
Second Session First Parliament Republic of Trinidad
and Tobago



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 33 of 1978

[L.S.]

AN Act to amend the Banking Act, 1964.

[Assented to 10th August, 1978]

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

1. This Act may be cited as the Banking (Amendment) Short title
Act, 1978.

Act No. 26 of
1964 amended

2. The Banking Act, 1964, is hereby amended—

(a) in section 2—

- (i) by renumbering the section as section 2(1);
- (ii) by deleting all the letters numbering the paragraphs of the section as renumbered;
- (iii) by inserting in its appropriate alphabetical order in the section as renumbered the following new definition—

“ “ascribed capital” means so much of the capital of a foreign company consisting of unencumbered assets acquired with foreign currency, as is required by section 5(2)(a) to be held in Trinidad and Tobago for the purposes of financing the banking operations of the foreign company in Trinidad and Tobago;”;

- (iv) by substituting for the definition of “Inspector” the following—

“ “Inspector” means the Inspector of Banks appointed under section 18;”;

- (v) by adding the following new subsections thereto—

“ (2) A reference to “paid-up capital” in relation to a foreign company shall be taken to be the ascribed capital of that company.

(3) For the purposes of the definition of “ascribed capital” such capital shall consist of such assets as may

be specified from time to time by the Central Bank.”;

(b) in section 5—

(i) by substituting for paragraph (a) of subsection (2) the following—

“(a) has the minimum capital requirements specified in paragraphs (a), (b) and (c) of subsection (1) and holds in Trinidad and Tobago ascribed capital to the value of not less than five per centum of its deposit liabilities in Trinidad and Tobago;”;

(ii) by inserting immediately after subsection (4), the following new subsection—

“(5) The Minister may by Order vary the minimum amounts, specified in subsections (1) and (2), that are required for the granting of licences to domestic and foreign companies, respectively.”;

(c) in section 8(1) by substituting for the words “words form” occurring in line five, the words “word forms”;

(d) in section 9(1), by substituting for the words “or of any Order made thereunder” occurring in line four, the words “the Central Bank Act, 1964 or any statutory instrument made under this Act or the Central Bank Act, 1964.”;

(e) by repealing and replacing section 15 as follows—

“Reserve
fund

15. (1) Subject to section 27, a bank shall maintain a reserve fund to which at the end of each financial year there shall be transferred ten per centum of the net

profit of the bank in that year after deduction of taxes until the amount at the credit of the reserve fund is equal to the paid-up capital of the bank, but in the case of a foreign company the net profit shall be taken to be the net profit derived from its operations in Trinidad and Tobago.

(2) Nothing in the section shall be construed as prohibiting a bank from transferring to its reserve fund more than ten per centum of its profits in any year or from maintaining a reserve fund in excess of its paid-up capital.”;

(f) in section 27 by adding immediately after subsection (4) the following new subsections—

“ (5) Any bank, other than a bank to which subsections (2) and (3) apply, may seek exemption from the Minister from complying with the provisions of section 14(1)(e)(iv) and the Minister may make an Order so exempting the applicant bank, subject to such terms and conditions as may be specified in the Order. The provisions of subsection (4) shall apply in any case where there is given a guarantee of payment of the amount by which any unsecured credit facilities granted to any one person by such a bank exceeds in the aggregate ten per centum of its paid-up capital and reserve fund or of such proportion thereof as the Minister may, after consultation with the Central Bank approve.

(6) Where the Minister by order grants to a bank an exemption from any of the provisions of the Act he may, after consultation with that bank and the Central Bank terminate or vary such order.”;

(g) by inserting immediately after section 29 the following new sections—

“Regula-
tions

29A. The Minister may make regulations generally for the purpose of giving effect to this Act, and in particular may by such regulations prescribe the days on which and the hours during which banks in any part of Trinidad and Tobago may remain open for the transaction of business with the public, and any other matter required by this Act to be prescribed.

Offence to
Solicit
banking
business

29B. (1) Except with the permission of the Minister, no person, other than a bank, may offer, invite or otherwise solicit (whether by advertisement by any means of communication or otherwise) any other person to enter into any transaction concerning the business of banking.

(2) A person who contravenes the provisions of subsection (1) and any other person who aids or abets such contravention, including in particular the editor of any newspaper and the manager of any radio or television station is guilty of an offence and liable on summary conviction to a fine of

five thousand dollars or to imprisonment for twelve months or to both such fine and imprisonment.”.

Passed in the House of Representatives this 21st day of July, 1978.

J. E. CARTER
Clerk of the House

Passed in the Senate this 26th day of July, 1978.

E. WILLIAMS
Acting Clerk of the Senate