling at the time when they are presented for payment.

Printing
and mint-
ing.

21. The Authority shall -

- (a) arrange for the printing of notes and the minting of coins and for all matters related thereto;
- (b) issue, re-issue and redeem such notes and coins; and
- (c) arrange for the safe custody of unissued stocks of notes and coins and for the preparation, safe custody and destruction of plates for the printing of notes and of dies for the minting of coin and for the safe disposal of withdrawn notes and coin which are not required for re-issue.

Denomina-
tions and
form of
currency.

22.- (1) Currency issued by the Authority shall be in such demoniations, and of such composition, weight, form and design as shall be approved by the Governor on the recommendation of the Minister who shall before making any such recommendation, consult with the Authority.

(2) The characteristics of currency to be issued by the Authority, shall, together with, in the case of coin, the amount of tolerance and variation which shall be allowed from the standard weight and composition, be published in the Gazette.

23. No person shall be entitled to recover from the Authority the value of any lost, stolen, mutilated or imperfect note or coin or of any note or coin which has been illegally dealt with, and the circumstances and conditions under which such value may be refunded as an act of grace shall be within the absolute discretion of the Authority. Certain notes and coin not redeemable.
24. The Authority shall not be liable for the payment of any stamp duty in respect of its notes issued as currency. Exemption from stamp duty.
25. The Authority shall at all times maintain a reserve of external assets consisting of all or any of the following: - Reserve of external assets.
- (a) gold;
 - (b) foreign exchange in the form of currency, cash or bank balances held abroad;
 - (c) any internationally-recognised reserve asset;
 - (d) bills of exchange and promissory notes denominated in foreign currency and payable at any place outside the Solomon Islands;
 - (e) treasury bills issued by foreign governments determined from time to time by the Board;
 - (f) securities issued or guaranteed by foreign governments or international financial institutions determined from time to time by the Board.
26. The value of the reserve of external assets provided for in section 25 shall not be less than an amount equivalent to sixty per centum of the total demand liabilities of the Authority: Value of reserve of external assets.

Provided that -

- (a) for the purposes of the calculation of the value of the assets of the reserve the value of any gold or silver content of coin issued under the provisions of this Ordinance may be recorded as an asset of the reserve and shall be calculated by reference to the latest known London market price for gold and silver bullion respectively; and

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

- (b) the value so calculated shall not exceed the face value of such coin.

PART V - OPERATIONS

Relations
with Gov-
ernment.

27.- (1) The Authority -

- (a) shall act as adviser to the Minister on monetary and banking policy;
- (b) may act generally as agent for the Government where it can do so appropriately and consistently with its functions under this Ordinance; and
- (c) shall, upon designation by the Minister, serve as the depository and fiscal agency of, and the institution through which dealings shall be conducted with, international financial institutions of which the Solomon Islands is, or becomes, a member.

(2) The Minister may from time to time, after consultation with the Chairman, give to the Authority in writing such directions as appear to the Minister to be necessary in the public interest.

Authority
may pres-
cribe re-
serves.

28.- (1) The Authority may from time to time prescribe by notice (a copy of which notice it shall submit or cause to be submitted to the principal place of business in the Solomon Islands of each bank, or each financial institution or both, as the case may be) the maintenance of reserves, including marginal reserves, against deposit and other similar liabilities which shall be specified for this purpose.

(2) Reserves referred to in subsection (1) shall be maintained in the form of holdings of Solomon Islands currency notes and coin or of deposits with the Authority or in such other manner as the Authority may prescribe or in such proportions of each of the foregoing as the Authority may from time to time prescribe.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

43

(3) The Authority may prescribe different ratios for different classes of deposit and other similar liabilities and shall prescribe the method of their computation;

(4) The Authority may impose on any bank or financial institution which fails to maintain the appropriate prescribed level of reserves a levy of one-tenth of one per cent per day of the amount of the deficiency in prescribed reserves until such time as the deficiency is corrected:

Provided that -

- (a) the Authority shall not require a bank or financial institution to hold a total amount of reserves in excess of fifteen per cent of that bank's or that financial institution's total deposit and other similar liabilities in respect of which reserves have been prescribed under this section;
- (b) the prescribed ratios shall be uniform for all institutions of the same class; and
- (c) the initial prescription of, and any change in, the reserve ratios shall only be effective after reasonable notice, being not less than thirty days, and shall not relate to a period prior to the initial date of notice.

29. The Authority may require any bank or financial institution to furnish, within such time and in such form as the Authority considers necessary, such information as the Authority considers necessary to enable the Authority to carry out its duties under section 27(1)(a) and to calculate the amount of each bank's or each financial institution's reserves which may be required under the provisions of section 28:

Provision
of infor-
mation by
banks and
financial
instituti-
ons.

Provided that information regarding the account, or regarding any matter or thing relating to the affairs, of any individual depositor or other customer of a bank or financial institution may not be required by the Authority by virtue of the provisions of this section.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

General
powers of
the Author-
ity.

30. Subject to the provisions of this Ordinance, the Authority may for the purpose of the performance of its functions under this Ordinance -

- (a) buy and sell gold coin and bullion;
- (b) open accounts for and accept deposits payable on demand from local banks and the Treasury;
- (c) open and maintain accounts with such banks or other depositories, and appoint such correspondents or agents as may be necessary for the effective operation and management of the Authority;
- (d) buy and sell Treasury bills, Treasury notes and other securities issued by or guaranteed by such foreign governments as the Minister may approve;
- (e) buy and sell Treasury bills maturing in not more than ninety-three days and other securities issued by or guaranteed by the Government maturing within five years:

Provided that the total amount of such securities in the ownership of the Authority (other than securities held in terms of paragraph (g)) shall not at any time exceed twenty per centum of total demand liabilities;

- (f) grant loans and advances to banks for fixed periods not exceeding six months on the security of all or any of the following: -
 - (i) gold coin or bullion;
 - (ii) Treasury bills issued by the Government;
 - (iii) securities issued or guaranteed by the Government;
 - (iv) any other assets specified in section 25;

Provided that a loan granted on any such security as is mentioned in this paragraph shall not exceed seventy-five per centum of the current market value of that security;

- (g) with the approval of the Minister purchase, hold and sell shares in any corporation set up with the approval of the Government for the purpose of facilitating the financing of development:

Provided that the total value of any such holding of such shares shall not at any time exceed an amount equivalent to twenty per centum of the General Reserve;

- (h) as agent for the Government, undertake the issue, placement and service of any Government securities and act as registrar for such issues of Government securities;
- (i) subject as is expressly provided in this Ordinance, do all such things as are incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Ordinance.

31. Except as expressly authorised by this Ordinance the Authority may not - Prohibited activities.

- (a) engage in trade or otherwise have a direct interest in any commercial, agricultural, industrial or other undertaking except such interest as the Authority may acquire in the course of the satisfaction of debts due to it, so, however, that it shall be the duty of the Authority to dispose of any such interest so acquired at the earliest suitable opportunity;
- (b) save as provided for in paragraph (g) of section 30 purchase shares of any corporation or company including the shares of any bank;
- (c) make loans to any person, so, however, that the Authority shall not be precluded from making loans secured by first mortgages or otherwise to an officer or servant of the Authority for the purchase of a residence or for such other purpose as may be approved by the Authority;

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

- (d) purchase, acquire or lease real property except in so far as the Board considers necessary or expedient for the provision or future provision of business premises for the Authority or its branches, or of residences for officers or servants of the Authority or of any other requirement incidental to the performance of its functions under this Ordinance.

PART VI - ACCOUNTS AND STATEMENTS

- Financial year. 32. The financial year of the Authority shall end on the thirty-first day of December.
- Valuation of securities. 33.- (1) The value of securities held in the name of or on behalf of the Authority shall, for the purposes of this Ordinance, be calculated by reference to the latest known market price of such securities.
- (2) Except to the extent that any provision is made under section 13 for the depreciation of investments in determining the profit of the Authority, any alteration during the period of six months ending 30th June or 31st December in any year in the value of the securities held in the name of or on behalf of the Authority together with any capital profit or loss resulting from the sale or maturity of such securities during such period, shall represent an accrual to or a charge upon the General Reserve, as the case may be, and shall not be deemed to be a profit or loss for the purposes of the calculation of the net profits of the Authority in accordance with section 13.
- Deficiency of assets to be covered by Government. 34. If at any time the total assets of the Authority shall be less than the total liabilities of the Authority, notwithstanding any other provisions of this Ordinance, the Government shall cause to be transferred to the Authority non-negotiable non-interest-bearing securities issued by the Government to the extent of the deficiency:

35.- (1) The accounts of the Authority shall be audited ^{Audit.} annually by auditors appointed by the Board with the approval of the Minister.

(2) Without prejudice to the provisions of subsection (1) the Minister may at any time require the Auditor-General to examine and report on the accounts of the Authority as a whole or any aspect of the Authority's operations and the Authority shall provide the Auditor-General with all necessary and proper facilities for such an examination.

36.- (1) The Authority shall, within four months after the end of each financial year, cause to be made and transmit to the Minister - ^{Publication of accounts and annual report.}

- (a) a report of the operations of the Authority during that year; and
 - (b) a copy of the annual statement of accounts of the Authority certified by the auditors appointed under section 35.
- (2) The Minister shall as soon as may be after their receipt -
- (a) cause a copy of the report and annual statement of accounts to be laid before the Legislative Assembly; and
 - (b) cause a copy of the annual accounts to be published in the Gazette.
- (3) The Authority shall as soon as may be after -
- (a) the last working day in March, June, September and December of each year make up and publish in the Gazette, a statement showing its assets and liabilities at the close of business on such respective day; and
 - (b) the last working day in each month transmit a similar statement, to the Minister.

*Solomon Islands Monetary Authority
Ordinance 1976 - No. 4 of 1976*

PART VII - TRANSITIONAL ARRANGEMENTS

Transitional
arrangements. 37.- (1) The provisions of this section shall remain in force until 30th June 1977 or such later date as may be notified by the Minister by notice in the Gazette (hereinafter referred to as the transitional period) whereupon they shall be deemed to have been repealed.

Cap. 57. (2) During the transitional period Australian currency shall remain legal tender in accordance with the Currency Ordinance to be repealed under section 39.

(3) During the transitional period the Authority may at its discretion issue notes or coin at par and free of commission or charges in exchange for the equivalent value in Australian currency.

Inclusion
of Australia-
lian cur-
rency in
reserve of
external
assets. 38. For a period of two years following the commencement of this Ordinance the Board may include in the reserve of external assets of the Authority Australian currency which has at any time been legal tender in Australia and which is still redeemable in Australia.

Repeal of
Cap. 57. 39. The Currency Ordinance shall be deemed to have been repealed immediately upon the expiration of the transitional period.

Passed by the Legislative Assembly this twentieth day of January one thousand nine hundred and seventy-six.

This printed impression has been carefully compared by me with the Bill passed by the Legislative Assembly and found by me to be a true and correct copy of the said Bill.

D. OTUANA
Clerk of the Legislative Assembly