
Fourth Session First Parliament Republic of Trinidad
and Tobago



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 52 of 1979

[L.S.]

AN ACT to make provision for the licensing and regulation of the business of financial institutions other than commercial banks and for matters connected therewith.

[Assented to 31st December, 1979]

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

1. This Act may be cited as the **Financial Institutions** Short title
(Non-Banking) Act, 1979.

PART I
PRELIMINARY

Interpretation

2. In this Act—

“advertisement” includes every form of advertising, whether in a publication, or by display of notices, or by means of circulars or other documents, or by an exhibition of photographs or cinematograph films, or by way of sound broadcasting or television, and references to the issue of an advertisement shall be construed accordingly;

“business of banking” means the business of receiving deposits of money from the public on current account or deposit account which may be withdrawn on demand, by cheque, draft or order, and generally the undertaking of any business appertaining to the business of commercial banking including the performance of the functions and duties of a trustee, administrator, executor or attorney;

“business of a financial nature” means the collection of funds in the form of deposits, shares, loans, premiums, and the investment of such funds in loans, shares and other securities, and includes the performance of the function and duties of a trustee, administrator, executor or attorney, but does not otherwise include the business of commercial banking;

“Central Bank” means the Central Bank of Trinidad and Tobago, established under the Central Bank Act, 1964;

“commercial bank” or “bank” means any domestic or foreign company licensed under the Banking Act, 1964, to carry on the business of banking;

“financial institution” means a company licensed under this Act to carry on business of a financial nature, and includes a

Act No. 23
of 1964

Act No. 26
of 1964

finance house, a trust company which solicits business of a financial nature from the public, a development bank, a merchant bank, a mortgage bank, a unit trust, a confirming house, and such other institution as the Minister may from time to time with the approval of Cabinet prescribe;

“High Court” means the High Court of Justice constituted under the Supreme Court of Judicature Act, 1962; Act No. 12 of 1962

“Inspector” means the Inspector of Banks appointed under section 18 of the Banking Act, 1964, and includes any person appointed to act temporarily in place of the Inspector;

“licence” means a licence issued under this Act;

“Minister” means the Minister to whom responsibility for the subject of finance has been assigned;

“prescribed” means prescribed by regulations made under this Act.

3. Except with the approval of the Minister, a financial institution shall not be licensed under this Act if its name or description includes the words “bank”, “central bank” or “reserve bank”. Restriction on the use of certain titles

PART II

LICENSING OF FINANCIAL INSTITUTIONS

4. (1) No person other than a company incorporated or registered under the Companies Ordinance shall be licensed under this Act to carry on the business of a financial institution. Licensing of Financial Institutions.

(2) The Minister may with the approval of Cabinet make such regulations as he may deem expedient to regulate the establishment of branches of financial institutions licensed under this Act.

5. Every application for a licence to carry on the business of a financial institution shall be made to the Application for licence

Minister through the Central Bank on the prescribed form and shall be accompanied by—

- (a) a statement which shall contain the name and description of the applicant, the address of its registered office in Trinidad and Tobago, and the name, address and nationality of each director;
- (b) a certified copy of its memorandum and articles of association together with a certified copy of its certificate of incorporation or registration as the case may be;
- (c) in the case of an applicant who has been carrying on business of a financial nature prior to the coming into operation of this Act, a copy of its Profit and Loss Account, and Balance Sheet and the auditor's report thereon for the three consecutive years immediately preceding its application, except that where such applicant has been functioning for less than three years, a copy of its Profit and Loss Account and Balance Sheet and the auditor's report thereon for each year it has been in operation;
- (d) such proof as the Minister may require that the company has a minimum authorised share capital of one million dollars of which eight hundred thousand dollars or more is paid up in cash;
- (e) such other information as the Minister may require.

Approval and
issue of licence

6. (1) The Minister may after receiving the recommendations of the Central Bank, and upon being satisfied that the provisions of this Act and regulations made thereunder have been complied with, and with the consent of the Cabinet, within ninety days from the date of the application approve of the application.

(2) Where the Minister has given his approval under subsection (1), he shall authorise the Central Bank in writing to issue a licence to the applicant in such form as may be prescribed, and the licence shall be signed by the Governor or Deputy Governor of the

Central Bank and shall take effect on such date as is specified in the licence.

(3) A licence issued under subsection (2) or renewed under section 7(1) may contain such conditions relating to the class or classes of business that may be carried on by the financial institution as may be specified by the Minister with the approval of Cabinet.

(4) Subject to subsection (5), a licence fee of five thousand dollars shall be payable upon the issue of a licence under subsection (2).

(5) A licence issued under this section shall be valid up to the end of the year in which it is issued, save that where a licence is issued for the first time after the first quarter in any year, the licence fee payable shall be calculated on a *pro-rata* basis of the fee then payable.

(6) The Minister shall upon the issue of a licence, cause the particulars of that licence to be published in the *Gazette*.

7. (1) An application for the renewal of a licence shall be made at the end of every year and if the Minister is satisfied that all the provisions of this Act and regulations made thereunder have been complied with, he shall authorise the Central Bank in writing to renew the licence upon the payment of a renewal fee of five thousand dollars.

(2) The Minister may by order from year to year with the approval of Cabinet, vary the fees mentioned in section 6(3) and subsection (1) of this section. Such order shall be laid before Parliament for a period of thirty days and shall be the subject of an affirmative resolution of Parliament.

(3) For the purpose of section 6(5) and of this section "year" shall be construed to mean calendar year.

8. All licence fees paid under this Act shall be credited to the general revenue of the Government and shall form part of the Consolidated Fund.

9. (1) Where a company carries on business of a financial nature without a licence issued under this Act the directors of such a company shall be guilty of an offence, and shall on summary conviction be subject to a fine of ten thousand dollars or imprisonment for two years or to both such fine and imprisonment.

(2) Where a company carries on business of a financial nature without a licence issued under this Act it shall be guilty of an offence and shall be liable on summary conviction to a fine of fifty thousand dollars.

(3) A director convicted of an offence under subsection (1) shall be liable to an additional penalty of one thousand dollars for every day that the offence continues.

(4) A company carrying on business of a financial nature convicted of an offence under subsection (2) shall be liable to a fine of five thousand dollars for every day that the offence continues.

**Provisional
licence**

10. (1) A company which has been carrying on business of a financial nature before the date of commencement of this Act shall be deemed to be provisionally licensed on that date.

(2) A financial institution to which this section applies shall within ninety days of the date of the commencement of this Act apply for a licence in accordance with the procedure laid down in section 5.

(3) Where a financial institution fails to comply with subsection (2), such failures shall be an offence under section 9.

(4) Where a company to which this section applies has been refused a licence such refusal shall have the effect of an order of revocation and shall be regarded as an order for the purposes of section 11.

**Revocation of
licence**

11. (1) The Minister at any time after consultation with the Inspector and the Central Bank and with the approval of Cabinet may by order published in the *Gazette* revoke a licence for any contravention of this Act or any regulations or order made thereunder.

(2) Before an order is made under subsection (1), the Minister shall give to the financial institution notice in writing of his intention so to do, specifying therein the grounds on which he proposes to make an order, and shall require the financial institution to submit to him within thirty days of the date of the notice a written statement of any objection to the making of the order and thereafter the Minister shall advise the financial institution of his decision.

(3) Where any financial institution is aggrieved by an order made under subsection (1), such financial

institution may appeal to a judge of the High Court in chambers setting forth the grounds of appeal within fourteen days of the publication of the order in the *Gazette*, and the Court may after considering the grounds of appeal vary, reverse or confirm such order.

(4) Where the Minister—

(a) proposes to make an order of revocation under subsection (1); or

(b) is of the opinion that a company is carrying on business of a financial nature without being licensed under this Act,

he may direct the Inspector to occupy the premises and to assume control of all or any portion of the assets of the financial institution or the company as the case may be for the purpose of safeguarding the interest of depositors, creditors and shareholders of the institution or the company as the case may be until the appeal is determined or the company has been duly licensed as the case may be.

(5) The Minister may with the approval of Cabinet prescribe the powers of and the procedure to be followed by the Inspector where he acts under subsection (4).

PART III

DIRECTORS AND OFFICERS OF FINANCIAL INSTITUTIONS

12. (1) No person may without express authorisation from the Minister act or continue to act as a director, or be concerned in the management of a financial institution if such a person—

Persons
debarred from
management

- (a) was a director of or was engaged in the management of a financial institution or a commercial bank which had been wound-up by the Court;
- Ch. 6. No. 6 (b) has been adjudged a bankrupt under the Bankruptcy Ordinance;
- (c) was at any time within seven years prior to the coming into effect of this Act, convicted of any offence involving dishonesty and has not received a full pardon in respect of that offence; or
- (d) was convicted of an offence under section 9(1) of this Act.

(2) Any person who contravenes the provisions of this section is guilty of an offence and is liable on summary conviction to a fine of two thousand dollars or to imprisonment for one year or to both such fine and imprisonment.

(3) A financial institution in which a person referred to in subsection (2) acts as a director or in the management of which such a person is concerned shall be guilty of an offence and is liable on summary conviction to a fine of ten thousand dollars.

(4) A person convicted of an offence under subsection (2) shall be liable to an additional penalty of one hundred dollars for every day that he continues to commit the offence.

(5) A financial institution convicted of an offence under subsection (3) shall be liable to a fine of one thousand dollars for every day that the offence continues.

Restriction on
voting power
of director

13. (1) No director of a financial institution shall be present, or shall vote on a resolution of the board of directors of that institution when a loan or an advance to or by—

(a) him or his associate, or

(b) a company of which he or his associate is an employee, or in which he or his associate owns not less than ten per centum of the paid up share capital, is being considered.

(2) In this section "associate", in relation to a director of a financial institution means—

(a) the wife, husband, son or daughter of that director; or

(b) any person who is an employee or partner of that director;

and for purposes of this section, "son" includes a step-son, and "daughter" includes a step-daughter.

No officer or
employee to act
as insurance
agent

14. No officer or employee of a financial institution shall—

(a) act as an agent for any insurance company or for any person in the placing of insurance; or

- (b) exercise any undue influence upon a borrower to place insurance in any particular insurance company as security for a loan granted by the financial institution.

PART IV PROHIBITIONS

15. (1) Subject as provided in this section, a financial institution shall not—

Prohibitions as regards activities of financial institutions

- (a) engage in the taking of deposits with maturities of less than one year;
- (b) grant loans for periods of less than one year;
- (c) engage in any trade except so far as may be necessary in the ordinary course of business operations and services including the satisfaction of debts due to it and the due performance of its function as a trustee, executor, administrator or attorney;
- (d) acquire land except so far as may be necessary for—
- (i) the purpose of conducting its business or housing its officers or employees;
 - (ii) the satisfaction of debts due to it, and the due performance of its function as a trustee, executor, administrator or attorney;
- (e) acquire or deal in its own shares or lend money or make advances on the security of its own shares;
- (f) beneficially hold any land acquired in the course of the satisfaction of debts due to it for a period exceeding three years, but shall forthwith on the expiry of that period sell or otherwise dispose of the land absolutely so that the financial institution has no direct or indirect control or interest therein, except by way of security;

- (g) grant unsecured credit facilities, the principal sum of which exceeds five per centum of its paid up capital and reserve fund, to any company, firm or corporation in which the financial institution its manager or director has an interest equivalent to ten per centum of the paid up capital of the borrowing company, firm or corporation;
- (h) grant unsecured credit facilities to any of its officers or employees exceeding the amount of two years emoluments of such officer or employee or five per centum of its paid up capital, whichever is the less;
- (i) grant unsecured credit facilities to any one person exceeding in the aggregate ten per centum of its paid up capital and reserve fund;
- (j) pay any dividend on its shares, until all its capitalised expenditure (including preliminary expenses, organisation expenses, share selling commission and brokerage) not represented by tangible assets are completely written off;
- (k) grant secured credit facilities to any one person exceeding ten per centum of its loan portfolio;
- (l) solicit funds by way of deposit with any inducement other than the rate of interest offered on such deposits.

(2)(a) Paragraph (b) of subsection (1) shall not apply to confirming houses.

(b) Paragraphs (a) and (b) of subsection (1) shall not apply to merchant banks but only where deposits are taken by or loans granted to other financial institutions, banks, insurance companies, the Central Bank, the National Insurance Board, or any other institution which the Minister may with the approval of Cabinet direct.

(3) The Minister may direct that the time specified in paragraph (f) of subsection (1) for the sale or disposal of land be extended for a further period not exceeding three years.

(4) Nothing in this section shall prohibit a financial institution from providing in accordance with any scheme for the time being in force, money for the purchase by trustees of fully paid up shares in that financial institution, to be held by or for the benefit of employees of the financial institution, including any director holding a salaried employment or office.

16. (1) No person other than a financial institution Advertisement licensed under this Act shall issue or cause to be issued any advertisement inviting the public to deposit money with that person or institution or with some other person or institution.

(2) For the purpose of this section—

- (a) an advertisement issued by any person by way of display or exhibition in a public place shall be treated as issued by him on every day on which he causes or permits it to be displayed or exhibited;
- (b) an advertisement issued by any person on behalf of or to the order of another person shall be treated as an advertisement issued by that other person;
- (c) an advertisement inviting deposits with a person specified in the advertisement shall be presumed, unless the contrary is proved, to have been issued by that person.

(3) An advertisement issued under this section shall be in such form and shall contain such particulars as may be prescribed by the Minister.

(4) Any person who contravenes this section shall be liable on summary conviction to a fine not exceeding two thousand dollars or to imprisonment for a term not exceeding twelve months.

PART V

LIQUID RESERVES, RESERVE ACCOUNT, MAXIMUM LIABILITY; CONTROL

17. (1) Every financial institution shall hold and Reserve requirements of financial institutions maintain—

- (a) an account with the Central Bank to be known as a reserve account which shall

bear a ratio to the total deposit liabilities of that institution in such form and to such extent as the Minister may through the Central Bank fix by Order published in the *Gazette*;

- (b) a reserve fund into which no less than ten per centum of the net profit of that institution after deduction of taxes shall be transferred each year until the amount standing to the credit of the reserve fund is equal at least to the paid up capital of that institution.

(2) For the purposes of this section, the Central Bank may by notice published in the *Gazette*—

- (a) define the classes of deposit liabilities;
- (b) prescribe different ratios in respect of each class of deposit liabilities;
- (c) when in the opinion of the Central Bank special monetary conditions so warrant, fix additional reserve account ratios in respect of increases in total deposit liabilities.

(3) For purposes of determining the amount of the reserve account required to be maintained by any financial institution during a period of one week—

- (a) the amount of the deposit liabilities of such financial institution shall be the average of its deposit liabilities at the close of business on Wednesday in each of the four preceding consecutive weeks ending with the last Wednesday but one;
- (b) the amount of the reserve account of such financial institution with the Central Bank shall be the average amount of such balance at the close of business on each day of the current week.

(4) Subject to subsection (5), whenever any financial institution fails to maintain the amount in the reserve account required to be maintained under this section, the Central Bank shall notify such financial institution of the deficiency, and the financial institution shall pay to the Central Bank interest on the amount of

the deficiency at such rate, not in excess of one-thirtieth of one per centum per day, as the Central Bank may fix by notice published in the *Gazette*.

(5) If any financial institution fails to maintain the amount in the reserve account required by this section for longer than a period of one week, the Central Bank may require such financial institution to pay additional interest not in excess of twice the amount of interest fixed in accordance with subsection (4).

18. The Central Bank may require any financial institution to furnish within such times and in such form as the Central Bank determines such information as the Central Bank may consider necessary to ensure the minimum reserve account requirement is or has been complied with. Power of Central Bank to require information

19. (1) In order to determine what steps, if any, are necessary to be taken to encourage the expansion of credit in any or all sectors of the economy, the Central Bank shall from time to time consult with the financial institutions. Selective credit control

(2) The Central Bank may, after consultation with the financial institutions, and with the approval of the Minister, impose controls in respect of the volume, terms and conditions upon which credit may be made available to all or any sectors of the economy, when in its judgment, the imposition of such controls is necessary to restrict or prevent an undue expansion of credit.

(3) The imposition of any controls under the provisions of subsection (2) shall be by notice published in the *Gazette*, and the provisions of any such notice shall take effect on or after the date of publication as may be stated in the notice and shall apply uniformly to all financial institutions.

20. (1) The Central Bank may, from time to time, Central Bank to fix the maximum of working balances

(a) prescribe the manner of determination of the maximum amount of the working balances which financial institutions may hold in foreign currencies generally or in any specified currency or currencies;

(b) require such financial institutions to sell to the Central Bank all or any specified part of the surpluses in excess of such maximum amount.

(2) The Central Bank may permit any financial institution to hold working balances in any specified foreign currency in excess of the maximum amount fixed or determined for such currency under subsection (1).

(3) In ascertaining whether the working balances of any financial institution in any foreign currency are in excess of the maximum amount fixed or determined as hereinbefore provided, there may be deducted from such balances the net liabilities of that financial institution in currencies into which such currency is convertible.

Proportion of local assets to liabilities in Trinidad and Tobago

21. The Central Bank may, by notice published in the *Gazette*, determine the minimum ratio that after the expiration of six months from the date of service of the notice, Trinidad and Tobago assets held by financial institutions will bear to their respective liabilities in Trinidad and Tobago; but any variation of such ratio shall not exceed ten percentage points in any one period of six months.

Maximum liability

22. No financial institution shall incur in Trinidad and Tobago deposit liabilities of an amount exceeding twenty times the sum of its paid up capital and reserve fund.

Preference to Trinidad and Tobago securities, and fixing of ratio

23. (1) A financial institution shall so conduct its business as to ensure that in the placing of its liquid assets preference is at all times given to short-dated instruments originating in Trinidad and Tobago.

(2) The Minister may through the Central Bank fix the percentage which the liquid assets of a financial institution should bear to its respective total deposit liabilities and the percentage which its respective liquid assets originating in Trinidad and Tobago should bear to the total of its liquid assets.

PART VI

INSPECTION OF FINANCIAL INSTITUTIONS

Appointment and powers of Inspector

24. For the purposes of this Act, the Inspector appointed under the Banking Act, 1964 shall be the Inspector of financial institutions and he shall, subject

to the provisions of this Act, have such powers and perform such functions in relation to financial institutions as he is authorised to do under the Banking Act, 1964 in relation to banks.

25. Persons who may be appointed under the Banking Act, 1964 to assist the Inspector in the performance of his duties under that Act shall assist the Inspector in the performance of his functions under this Act. ^{Assistants to the Inspector}

26. A person holding the position of Inspector or any other person appointed under section 18 of the Banking Act shall not borrow money from a financial institution unless he first obtains the permission of the Minister so to do. ^{Restriction on power to borrow}

27. (1) The Inspector shall—

- (a) examine all applications for licences and make recommendations thereon to the Central Bank and to the Minister; ^{Duties of the Inspector}
- (b) make or cause to be made such examinations and enquiry into the affairs or business of each financial institution as he may deem to be necessary or expedient for the purpose of satisfying himself that the provisions of this Act are being observed and that the financial institution is in a sound financial condition;
- (c) at the conclusion of each examination and enquiry, report thereon to the Minister and to the Governor of the Central Bank; and
- (d) subject to the direction of the Central Bank take and maintain such steps or proceedings as are necessary for the winding up of any financial institution or for the appointment of a receiver thereof.

(2) In the performance of his duties under this Act, the Inspector shall at all reasonable times have the right of access to all books, records, vouchers, documents and securities of any financial institution, and to call upon any director, officer, auditor or employee of any such institution for any information, explanation or for both such information and explanation as he may deem necessary for the performance of his duties.

(3) Any person who fails to comply with a request made pursuant to subsection (2) by the Inspector or by any other person authorised by him in writing to make such a request, shall be guilty of an offence, and shall be liable on summary conviction to a fine of one thousand dollars or to imprisonment for twelve months.

Inspector to
report on
insolvency

28. (1) Where the Inspector is satisfied after examination of the affairs of any financial institution or upon information received from it, that it is insolvent or unlikely to meet the demands of its depositors or that its continuation in business is likely to involve a loss to its depositors or creditors the Inspector shall report such findings to the Minister and to the Central Bank.

(2) Where a report is submitted by the Inspector under subsection (1), the Central Bank may, after considering all the relevant facts and circumstances and with the approval of the Minister, order the financial institution to suspend business forthwith and may direct the Inspector to take charge of all the books, records, and assets of the financial institution and to take all such measures as may be necessary to prevent the continuation in business by that institution during the period of suspension.

(3) Notwithstanding the provisions of any other law, no action or proceedings may be instituted in any court for the purpose of securing the enjoining, review or revocation of any order made or direction given under subsection (2) or in respect of any loss or damage incurred, or likely to be or alleged to be incurred by reason of such order or direction.

(4) An order by the Central Bank under subsection (2) shall cease to have effect—

- (a) if the Central Bank makes an order permitting the financial institution to resume business either unconditionally or subject to such conditions as the Central Bank may deem necessary in the public interest or in the interests of the depositors and other creditors of such financial institution; or
- (b) upon the expiration of a period of thirty days from the date on which it is made, unless the Central Bank causes the

Inspector to apply on behalf of the depositors to the Court for an Order for the winding-up of the financial institution or for the appointment of a receiver thereof.

(5) When an order is made by the Central Bank under paragraph (a) of subsection (4) permitting the resumption of business subject to such conditions as may be specified in the order, the financial institution may apply to the Court for an Order to resume business unconditionally, or subject to such modifications as the Court may deem appropriate.

(6) In an application made under subsection (5) the Inspector shall be joined as a respondent with the Central Bank.

(7) In any case where application is made by the Inspector for the winding-up of any financial institution in accordance with paragraph (b) of subsection (4)—

(a) the financial institution shall not carry on business during the pendency of the application unless it is authorised so to do by the Court and except in accordance with such conditions, if any, as may be specified by the Court; and

(b) the Court, if it is of the opinion after such enquiry as it may consider necessary that the financial institution is not insolvent, may permit the said institution to resume business either unconditionally or subject to such conditions as the Court may consider necessary in the public interest or in the interests of the depositors and other creditors thereof.

(8) In any case where an Order of Court is made, whether in pursuance of an application under this section or otherwise, for the winding-up of any financial institution, then notwithstanding the provisions of any other law, the Inspector or such other person as may be nominated by the Minister on the advice of the Central Bank shall be appointed as liquidator for the purposes of such winding-up.

29. The procedure governing applications made to the Court under section 28 and for the enforcing of Orders made thereunder and for all matters incidental

Rules as to
proceedings in
Court

thereto shall be such as is provided for by the Rules of the Supreme Court and the Companies (Winding Up) Rules.

Disclosure of information prohibited

30. (1) A person appointed under section 18 of the Banking Act, 1964 shall not disclose any information regarding the operation of any financial institution to any person other than the Inspector or such other person as may be designated by the Minister or by the Governor of the Central Bank.

Act No. 23 of 1964

(2) A person appointed under section 18 of the Banking Act, 1964 shall not disclose the affairs of a customer of a financial institution other than for the purposes of this Act or of the Central Bank Act, 1964.

(3) Any person who contravenes any of the provisions of this section shall be guilty of an offence and shall be liable on summary conviction to a fine of one thousand dollars or imprisonment for twelve months or to both such fine and imprisonment.

Investigations on behalf of Central Bank

31. Where in the interest of the depositors of a financial institution it appears desirable to do so, the Central Bank may appoint one or more competent persons to investigate and report to the Central Bank on the state and conduct of the business of the institution concerned, or on any particular aspect of that business.

PART VII

GENERAL

Submission of periodical statements to Central Bank

32. (1) Every financial institution shall deliver to the Central Bank within such period as may be specified and in such form as the Central Bank may from time to time approve the following documents—

- (a) a monthly statement showing its assets and liabilities;
- (b) a quarterly statement of its loans and advances; and
- (c) a yearly statement showing its earnings and expenses.

(2) No statement or return shall in any case be required in respect of the affairs of any particular customer of a financial institution.

33. (1) Every financial institution shall within sixty days after the end of its financial year published in the *Gazette* and a daily newspaper a statement showing all accounts payable by the financial institution in Trinidad and Tobago in respect of which during the period of ten years or any longer period, no transaction has taken place and no statement of account has been requested or acknowledged by the creditor for a period of at least ten years. Publication of inactive accounts

(2) Every statement published under subsection (1) shall require the person to whom the account is payable or his legal personal representative to submit a claim to the financial institution within three months from the date of publication in the *Gazette*.

(3) Where any sum included in the statement published under subsection (1) remains unclaimed for a period of three months after publication of the statement in the *Gazette* such sum shall after deduction therefrom of the cost of publication be paid into the Central Bank and credited to the Consolidated Fund.

(4) Nothing contained in this section shall be deemed to affect the rights of any depositor to recover a debt due to him by the financial institution.

(5) Every financial institution paying any sums to the Central Bank under this section shall be indemnified by the Government for any loss which it may incur as a result of any such payment.

34. (1) Every financial institution shall within three months after the close of its financial year publish in a daily newspaper and exhibit in a conspicuous place in each of its offices a Profit and Loss Account and Balance Sheet and the auditor's report thereon. Publication of audited balance sheet

(2) Every financial institution which fails to comply with subsection (1) shall be guilty of an offence and shall be liable on summary conviction to a fine of one thousand dollars.

35. (1) Notwithstanding the provisions of sections 32 and 34, the Minister may through the Central Bank in writing require the manager or any person in charge of the activities of a financial institution to supply within such time as may be specified any information relating to the financial affairs of the institution. Supply of information of financial position to Minister

(2) Any person who fails to comply with the requisition of the Minister under subsection (1) shall be guilty of an offence and liable on summary conviction to a fine of one thousand dollars.

PART VIII

OFFENCES AND EXEMPTIONS

Offences

36. (1) Any person who, in purported compliance with any requirement under this Act or regulations made thereunder, furnishes any information, provides any explanation or makes any statement which he knows or has reasonable cause to believe to be false or misleading in a material particular, shall be liable on summary conviction to a fine not exceeding one thousand dollars or to imprisonment for twelve months, or to both such fine and imprisonment.

(2) In any proceedings for an offence under this Act it shall be a defence for the person charged to prove that he took all reasonable precautions and exercised all due diligence to avoid the commission of the offence by himself or by any person under his control.

(3) Without prejudice to subsection (2), in any proceedings for an offence under section 16 it shall be a defence for the person charged to prove that he is a person whose business is to publish or to arrange for the publication of advertisements, and that he received the advertisement in the ordinary course of business and did not know and had no reason to suspect that the publication would constitute such an offence.

Exemption Schedule

37. (1) The provisions of this Act shall not apply to the institutions set out in the Schedule hereto.

(2) The Minister may from time to time by order with the approval of Cabinet add any institution to the list contained in the Schedule and may, in similar fashion remove any institution from that list whether that institution was included in the list as originally enacted or was added to by virtue of this subsection.

Application for exemption

38. (1) A financial institution may apply to the Minister for exemption from complying with the provisions of paragraphs (h), (i) and (k) of section 15(1), of paragraph (b) of section 17(1), and of section 22, and

the Minister may after consultation with the Inspector and the Central Bank, make an order granting such exemption.

(2) Where subsequent to the making of an order under subsection (1) the Minister is satisfied that the financial institution is in a position to comply with paragraph (b) of section 17(1) or of section 22, he may, after consultation with the Inspector and the Central Bank terminate or vary such order as he thinks fit.

(3) Notice of any exemption granted under subsection (1) or of any termination or variation under subsection (2), or of any amendment of the Schedule under section 37(2) shall be published in the *Gazette*.

PART IX

MISCELLANEOUS

39. The Minister may from time to time with the ^{Regulations} approval of Cabinet make regulations for any matter required to be prescribed under this Act, and generally for giving effect to the provisions of this Act.

40. This Act shall come into force on such day as the ^{Commencement} President may appoint by Proclamation published in the *Gazette*.

SCHEDULE

(Section 37)

EXEMPTED INSTITUTIONS

1. The Trinidad and Tobago Post Office Savings Bank established under the Post Office Savings Bank Ordinance. Ch. 35. No. 5
2. The Agricultural Development Bank of Trinidad and Tobago established under the Agricultural Development Bank Act, Act No. 3 of 1968 1968.
3. Any Society registered under the Building Societies Ch. 38. No. 1 Ordinance.
4. Any Society registered under the Friendly Societies Ch. 38. No. 2 Ordinance.
5. Any undertaking registered under the Co-operative Act No. 22 of 1971 Societies Act, 1971.
6. The National Insurance Board incorporated under the Act No. 35 of 1971 National Insurance Act, 1971.
7. Any insurance company registered under the Insurance Act No. 24 of 1966 Act, 1966 to carry on insurance business.

8. The Trinidad and Tobago Development Finance Company, Limited.

9. The Trinidad and Tobago Mortgage Finance Company, Limited.

10. The Trinidad and Tobago Credit Union Co-operative Bank, Limited.

Passed in the House of Representatives this 4th day of December, 1979.

R. L. GRIFFITH
Acting Clerk of the House

Passed in the Senate this 21st day of November, 1979.

E. WILLIAMS
Acting Clerk of the Senate