Part IV

MISCELLANEOUS

Article 20

Definitions

In this Code:

i) "Member" shall mean a country which adheres to this Code;

ii) "Domestic securities" shall mean securities issued or to be issued by a resident;

iii) "Foreign securities" shall mean securities issued or to be issued by a non-resident;

iv) "Recognised security market" shall mean a stock exchange or security market in a Member country (including an over-the-counter market organised by a recognised association of security dealers);

- which is officially recognised in the country where it operates;
- on which the public can buy and sell securities; and
- on which dealings take place in accordance with fixed rules;

v) "Securities quoted on a recognised security market" shall mean securities which have been granted an official quotation or are officially listed on such a market or for which dealing prices on such a market are published not less frequently than once a week;

vi) Security dealing on a "spot basis" shall mean dealing with payment and delivery to be made immediately the transaction is

concluded or on the next periodic settlement date of the stock exchange where the transaction takes place;

vii) "Money market securities" shall mean securities with an original maturity of less than one year;

viii) "Collective investment securities" shall mean the share certificates, registry entries or other evidence of investor interest in an institution for collective investment which, irrespective of legal form, is organised for the purpose of managing investments in securities or in other assets, applies the principle of risk-spreading, issues its own securities to the public on demand either continuously or at frequent intervals and is required on the request of the holder to redeem such securities, directly or indirectly, within a specified period and at their net asset value;

ix) "Financial institutions" shall mean banks, savings banks, bodies which specialise in the granting of credits, insurance companies, building societies, investment companies, and other establishments of a similar nature;

x) "Deposit" shall mean a sum of money paid on terms: a) under which it will be repaid, with or without interest or premium, and either on demand or at a time or in circumstances agreed by the person making it or receiving it or by his order, and b) which are not referable to the provision of property or services or to the giving of security;

xi) "Official channels" shall mean foreign exchange markets in which an officially established rate or officially established rates apply and in which spot transactions take place at rates which are free to fluctuate within the official margins;

xii) "Blocked funds" shall mean funds owned by residents of other Member countries in accordance with the laws and regulations of the Member where the funds are held and blocked for balance-of-payments reasons;

xiii) "Unit of account" shall mean the sum in the national currency of a Member which is equal to a unit of value of special drawing rights as valued by the International Monetary Fund.

Article 21

Title of decision

This Decision, referred to in the present text as the "Code", shall be known as the "Code of Liberalisation of Capital Movements".

Article 22

Withdrawal

Any Member may withdraw from the Code by transmitting a notice in writing to the Secretary-General of the Organisation. The withdrawal shall become effective twelve months from the date on which such notice is received.

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