

Malawi

## Decimal Currency Act

Chapter 45:02

Legislation as at 31 December 2014

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# Malawi

## Decimal Currency Act

### Chapter 45:02

Assented to on 24 August 1970

There are multiple commencements:

Provisions	Status
Part I (section 1–2); Part II (section 3–14)	commenced on 15 September 1970.
Part III (section 15–17)	commenced on 15 February 1971.

*[This is the version of this document at 31 December 2014.]*

*[Note: This version of the Act was revised and consolidated in the Forth Revised Edition of the Laws of Malawi (L.R.O. 1/2015), by the Solicitor General and Secretary for Justice under the authority of the Revision of the Laws Act.]*

**An Act to provide for the introduction of and conversion to the decimal currency system and for matters connected therewith and incidental thereto**

### Part I – Preliminary

#### 1. Short title

This Act may be cited as the Decimal Currency Act.

#### 2. Interpretation

In this Act, unless the context otherwise requires—

“**Board**” means the Decimal Currency Board established by [section 3](#);

“**Chairman**” means the Chairman of the Board;

“**decimal currency system**” means the system of currency provided for by Part III;

“**Deputy Chairman**” means the Deputy Chairman of the Board;

“**existing currency system**” means the system of currency in force in Malawi immediately before the date of commencement of Part III;

“**former currency**” means currency expressed in pounds, shillings and pence in accordance with the existing currency system;

“**member**” means a member of the Board;

“**new currency**” means currency expressed in Kwacha and tambala in accordance with the decimal currency system;

“**prescribed machine**” means a machine or instrument, designed to be used in connexion with the existing currency system or any similar system of currency, and used or intended for use solely or principally for the purpose of calculating or recording amounts of money (including an accounting machine, an adding machine or any similar machine, a machine for franking postal articles, a cash

register, a price-computing scale and a price-computing petrol pump), which is declared by the Minister, by notice published in the *Gazette*, to be a prescribed machine for the purposes of this Act.

## Part II – Decimal Currency Board

### 3. Establishment of Board

- (1) There is hereby established a Board, to be known as the Decimal Currency Board, which shall be a body corporate with perpetual succession and a common seal, with power to acquire, hold, charge and dispose of property, movable and immovable, to borrow money and to do or perform all such things and acts for the purpose of carrying out its functions as a body corporate may lawfully do.
- (2) The Board may sue and be sued in its corporate name and may for all purposes be described by such name.

### 4. Constitution of Board

- (1) The Board shall consist of not more than eight members appointed by the Minister and holding office during the Minister's pleasure.
- (2) The Minister shall appoint one of the members of the Board to be Chairman and the members of the Board shall elect one of their number to be Deputy Chairman.
- (3) Any member who is absent for more than three successive meeting of the Board without permission from the Chairman, or who, in the opinion of the Chairman, is for any cause incapacitated so as to be unable to take a proper part in the affairs of the Board, may have his membership of the Board terminated by the Minister.
- (4) Any member may, by notice under his hand addressed to the Chairman, resign from his membership of the Board and such resignation shall be effective from the date specified therein or 7 days after receipt of the notice by the Chairman, whichever is later.
- (5) Members shall be entitled to such fees and allowances, if any, as the Board may, with the approval of the Minister, determine.

### 5. Secretary and officers

The Board shall on such terms and conditions as it thinks fit and with the approval of the Minister appoint a Secretary who shall be the chief executive officer of the Board, and may similarly appoint or employ such other officers or persons as may be necessary for the efficient performance of its functions.

### 6. Meetings and Procedure

- (1) The Board shall meet at such times and places as may be necessary or expedient for the transaction of the business of the Board.
- (2) Meetings shall be convened by the Chairman, or in the event of his absence or of a vacancy in his office, by the Deputy Chairman.
- (3) The Chairman shall preside at all meetings of the Board at which he is present, but in the event of his absence from a meeting the Deputy Chairman shall preside at that meeting and in the absence of both the Chairman and the Deputy Chairman from any meeting, the members present and forming a quorum shall appoint one of their number to preside at that meeting.
- (4) At any meeting of the Board, three members shall constitute a quorum.

- (5) Any question arising at a meeting of the Board shall be decided by a majority of the votes of the members present and, for this purpose, the member presiding shall be entitled to a deliberative vote and also, in the event of an equality of votes, to a casting vote.
- (6) The Board may in its discretion invite any person to attend a meeting of the Board, and such person may, with the consent of the Chairman, speak but shall have no power to vote at that meeting.
- (7) Minutes in proper form of each meeting of the Board shall be kept, and shall be confirmed by the Board at its next meeting and signed by the person presiding at that meeting.
- (8) Subject to the foregoing provisions the Board shall regulate its own procedure.

## 7. Powers of the Board

- (1) The Board may do such things, make such arrangements and enter into such agreements as it considers necessary for the purpose of facilitating the transition from the existing currency system to the decimal currency system.
- (2) Without prejudice to the generality of subsection (1), the Board may make such arrangements or enter into such agreements as it thinks fit for or in relation to the conversion, adaptation or replacement, for use in connexion with the decimal currency system, of all such prescribed machines as it thinks fit:  
  
Provided that any such arrangement or agreement shall require owners of the machines concerned to bear the costs involved in the conversion, adaptation or replacement of the said machines.

## 8. Delegation

- (1) With the approval of the Minister, the Board may, either generally or in relation to any particular matter or class of matters, by writing under its common seal, delegate to any of its members or the Secretary all or any of its powers under this Act, except this power of delegation.
- (2) A delegation of any power made under the provisions of this section may be revoked by the Board at any time and shall not prevent the exercise by the Board of any of its powers, whether delegated under the provisions of this section or not.

## 9. Committees

- (1) The Board may appoint such advisory or technical committees, whether from its own members or not, as it thinks fit for the purpose of assisting the Board in carrying out its functions.
- (2) A member of any committee appointed under this section who is not a member of the Board or a public officer shall be paid such remuneration and allowances as the Board, with the approval of the Minister, may determine in each case.

## 10. Disclosure of interest in agreements etc.

- (1) Any member of the Board or of any committee appointed by the Board who, otherwise than as such member, is directly or indirectly interested in an arrangement or agreement made or entered into, or proposed to be made or entered into, by the Board, shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest to the Board or the committee as the case may be.
- (2) Every disclosure made under the provisions of the last preceding subsection shall be recorded in the minutes of the Board or committee, and the member concerned—

- (a) shall not take part after the disclosure in any deliberation or decision of the Board or committee relating to the arrangement, agreement or approval; and
  - (b) shall be disregarded for the purpose of constituting a quorum of the Board or committee for any such deliberation or decision.
- (3) For the purpose of subsection (1) of this section, a member shall not be regarded as being interested in any arrangement or agreement made or entered into, or proposed to be made or entered into, by the Board with another person by reason only that he is the owner of a prescribed machine involved in such arrangement or agreement.

## 11. Finance

- (1) The expenses incurred by the Board in the performance of its functions under this Act shall be funded by the Reserve Bank of Malawi.
- (2) For the purposes of the preceding subsection the Board shall open an account with the Reserve Bank of Malawi.

## 12. Accounts and returns

- (1) The Board shall cause to be kept proper accounts and other records relating to its operations including such particular accounts and records as the Minister may direct.
- (2) Subject to any direction made by the Minister for the time being responsible for finance under section 45 of the Finance and Audit Act, the accounts of the Board shall be audited by auditors approved by the Minister.

[Cap. 37:01]

## 13. Abolition of Board

- (1) Whenever the Minister is satisfied that the Board has achieved its purpose or that the transition from the existing currency system to the decimal currency system has proceeded to a stage at which the further supervision of the Board is no longer necessary, he may, by notice published in the *Gazette*, dissolve the Board.
- (2) As from the date on which the Board is dissolved under subsection (1) all the powers, functions, duties, assets, liabilities, rights and obligations of the Board shall vest in the Minister or in such person or authority as the Minister may appoint and accordingly any reference in this Act or in any document or otherwise to the Board shall thereafter be construed as a reference to the Minister or to the appointed person or authority.

## 14. Regulations

The Minister may make regulations for the better carrying out of the provisions or the purposes of this Act.

## Part III – Conversion to the Decimal Currency System

## 15. Reference to former currency after prescribed date

- (1) From the date on which this Part comes into operation, hereinafter referred to as the prescribed date, any reference in a written law, bill of exchange, promissory note, security for money, bond, contract or agreement (whether in writing or not), deed or other instrument, or in any other

manner whatsoever, to an amount of money in the former 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 new currency.

- (2) Where such a reference as is mentioned in subsection (1) is to a percentage or other proportion expressed in terms of money, the reference shall be construed as a reference to an equivalent percentage or proportion expressed in terms of money in the new currency.
- (3) For the purpose of this section conversion from the former currency to the new currency shall be calculated on the basis that one pound and one shilling is the equivalent of two Kwacha (K2) and ten tambala (10t) respectively, and pence shall be converted proportionately.

**16. Payments made after prescribed date**

- (1) Every payment made in Malawi, on or after the prescribed date shall, unless made according to the currency of any other country, be made according to the new currency.
- (2) Where notes and coins of the former currency are used for the purpose of making payments after the prescribed date, the face value of such notes and coins shall be taken to be the equivalent in notes or coins of the new currency respectively shown in the tables hereunder.

**Table 1**

<b>First Column</b>	<b>Second Column</b>
<i>Notes in the former currency</i>	<i>Notes in the new currency</i>
Five pounds (£5) . . . . .	Ten Kwacha (K10)
One pound (£1) . . . . .	Two Kwacha (K2)
Ten shillings (10s) . . . . .	One Kwacha (K1)
Five shillings (5s) . . . . .	Fifty tambala (50t)

**Table 2**

First Column	Second Column
<i>Coins in the former currency</i>	<i>Coins in the new currency</i>
Half Crown (2s-6d) . . . . .	Twenty-five tambala (25t)
Florin (2s) . . . . .	Twenty tambala (20t)
One shilling (1s) . . . . .	Ten tambala (10t)
Six pence (6d) . . . . .	Five tambala (5t)
Three pence (3d) . . . . .	Two and one half tambala (2½t)
Several coins of the denominations of half penny, penny or three pence, or any combination thereof, to a total aggregate value of six pence	Five tambala (5t)

**17. Conversion in respect of several amounts etc.**

Where conversion for the purpose of [section 15](#) or [section 16](#) is in respect of the total of a number of individual amounts expressed in, or a product to be calculated in or by reference to, the former currency, the calculations specified in those sections shall be applied to that total or product, and not to the individual amounts or the rate by reference to which such product is to be calculated.