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Fourth Session Fourth Parliament Republic of Trinidad  
and Tobago

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REPUBLIC OF TRINIDAD AND TOBAGO

**Act No. 23 of 1994**

[L.S.]

AN ACT to amend the Central Bank Act, Chap. 79:02  
and the Financial Institutions Act, No. 18 of 1993

*[Assented to 1st December, 1994]*

ENACTED by the Parliament of Trinidad and Tobago as Enactment  
follows:—

1. This Act may be cited as the Central Bank Short title  
(Amendment) Act, 1994.

Interpretation  
Chap. 79:02

2. In this Act the Central Bank Act is referred to as "the Act".

Section 2 amended

3. Section 2 of the Act is amended—

(a) by inserting in the appropriate alphabetical positions, the following definitions:

"Corporation" means the Deposit Insurance Corporation established under section 44P;

"Inspector of Banks" means the Inspector of Banks appointed under section 30 of the Financial Institutions Act, 1993;

Act No. 18 of  
1993

"Minister" means the Minister to whom the responsibility for finance is assigned except as otherwise provided in this Act;

"municipal corporation" means a municipal corporation continued or established under the Municipal Corporations Act, 1990;

Act No. 21 of  
1990

"ordinary director" means a director other than the Governor and the Deputy Governors and the public service directors;

"public service director" means a director referred to in section 8(2A);

"statutory authority" means a municipal corporation or any commission, board, committee, council or body, whether corporate or unincorporated, established by or under an Act other than the Companies Ordinance and declared by the President under section 3 of the Statutory Authorities Act to be subject to the provisions of that Act;"

Ch. 31. No. 1

Chap. 24:01

(b) by deleting the definition of “Deputy Governor” and substituting the following definition:

“Deputy Governor” means a Deputy Governor appointed pursuant to section 7;”;

(c) by deleting the definition of “financial institution” and substituting the following definition:

“financial institution” means a company licensed under the Financial Institutions Act, 1993;”;

(d) by deleting the definitions “commercial bank” and “Currency Board”.

4. Section 3 of the Act is amended—

Section 3 amended

(a) in subsection (3)—

- (i) in paragraph (d) by deleting the word “and” in the third place where it occurs;
- (ii) in paragraph (e) by deleting the full stop and substituting the words “; and”;
- (iii) by inserting after paragraph (e), the following paragraph:

“(f) review—

- (a) legislation affecting the financial system; and
- (b) developments in the field of banking and financial services,

which appear to it to be relevant to the exercise of its powers and the discharge of its duties.”;

(b) by inserting after subsection (3), the following subsection:

“ (4) Neither the Bank, a director, an officer nor an employee of the Bank is liable in damages for anything done or omitted in the discharge or purported discharge of the functions of the Bank under this Act or the Financial Institutions Act, 1993, unless it is shown that the Act or omission was reckless or in bad faith.”.

Section 5 repealed  
and a section  
substituted

5. Section 5 of the Act is repealed and the following section is substituted:

“Board of  
Directors

5. The Bank shall be managed by a Board of Directors comprised of a Governor, not more than two Deputy Governors and not less than six other directors, two of whom may be public service directors.”.

Section 6 amended

6. Section 6 of the Act is amended—

(a) by deleting the word “the” wherever it occurs before the words “Deputy Governor” and substituting the word “a”;

(b) in subsection (1) by deleting the words “one other director” and substituting the words “a director”.

Section 7 repealed  
and a section  
substituted

7. Section 7 of the Act is repealed and the following section is substituted:

“Appointment  
and tenure of  
office of  
Governor,  
Deputy  
Governors  
and other  
directors

7. (1) The Governor, Deputy Governors and the other directors shall be appointed by the President by instrument in writing.

(2) The Governor shall be appointed for a term of five years.

(3) The term of office of a Deputy Governor shall be for such period as the President may fix in the instrument of appointment.

(4) The ordinary directors and the public service directors shall be appointed for a term of three years.

(5) All directors shall be eligible for reappointment.”

8. Section 8 of the Act is amended—

Section 8 amended

(a) in subsections (1) and (3) by deleting the words “the Deputy Governor of the Bank” and substituting the words “Deputy Governors”;

(b) in subsection (2)—

(i) by deleting the words “four directors” and substituting the words “ordinary directors”; and

(ii) by inserting after the word “appearing”, the words “to the President”;

(c) by inserting after subsection (2), the following subsection:

“ (2A) The public service directors shall be—

(a) an officer of the Ministry of Finance; and

(b) an officer of the Ministry or appropriate department of Government responsible for economic planning.”

Section 9 amended

## 9. Section 9 of the Act is amended—

(a) by deleting paragraph (a) and substituting the following paragraph:

“(a) is a member of Parliament, the Tobago House of Assembly or a municipal corporation;”;

(b) in paragraph (b) by deleting the word “5(2)” and substituting the word “5”;

(c) in paragraph (c) by deleting the words “other bank or”.

Section 10 amended

## 10. Section 10 of the Act is amended—

(a) in subsection (2) by deleting the word “The” in the first place where it occurs and substituting the word “A”;

(b) in subsection (3) by deleting from the words “the Deputy Governor” to the end and substituting the words “the Board may appoint a Deputy Governor to exercise the powers and functions of the Governor.”;

(c) by inserting after subsection (3) the following subsection:

“(3A) In the event of absence or inability of the Governor or the Deputy Governor appointed under subsection (3), the other Deputy Governor, if any, has and may exercise all the powers and functions of the Governor.”;

(d) by repealing subsection (4) and substituting the following subsection:

“(4) In the event of absence or inability of the Governor and any Deputy Governor, the Board may appoint a director to act temporarily in place of the Governor.”;

- (e) in subsection (5), by deleting the word "President" and substituting the word "Board".

**11. Section 11 of the Act is amended—**

Section 11 amended

- (a) in subsection (1), by inserting after the word "or" in the first place where it occurs, the word "a";
- (b) by repealing subsection (2) and substituting the following subsection:

" (2) An ordinary director may at any time resign his office by instrument in writing addressed to the President through the Governor, and the resignation takes effect from the date of the receipt by the President of the instrument."

**12. Section 12 of the Act is amended—**

Section 12 amended

- (a) by deleting the word "the" in the fourth place where it occurs and substituting the word "a";
- (b) in paragraph (f), by deleting the word "or" in the second place where it occurs;
- (c) by inserting after paragraph (f), the following paragraphs:

"(fa) fails to comply with section 16(1);

(fb) contravenes any provision of any prescribed Code of Ethics in respect of which he is liable to termination of his appointment;  
or

(fc) becomes disqualified for holding office by virtue of section 9."

- 13. Section 13 of the Act is amended by deleting the words "as first constituted".**

Section 13 amended

Section 14 repealed  
and a section  
substituted

14. Section 14 of the Act is repealed and the following section is substituted:

"Remuneration  
of directors

14. The Governor, Deputy Governors and the other directors shall be paid such remuneration and allowances as the Board may determine."

Section 15 amended

15. Section 15 of the Act is amended—

(a) by repealing subsection (1) and substituting the following subsection:

" (1) The Governor shall be the Chairman of the Board and shall preside at the meetings of the Board."

(b) by repealing subsection (2) and substituting the following subsection:

" (2) The Board shall meet for the transaction of the business of the Bank as may be necessary or expedient, but at least once in every two months and not less than nine times in any calendar year."

Section 16 amended

16. Section 16 of the Act is amended by inserting after subsection (2), the following subsection:

" (3) A person who fails to comply with subsection (1) is liable on summary conviction to a fine of six thousand dollars and imprisonment for two years."

Section 18 repealed  
and a section  
substituted

17. Section 18 of the Act is repealed and the following section is substituted:

"Pension  
benefits

18. The Bank shall provide pension benefits for officers and employees of the Bank.

18. Section 19 of the Act is amended by inserting <sup>Section 19 amended</sup> after subsection (4), the following subsections:

“ (5) The Bank may make appropriate arrangements for the transfer on secondment of any person—

(a) in its employ to an organisation; or

(b) from an organisation to its employ, on such terms and conditions as may be acceptable to the Bank, the person concerned and the organisation.

(6) In this section, “organisation” means the Tobago House of Assembly, a statutory authority and a company registered under the Companies Ordinance.”.

19. The Act is amended by inserting immediately <sup>Part IA inserted</sup> after Part I, the following Part:

“PART IA

PERSONNEL

*Interpretation* 20A. In this Part—

“allowance” means compensation payable—

(a) in respect of a salary group or in respect of a job in a salary group, by reason of duties of a special nature;

(b) for duties that an employee is required to perform in addition to the duties of his job where those duties relate to a job in the same or a higher salary group;

“classification” means the assignment of a job to a salary group;

“compensation” includes salary, merit increase, allowance, bonus and other benefits;

“dispute” except in section 20B(3), means any matter respecting employees upon which agreement has not been reached between the Bank and the recognised association and which is deemed to be a dispute under section 20D;

“employee” does not include a director;

“Estate Police Association” means the organisation established under section 38(1) of the Supplemental Police Act;

Chap. 15:02

“merit increase” means a performance-related increase in salary;

“Minister” means the Minister to whom responsibility for labour is assigned;

“recognised association” means an association representing employees other than estate constables in one or more salary groups, certified by the Registration Recognition and Certification Board;

“Registration Recognition and Certification Board” means the Registration Recognition and Certification Board established by the Industrial Relations Act;

Chap. 88:01

“salary” means the rate of pay assigned to an employee in a job;

“salary group” means a division into which a job in the Bank is assigned by reason of the size of the job;

“salary range” means a scale of pay applicable to jobs in a salary group;

“Special Tribunal” means the Special Tribunal established by the Civil Service Act and referred to in section 4(2C) of the Industrial Relations Act.

Chap. 23:01  
Chap. 88:01

Consultation  
and  
negotiation  
with the  
Bank

20B. (1) The Bank shall provide for and establish procedures for consultation and negotiation between the Bank and—

- (a) in the case of employees other than estate constables, a recognised association; and
- (b) in the case of employees who are estate constables, the Estate Police Association,

in respect of—

- (c) the classification of jobs;
- (d) the terms and conditions of employment;
- (e) the rights, privileges or duties of the bank, the recognised association, the Estate Police Association employees or estate constables;
- (f) the regulation of the mutual relationship between the Bank and the recognised association or the Estate Police Association; and
- (g) grievances connected with or arising out of the employment relationship between the Bank and the employees, including grievances related to the termination or suspension of employment of any employee.

(2) The Bank shall from time to time consult and negotiate with representatives of a

recognised association or the Estate Police Association with respect to the matters specified in subsection (1)—

- (a) at the request of those representatives; or
- (b) whenever in the opinion of the Bank such consultation is necessary or desirable.

(3) Sections 40 to 43 of the Supplemental Police Act shall apply to consultations, negotiations, disputes and agreements between the Bank and the Estate Police Association.

Where  
agreement  
reached

20C. (1) Where the Bank and the recognised association reach agreement on any of the matters specified in section 20B(1) after consultation and negotiation in accordance with section 20B(2), the agreement shall be recorded in writing and shall be signed by the Bank and by the recognised association.

(2) Subject to such modifications as may be necessary, the registration of an agreement shall be governed by Part IV of the Industrial Relations Act.

(3) An agreement recorded and signed in accordance with subsection (1) is binding upon the Bank and the employees to whom the agreement relates.

Where no  
agreement  
reached

20D. (1) Where the Bank consults and negotiates with a recognised association under section 20B(2) and the Bank and the recognised association are, within twenty-one days of the commencement of the consultation and

negotiation, or within such further period as may be agreed upon, unable to reach agreement on any matter, the Bank or the recognised association shall report the matter on which no agreement has been reached to the Minister, and on the report being made, a dispute shall be deemed to exist as to such matter.

(2) The Minister shall as soon as possible after a dispute has been reported to him, take such steps as he may consider advisable to secure within fourteen days next after the date of the report, a settlement of the dispute by means of conciliation.

(3) The Bank and the appropriate recognised association may agree in writing to extend the time specified in subsection (2), including any further extension of time under this subsection, within which the Minister may take steps to secure a settlement of the dispute by means of conciliation.

Disputes to  
be referred to  
Special  
Tribunal

20E. (1) Where in pursuance of section 20D(3) it is agreed to extend the time within which the Minister may secure by means of conciliation, a settlement of the dispute, he may continue to take such steps.

(2) Where the Minister is satisfied—

- (a) that no useful purpose would be served by continuing to conciliate; or
- (b) that either the Bank or the appropriate recognised association or the Estate Police Association refuses to enter into conciliation in good faith,

he shall refer the dispute to the Special Tribunal within twenty-one days from the date on which the dispute was reported to him.

(3) For the purposes of this Part, the parties to a dispute are the Bank and the recognised association.

Powers of  
Special  
Tribunal

20F. (1) The Special Tribunal shall hear and determine any dispute referred to it under section 20E and, for that purpose, has all the powers and duties of the Essential Services Division of the Industrial Court that are vested therein by the Industrial Relations Act.

(2) An award, order or other determination of the Special Tribunal is final.

Awards to be  
binding on  
parties for  
fixed period

20G. (1) An award of the Special Tribunal under section 20F is binding on the parties to the dispute and all employees to and on all employees to whom the award relates and continues to be binding for a period, to be specified in the award, not less than five years from the date upon which the award takes effect.

(2) The Special Tribunal may, with the agreement of the parties to an award, review the award at any time after the expiry of the third year.

Association to  
make Rules

20H. (1) Every recognised association shall make Rules providing for the good government of the association and for carrying out the objects of the association and, with respect to such Rules, the following shall have effect:

(a) the Rules shall contain provisions in respect of the several matters mentioned in the Schedule;

Schedule

(b) a copy of the Rules and every amendment thereto shall be delivered by the association to every financial member of the association, on payment of the prescribed sum.

(2) The Rules of the association and every amendment thereto shall be filed by the association with the Registrar General and shall have effect from the date of filing, unless

a later date is specified from which they shall have effect.”.

**20.** Section 21 of the Act is amended—

Section 21 amended

- (a) by repealing subsection (3);
- (b) in subsection (4) by deleting the words appearing after the words “published in the” and substituting the words “*Gazette*; but the holders of any such notes or coins are entitled to claim from the Bank payment of the face value of those notes or coins within one year after the commencement of the Central Bank (Amendment) Act, 1994.”.

**21.** Section 24 of the Act is repealed and the following section is substituted:

Section 24 repealed and a section substituted

“Notes and coins exempt from taxation

24. Notes and coins issued by the Bank are exempt from the payment of stamp duties and from all levies, taxes and other impositions, both before and after issue.”.

**22.** Section 26 of the Act is amended by inserting after subsection (2), the following subsections:

Section 26 amended

- “ (3) Subject to subsections (5) and (6) and section 27(2), a tender of payment of money is legal if made as follows:
- (a) in the case of notes, for the payment of any amount;
  - (b) in the case of coins of a denomination of one dollar or over, for the payment of an amount not exceeding five hundred dollars;
  - (c) in the case of coins of a denomination of twenty-five cents and over, for the payment of an amount not exceeding two hundred dollars;
  - (d) in the case of coins of a denomination of under twenty-five cents, for the payment of an amount not exceeding one hundred dollars.

(4) The Minister may by Order vary the amounts referred to in paragraphs (a), (b), (c) and (d) of subsection (3).

(5) A note that is mutilated, defaced or impaired or that has been reduced in size so that the identification marks have become unrecognisable is not legal tender.

(6) A coin that is bent, mutilated or defaced, or that has been reduced in weight, otherwise than by abrasion through ordinary use, is not legal tender."

Section 28 amended

23. Section 28(4) of the Act is amended—

- (a) by deleting the words "three thousand" and substituting the words "thirty thousand";
- (b) by deleting the words "twelve months" and substituting the words "four years".

Section 29 amended

24. Section 29 of the Act is amended—

- (a) by renumbering the section as section 29(1);
- (b) in subsection (1) as renumbered—

- (i) by deleting the word "Any" in the first place where it occurs and substituting the words "Subject to subsection (2), any";

- (ii) by deleting the words "fifteen thousand" and substituting the words "one hundred thousand";

- (iii) by deleting the words "for two" and substituting the words "of seven";

- (c) by inserting after subsection (1) as renumbered, the following subsections:

" (2) A person who, with the prior approval of the Bank, reproduces a currency note or part thereof that resembles a currency note issued by the Bank, is not liable for that reproduction.

(3) In this section, "document" includes any form or manner of reproduction."

25. Section 30 of the Act is amended by deleting the words "seven hundred and fifty" and substituting the words "two thousand". Section 30 amended

26. Section 32 of the Act is repealed. Section 32 repealed

27. Section 33(2) of the Act is amended by deleting paragraphs (b), (c) and (d) and substituting the following paragraphs: Section 33 amended

(b) notes and coins in convertible currencies which the Minister may, on the advice of the Bank, designate;

(c) bank balances, money at call and time balances with financial institutions in countries having convertible currencies, which institutions the Minister may, on the advice of the Bank, designate;

(d) treasury bills and other securities issued by the Governments of countries having convertible currencies which the Minister may, on the advice of the Bank, designate;".

28. Section 34 of the Act is amended— Section 34 amended

(a) in subsection (1), by deleting the words "thirty million" and substituting the words "one hundred million";

(b) by repealing subsection (2);

(c) by inserting after subsection (4), the following subsection:

" (5) Notwithstanding subsection (3), the paid-up portion of the authorised capital shall be increased each year by not less than fifteen per cent of the amount to be paid into the Consolidated Fund until the paid up portion of the authorised capital is equal to the authorised capital."

Section 35 repealed  
and a section  
substituted

29. Section 35 of the Act is repealed and the following section is substituted:

"General and  
Special  
Reserve  
Funds

35. (1) The Bank shall establish and maintain a General Reserve Fund.

(2) The Bank may, with the approval of the Minister, establish Special Reserve Funds of specified amounts.

(3) The Bank may place in the General Reserve Fund or the Special Reserve Funds, or in both the General Reserve Fund and the Special Reserve Funds, an amount that does not exceed ten per cent of the net profit of the Bank for a financial year.

(4) The net profit of the Bank for a financial year shall be determined after—

- (a) allowing for the expenses of operations, including replacement and acquisition of assets for the operations of the Bank;
- (b) provision has been made for bad and doubtful debts, depreciation in assets, contribution to staff pension benefits and other contingencies.

(5) Subject to subsection (7), at the end of each financial year, after allowing for the amount referred to in subsection (3), the net profit of the Bank shall be paid into the Consolidated Fund.

(6) When the sum standing to the credit of the General Reserve Fund equals the authorised capital of the Bank, no further contribution to the General Reserve Fund shall be made.

(7) Any loss incurred by the Bank during a financial year may be met from the General Reserve Fund or from the Special Reserve Funds where the General Reserve Fund is insufficient.

(8) Where the General Reserve Fund and the Special Reserve Funds are insufficient for the purpose referred to in subsection (7), the Bank, with the approval of the Minister, may carry forward and recoup the losses from future profits before further payment is made into the Consolidated Fund.”.

30. Section 36 of the Act is amended—

Section 36 amended

- (a) by deleting paragraph (d)(ii) and substituting the following subparagraph:
  - “(ii) the Tobago House of Assembly and statutory authorities;”;
- (b) in paragraph (d)(iii) by deleting the words “and such financial institutions in Trinidad and Tobago”;
- (c) in paragraph (d)(iv) by deleting the words “commercial banks” and substituting the words “financial institutions”;
- (d) by deleting paragraph (f)(ii);
- (e) in paragraph (l) by deleting the words “in foreign currency” and the words “day to day”;
- (f) by deleting paragraph (t) and substituting the following paragraphs:
  - “(t) purchase, acquire, lease, sell, let, sublet or create licences over, or otherwise dispose of, real property or any part thereof and provide in connection therewith ancillary services;

- (u) lend, borrow or invest in securities other than those specified in this section, but such loans, borrowings and investments shall not exceed ten per cent of the total assets of the Bank for the financial year in which the loans, borrowings or investments are initially made;
- (v) give a guarantee and pay any sums and any interest thereon in fulfillment of any such guarantee in respect of any activities in discharge of its functions under this Act or the Financial Institutions Act, 1993;
- (w) promote the establishment or expansion of bodies to develop and expand the money and capital markets and to provide assistance, including financial assistance to such bodies;
- (x) establish subsidiary companies;
- (y) provide, for the benefit of—
  - (i) the Bank, or for value for any of its subsidiaries or affiliates;
  - (ii) the State, any of its agencies, organs, departments, the Tobago House of Assembly or any statutory authority; or

- (iii) any international financial institution,  
research functions, computer maintenance and security services and such other services as may be related to any activities under this Act;
- (z) trade in notes or coins;
- (aa) engage in the following:
  - (i) effect contracts, the purpose of which is to manage its assets and liabilities;
  - (ii) borrow through the issue of bonds or other appropriate instruments in the exercise of its functions under paragraphs (c) and (d) of section 3(3), subject to the condition that the amount outstanding on such borrowings shall not exceed twenty-five per cent of the total assets of the Bank or such other amount as the Minister may approve;
  - (iii) establish sinking funds for the redemption of the instruments referred to in subparagraph (ii);
- (bb) do any other banking business or carry on any activity not prohibited by this Act which may be requisite, advantageous, convenient or incidental to or consequential upon the discharge of its functions.”.

Section 37 repealed  
and a section  
substituted

31. Section 37 of the Act is repealed and the following section is substituted:

"Restrictions  
on business of  
the Bank

37. Except as authorised by this Act the Bank may not engage in any trade or accept for discount or as a security for advances made by the Bank, bills or notes signed by members of the Board or by the Bank's officers or employees."

Part V amended

32. Part V of the Act is amended by deleting the heading "RELATIONS WITH OTHER BANKS" and substituting the heading "RELATIONS WITH FINANCIAL INSTITUTIONS".

Section 38 amended

33. Section 38 of the Act is amended—

- (a) in the marginal note by deleting the word "banker's";
- (b) by deleting the words "commercial banks" and substituting the words "financial institutions".

Sections 40 to 44  
repealed

34. Sections 40 to 44 of the Act are repealed.

Section 44A repealed  
and a section  
substituted

35. Section 44A of the Act is repealed and the following section is substituted:

"Fixing of  
interest rates

44A. (1) The Bank may fix the maximum and minimum interest rates payable on deposits received, and may fix the maximum and minimum interest rates, fees and charges to be charged on loans, advances or other credit facilities, by a financial institution.

(2) The Bank, after consultation with the Minister, may set the maximum spread between interest rates chargeable on loans and interest rates payable on deposits which a financial institution may earn, carry or charge."

**36. Section 44B of the Act is amended—**

Section 44B amended

- (a) by deleting the words “commercial bank or”, “bank or” and “commercial bank or other” wherever they occur;
- (b) by deleting the word “President” and substituting the word “Bank”;
- (c) in paragraph (1)(a) by inserting after the words “ten thousand dollars”, the words “for each day the offence is committed,”.

**37. Section 44D of the Act is amended by inserting** Section 44D amended **after subsection (3), the following subsection:**

“ (4) In the event of a natural disaster, internal disorder or, where in the opinion of the Governor a financial crisis exists in the country, the Governor, with the approval of the Minister, may take such action with respect to the operations of financial institutions and monetary policy as he deems to be necessary in the interest of the financial system.

(5) If the Governor is unable to obtain prior approval of the Minister because of any of the events mentioned in subsection (1), he shall notify the Minister and the Board of the action taken as soon as possible thereafter.

(6) The Board shall designate the following persons to exercise the powers of the Governor under subsections (4) and (5) in the event that the Governor is absent or otherwise unable at the appropriate time to do so:

- (a) a Deputy Governor and in the event of the absence or inability of that Deputy Governor, the other Deputy Governor; and
- (b) in the event of the absence or inability of the Deputy Governors, a director.

(7) Within fourteen days of taking action under subsection 4, or as soon as possible thereafter, the Governor shall submit to the Minister, a statement setting out the reasons on which his decision to act under subsection 4 was based.

(8) The Minister shall cause a copy of the statement referred to in subsection 7 to be laid before Parliament as soon as possible after his receipt of the statement.”

Section 44J amended    **38.** Section 44J of the Act is amended by deleting the definitions of “Closed Institution” and “Corporation”.

Section 48 amended    **39.** Section 48 of the Act is amended—  
    (a) by repealing subsection (2);  
    (b) by renumbering section 48(1) as section 48.

Section 49 amended    **40.** Section 49 of the Act is amended by deleting the word “Board” and substituting the word “Bank”.

Section 54 amended    **41.** Section 54 of the Act is amended—  
    (a) in the marginal note by deleting the word “Banks” and substituting the words “financial institutions”;  
    (b) by deleting the words “a commercial bank and such financial institutions,” and substituting the words “financial institutions and such”.

Section 56 amended    **42.** Section 56 of the Act is amended—  
    (a) in subsection (1)—  
        (i) by inserting after the word “every”, the word “director”;  
        (ii) by deleting the words “commercial bank” and substituting the words “financial institution”;

(b) in subsection (2)—

- (i) by inserting after the word “such”, the words “director”;
- (ii) by deleting the words “commercial bank” and substituting the words “financial institution”;

(c) in subsection (3)—

- (i) by inserting after the words “direction of the Court”, the word “or”; and
- (ii) by inserting after the word “Act” in the second place where it occurs, the words “, or for the purposes of any criminal proceeding”;

(d) by inserting after subsection (3), the following subsections:

“ (4) Where the Attorney General or the Director of Public Prosecutions applies to a Court, including the Special Tribunal, and the application is supported by a certificate signed by the Governor that evidence prejudicial to the financial system or to the security of the Bank may be adduced in the course of a hearing before the Court, the Court may order that the hearing or any part thereof be held *in camera*.

(5) The certificate of the Governor referred to in subsection (4) is conclusive as to its contents.”

43. Section 57 of the Act is amended by deleting the words “six thousand” and substituting the words “twenty thousand” Section 57 amended

Section 58 amended

## 44. Section 58 of the Act is amended—

- (a) in the marginal note by deleting the words “commercial banks” and substituting the words “financial institutions”;
- (b) by deleting the words “commercial bank or” and “that bank or”.

Section 60 amended

## 45. Section 60 of the Act is amended—

- (a) in subsection (1), by deleting the word “President” and substituting the word “Minister”;
- (b) by repealing subsection (2) and substituting the following subsections:

“ (2) The Bank with the approval of the Minister may from time to time—

- (a) make such rules as are necessary for its internal administration and management; and
- (b) prescribe a Code of Ethics with which directors, officers and employees of the Bank, including estate constables shall conform.

(3) Any Code of Ethics prescribed under subsection 2(b) may provide that any breach thereof may result in disciplinary action including dismissal or suspension with or without pay.

(4) The Bank shall consult with the recognised associations and the Estate Police Association before prescribing or amending any Code of Ethics pursuant to this section but shall not so consult in respect of any Code of Ethics relating to directors of the Bank.

46. Section 61 of the Act is repealed.

Section 61 repealed

47. The Act is amended by inserting immediately after Schedule inserted section 62 the following Schedule:

“SCHEDULE

(Section 201)

MATTERS TO BE PROVIDED FOR IN THE RULES OF A  
RECOGNISED ASSOCIATION

1. The name of the association and the place of meeting for its business.

2. The whole of the objects for which the association is to be established, the purposes for which its funds are applicable, the conditions under which a member may become entitled to a benefit assured thereby, and the fines and forfeitures to be imposed on a member of the association.

3. The manner of making, altering, amending, and rescinding the rules.

4.-A provision for the appointment and removal of an Executive Committee of management, of a trustee, treasurer and other officers.

5. A provision for the investment of the funds, and for an annual or periodical audit of accounts.

6. The inspection of the books and names of members of the association by any person having an interest in its funds.

7. The manner of dissolution of the association.

8. The protection of voting rights of members of the association and the general conduct of elections.

9. The powers, duties and functions of the Executive Committee.

10. Disputes between members of the association and the Executive Committee.

11. A prohibition against admission to membership of an employee who is a member of another recognised association.”

Financial  
Institutions Act,  
1993 amended

48. The Financial Institutions Act, 1993 is amended—

(a) in section 11, by deleting subsection (4) and substituting the following subsection:

“ (4) A condition imposed under this section may be varied or withdrawn by the Board.”;

(b) in section 20—

(i) by inserting after subsection (1) the following subsection:

“ (1A) A director, controller or manager of a bank or of a financial institution that is an affiliate thereof shall not act or continue to act as a director, controller or manager, or be concerned in any way in the management of another bank or of a financial institution that is an affiliate thereof, unless the bank or the financial institution has first been granted a permit to be a controlling shareholder.”;

(ii) in subsection (6), by inserting after the words “subsection (1)”, the words “and any person referred to in subsection (1A) who contravenes that subsection,”;

(c) in section 22(6)—

(i) by deleting the word “loan” in the two places where it occurs and substituting in each place the words “credit facility”;

(ii) in paragraph (a), by inserting after the word “and”, the word “either”;

(ca) in section 25, by deleting subsection (7);

(d) in section 35(2), by deleting the words “a criminal charge” and substituting the words “court proceedings”;

- (e) in section 53(3), by deleting the word “Court” and substituting the words “Appeal Board”;
- (f) in section 59(3), by inserting after the word “liable”, the words “on summary conviction”;
- (g) in section 62—
  - (i) by repealing subsection (1) and substituting the following subsection:
    - “ (1) Subject to section 65, there are exempt from the provisions of this Act—
      - (a) the institutions listed in Part I of the Third Schedule;
      - (b) the types of business of a financial nature of the institutions set out in Part II of the Third Schedule.”;
    - (ii) in subsection (2) by deleting the word “The” where it first occurs and substituting the words “With effect from 31st December, 1979, the”;
- (h) in the heading to the Second Schedule—
  - (i) by deleting the words “23(6) and (13),”;
  - (ii) by deleting the words “12(4)” and “39(6) and (7)” and substituting the words “12(3)” and “39(5) and (6)”, respectively;
- (i) in the Third Schedule—
  - (i) by inserting the heading “Part I” above the caption “Exempted Institutions”;
  - (ii) by inserting after paragraph 6 the following new Part:

“PART II  
EXEMPTED ACTIVITIES

*Institutions*

*Activities*

Insurance com-  
panies registered  
under the Insur-  
ance Act.

- (a) the collection of funds in the form of deposits or premiums for the purpose of insurance business;
- (b) the activities set out in paragraphs 5, 6 and 7 of the First Schedule.”.

Chap. 84:01

Passed in the Senate this 8th day of November, 1994.

R. CUMBERBATCH

*Acting Clerk of the Senate*

Passed in the House of Representatives this 11th day of November, 1994.

N. COX

*Acting Clerk of the House*