Content

Title：	1949 Short-Term Gold Bond Act Ch
Date：	1949.01.19
Legislative：	Full text of 14 articles enacted and promulgated by the President on January 19, 1949.
Content：	

Article 1

To encourage saving, absorb idle funds, stabilize finance, and balance the budget, the government will issue bonds, which will be named the 1949 Short-Term Gold Bond (hereinafter, "the Bond").

Article 2

The Bond will be issued in a total amount of 2 million market taels of gold. It will be divided into two issues, with one-half of the total amount to be issued on each of 1 February and 1 June 1949.

Article 3

The Bond will be issued at full value. Its sale price shall be the gold price converted on the basis of the Central Bank daily exchange rate for overseas remittances. Its purchase shall be paid for in gold yuan notes.

Article 4

The Bond will be publicly sold in markets without geographical restriction, and may be underwritten by a financial syndicate organized by the Central Bank.

Article 5

Payments of principal and interest on the Bond will be paid in gold at the face value.

Article 6

The interest rate of the Bond is 0.4 percent per month, and the interest will be calculated from the issue date and paid together with the principal. However, if the total amount of the gold interest is less than 5 market mace, it shall be converted to gold yuan notes at the exchange rate for overseas remittances quoted by the Central Bank on the date for commencement of payment for the period for which the lot has been drawn for payment of the principal.

Article 7

The term for redemption of the Bond is 2 years. Lots will be drawn and principal paid once every month from the issue date, and interest will be paid on the bond certificates for which the lots are drawn. The amount of principal to be paid each time shall be as specified in the Table of Principal and Interest Payments.

Article 8

Half of the fund for payment of the principal and interest of the Bond shall be deposited by the Central Bank under the gold inventory account upon the instructions of the government, and half shall be procured with funds appropriated by the Council for US Aid, Executive Yuan. On the issuance date of each issue of the Bond, the full amount shall be appropriated to the Bond Fund Custody Committee, which shall have full authority over its custody in preparation for payment.

Article 9

A Fund Custody Committee shall be established for the Bond. It shall be composed of three persons delegated by the government, and six persons chosen from among representatives of the domestic and foreign financial industries. The organization regulations of the Fund Custody Committee shall be prescribed separately.

The Fund Custody Committee shall assume full responsibility for the Bond Fund. Its custodial authority may not be altered before the Bonds have been redeemed in full.

Article 10

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

Article 11

The certificates of the Bond will have five face value denominations: 5 market mace, 1 market tael, 5 market taels, 10 market taels, and 50 market taels of gold. All certificates will be in bearer form, and the certificates may not be reported lost.

Article 12

The Bond 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 13

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

Article 14

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

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