

Content

Title :	1949 Consolidated US Dollar Bond Act Ch
Date :	1949.06.23
Legislative :	Full text of 17 articles enacted and promulgated by the President on June 23, 1949.
Content :	<p>Article 1 To consolidate previously issued foreign currency bond certificates, the government will issue bonds, which will be named the 1949 Consolidated US Dollar Bond (hereinafter, "the Bond").</p> <p>Article 2 The Bond will be issued for a total amount of USD 136 million. The Class A Bond Certificate will be issued for USD 37.2 million. The Class B Bond Certificate will be issued for USD 83 million. The Class C Bond Certificate will be issued for USD 15.8 million.</p> <p>Article 3 The Bond will be issued at full face value on 1 April 1949.</p> <p>Article 4 The principal and interest on the Bond will be paid without exception in US dollars.</p> <p>Article 5 The Bond certificates will have six face value denominations: USD 5, USD 10, USD 50, USD 100, USD 1,000, and USD 5,000.</p> <p>Article 6 The Bond will replace previously issued foreign currency bond certificates. The bond certificates that will be replaced by the Bond are listed below according to their original terms of redemption:</p> <ol style="list-style-type: none">1. The Class A Bond Certificate will replace 1947 Short-Term Treasury Notes (First and Second Issues).2. The Class B Bond Certificate will replace 1938 Gold Loan Pound Sterling and US Dollar Bond Certificates and 1942 Allied Victory US Dollar Loan Bonds.3. The Class C Bond Certificate will replace 1940 Reconstruction Gold Loan Pound Sterling and US Dollar Bond Certificates (First Issue). <p>Article 7 The Bonds are issued exclusively to replace those portions of the previously issued foreign currency bond certificates referred to in the preceding article that were actually sold and as of 20 August 1948 had not yet matured and been redeemed. For the coupons of the most recent two issues thereof after 20 August 1948, up to the uniform cutoff date of the end of March 1949, the amount of interest payable shall be added to the principal and together will be replaced by the Bond. For any of the previously issued bonds that have been mortgaged, the Ministry of Finance shall make separate arrangements.</p>

Article 8

Previously issued US dollar bonds shall be replaced by the Bond at their face value. Sterling pound bond certificates shall be replaced by the Bond at the US dollar to sterling pound exchange rate posted by the Central Bank, i.e. 1 pound per sterling pound bond to 3 dollars par value of the Bond.

Article 9

The interest rate of the Bond is 3 percent per annum. The Class A Bond Certificate will begin to pay interest from 30 September 1949. The Class B Bond Certificate will begin to pay interest from 30 November 1949. The Class C Bond Certificate will begin to pay interest from 31 January 1950. Interest will then subsequently be paid once every 6 months.

Article 10

Each class of the Bond certificates will pay principal beginning from the fifth interest payment, and subsequently will pay principal once every 6 months. The Class A Bond Certificates will be redeemed in full over a period of 10 years. The Class B Bond Certificates will be redeemed in full over a period of 15 years. The Class C Bond Certificates will be redeemed in full over a period of 25 years. The amounts of principal to be paid each year shall be as specified in the Table of Principal and Interest Payments, and payments will be made by the lottery drawing method.

Article 11

For the payment of principal and interest on the Bond, the Ministry of Finance, based on the amounts of principal and interest payable for each payment on the three classes of bond certificates as specified in the Table of Principal and Interest Payments, will make timely advance appropriations of the amount payable from the National Treasury's foreign exchange account to the Public Bond Fund Supervisory Committee to be held on deposit exclusively in preparation for payment.

The Public Bond Fund Supervisory Committee will be reorganized from the 1947 Short-Term Treasury Note and US Dollar Bond Fund Supervisory Committee, and will concurrently be responsible for supervising affairs in connection with the 1947 US Dollar Bond Fund. Its organization regulations shall be prescribed separately.

Article 12

The principal and interest payments of the Bond shall be managed by the Central Bank and its appointed banks.

Article 13

The procedures for replacement of the previously issued bonds by the Bond are to be entirely completed within a time limit following the printing of the Bond certificates. The beginning and ending dates of the replacement period will be publicly announced by the Ministry of Finance. During the replacement period, bond certificate holders shall take their previously issued foreign currency bond certificates to the local bank managing the bonds and apply for replacement. If a bondholder fails to apply for replacement within the time limit, the previously issued foreign currency bond certificates held by the bondholder shall without exception be invalidated.

The procedures for replacement of the Bond overseas shall without exception be the same as those set out in the preceding paragraph.

Article 14

The Bond certificates will be in bearer form, and may not be reported lost.

Article 15

The Bond certificates may be freely traded and mortgaged, and may be used as a substitute when guarantee money is required to be paid in official dealings, and may serve as guarantee reserve of financial enterprises.

Article 16

Anyone who counterfeits or damages the credit of the Bond will be prosecuted by the judicial authorities in accordance with law.

Article 17

This Act shall come into force from the date of promulgation.

Data Source : Ministry of Finance, R.O.C. Laws and Regulations Retrieving System