

# UK EXCHANGE CONTROL REGULATIONS RELAXED

Algarve News understands that, as a result of the recent relaxation of British exchange control regulations, UK residents may now purchase property abroad, for private use, using foreign currency up to the value of £100,000 per family per annum at the official rate of exchange at the time of the transaction.

It will no longer be necessary to acquire investment currency. Neither will purchasers be required to pay the investment dollar premium.

Conversely, UK residents who already own property overseas will no longer be able to recover the premium.

Families leaving UK to live abroad will be allowed an initial basic allowance of £200,000. Sterling assets in excess of this sum will be restricted for four years.

There is no longer a limit of one overseas property per family, provided that each property is for private use.

We await further details from the Bank of England.

Meanwhile, from the British Embassy, Lisbon, Algarve News has received the following:

"In reply to a written parliamentary question (on July 18) the Chancellor of the Exchequer announced a further relaxation of exchange controls.

"The Chancellor recalled the Government's intention, announced in his budget speech on June

12, to take further steps, as circumstances allowed, in the progressive dismantling of exchange control. He has now decided to allow complete freedom of choice in the financing of outward direct investment and to take three significant steps towards liberalising outward portfolio investment.

"With effect from July 19, official exchange is available without limit for all outward direct investments, and foreign currency borrowing taken at any time to finance such investments will be eligible for repayment with official exchange. As regards portfolio investment, also with effect July 19, official exchange is available for investment by UK residents in most securities denominated and payable solely in the currencies of other EEC countries. Secondly, official exchange will also be available for investment in foreign currency securities issued by international organisations of which the United Kingdom is a member, including those issued by European Community institutions and the World Bank. One of the consequences will be that the sale proceeds of existing and new holdings of such securities, however acquired, will no longer be eligible for sale in the investment currency market. Thirdly, foreign currency borrowing taken by UK residents to finance outward portfolio investment and which has been outstan-

ding at least one year as of July 19 will be repayable with official exchange.

"In addition to the main changes announced in the Chancellor's statement, a relatively minor change is being made affecting outward portfolio investment. UK residents who hold foreign currency securities which are classified as "restricted securities" (the sale proceeds of which have hitherto had to be surrendered for sterling at the official rate) are now permitted to reinvest the proceeds of sale of such "restricted securities" in any other foreign currency securities."

## BAR BACCHUS

Norman and Sally Bown's "Bar Bacchus", a popular lunchtime spot, is now open for dinner, too. The menu is not large, but it isn't difficult to put together a fine meal from the choices offered.

Starters include anchovy cocktail, chilled tomato soup and homemade pate.

Among the main courses are kebabs, coq au vin, casseroled pork and a number of lighter dishes such as a prawn platter and smoked fish.

The star of the sweets list is a chocolate gateau, made with Port and bitter chocolate.

A three course dinner, with

the house wine, will run around 450\$00 to 500\$00 per person.

"Bar Bacchus" is at Patrick Swift's Porches Pottery, about 3 kms from Lagoa on the Faro road. Dinner orders are taken from 7:30 to 10 p.m. Note: The Pottery stays open as well.

## OS ARCOS

Darcy Glover's "Restaurante Os Arcos" (Lagos) will be open on Sunday evenings until the middle of September. The bar is open from 6 to 11 p.m. Dinner hours are 7:30 to 10:15. Reservations are usually necessary. Telephone (082) 63210.



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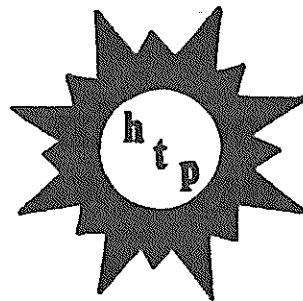
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