

LAWS OF TRINIDAD AND TOBAGO

LOCAL SAVINGS BANKS ACT

CHAPTER 79:03

Act
27 of 1934
Amended by
45 of 1979
51/1980

Current Authorised Pages

<i>Pages</i>		<i>Authorised</i>
<i>(inclusive)</i>		<i>by L.R.O.</i>
1-16	..	1/1980

Note
on
Subsidiary Legislation

This Chapter contains no subsidiary legislation.

Note
on
Adaptation

1. Certain fees in this Chapter were increased by the Commission under paragraph 4 of the Second Schedule to the Law Revision Act (Ch. 3:03). Where this occurs, a marginal reference in the form normally indicating an amendment is made to L.N. 51/1980 (the Legal Notice by which the President's approval was signified).

2. Under paragraph 6 of the Second Schedule to the Law Revision Act (Ch. 3:03) the Commission amended certain references to public officers in this Chapter. The Minister's approval of the amendments was signified by L.N. 52/1980, but no marginal reference is made to this Notice where any such amendment is made in the text.

Note
on
Revision Date

As this Act was amended by the Law Revision (Miscellaneous Amendments) (No. 1) Act 1979 (Act 45 of 1979), this Chapter has been revised up to 31st December 1979, instead of the normal revision date (31st December 1977).

CHAPTER 79:03

LOCAL SAVINGS BANKS ACT

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
2. Interpretation.
3. Exemptions from application of Act.

LICENCE

4. Prohibition of carrying on banking without Governor's licence.
Penalty.
5. Contents of licence.
6. Stamp duty on licence.
Renewal of licence.
Penalty for default.
7. Commencement of business.

REGISTRATION

8. Registration.

DIRECTORS AND REGISTERED OFFICE

9. Directors.

BYE-LAWS

10. Bye-laws.

MEMBERSHIP

11. Membership.

DEPOSITS

12. Bank may receive deposits.
Maximum.

SECTION

13. Certain payments valid.
14. Bank may hold ten per cent of deposit.
15. Board may withdraw moneys from Post Office Savings Bank. Bonds and other securities to be deposited with Registrar.
16. Restrictions on powers.

GUARANTEE FUND

17. Guarantee fund by the bank.
18. The fund.
19. Amount of fund.
20. Investments.
21. Dissolution for failure to maintain fund.
22. Disposal of fund and properties of bank.

STATEMENTS

23. Statements to be filed with Registrar. Certificate from accountant. Penalty for default.
24. Contents of statement.
25. Special returns.
26. Secrecy.
27. Fees.
28. List of directors and members to be sent to Registrar.
29. Companies Ordinance not to apply.

DISSOLUTION

30. Proceedings necessary for determination or dissolution.
31. Contents of instruments of dissolution.
32. Notice of dissolution.
33. Power to dissolve bank after investigation.
34. Obligations of liquidators and trustees on dissolution.
35. Account and balance sheet to be sent to Registrar on dissolution.

OFFENCES—PROCEEDINGS

36. Proceedings in regard to offences.

SCHEDULE.

CHAPTER 79:03

LOCAL SAVINGS BANKS ACT

An Act to control Local Savings Banks.

1950 Ed.
Ch. 35 No. 4.27 of 1934.
Commencement.

[1ST DECEMBER 1934]

1. This Act may be cited as the Local Savings Banks Act.

Short title.

2. In this Act—

Interpreta-
tion.

“bank” means an undertaking which purports to carry on or does carry on any business in the nature of banking in Trinidad and Tobago, including the receipt of money on deposit or for safe keeping for the benefit of the depositors, whether with or without any obligation on the part of the bank to pay interest thereon and whether the deposit is repayable on demand or subject to notice or other condition;

“board” means the board of directors of a bank;

“guarantee fund” means the fund in this Act required to be established and maintained by a bank as security for the purpose in that behalf in this Act set forth;

“Registrar” means the Registrar General.

3. This Act does not apply—

Exemptions
from
application of
Act.
Ch. 79:01.

(a) to a bank licensed under the Banking Act nor shall the provisions of that Act apply to a bank licensed hereunder;

(b) to Societies registered under the Building Societies Act; Ch. 33:04.

(c) to Societies registered under the Friendly Societies Act. Ch. 32:50.

LICENCE

4. (1) No person, partnership, firm or company shall have any right, power or authority to establish or maintain any undertaking or carry on any business in the nature of a bank without first having obtained a licence to do so, which licence the Minister is hereby empowered to grant in such form and subject to such restrictions and conditions as he may think fit to impose.

Prohibition of
carrying on
banking without
Minister's
licence.

Penalty.

(2) If any person, partnership, firm or company carries on any undertaking or business in the nature of a bank in contravention of this section or of any restriction or condition specified in the licence, every person who is responsible for the contravention including every director of a company is liable to a fine of two thousand dollars.

Contents of licence.

5. The licence shall, in addition to any such restrictions and conditions imposed, also specify—

- (a) the name under which the bank shall carry on business, and the words "Savings Bank Limited" shall be the last words in the name;
- (b) the names of the proposed directors;
- (c) the place where the registered office of the bank is to be situated;
- (d) the area within which the bank may operate.

Stamp duty on licence.
[51/1980]

Ch. 76:01.

6. (1) Every licence granted under this Act shall continue in force from the day on which it is granted until 31st December next ensuing and shall be subject to a stamp duty of ten dollars which shall be paid by the licensee in accordance with the Stamp Duty Act.

Renewal of licence.

(2) A licence may be renewed by the endorsement of the renewal thereof by the Registrar on the original licence, and each renewal shall be subject to the payment of the sum of ten dollars to the Comptroller of Accounts.

Penalty for default.

(3) If default is made in complying with subsection (2), every director, manager, secretary or other officer of the bank who knowingly authorises or permits the default is liable to a fine of two thousand dollars.

Commencement of business.

7. The bank shall not commence business until it has obtained the necessary licence and has caused the licence to be registered in the office of the Registrar nor until the guarantee fund required by this Act has been established.

REGISTRATION

Registration.

8. (1) For the purposes of registration of such licence an application to register shall be made to the Registrar.

(2) The application shall be signed by at least two proposed directors of the bank.

(3) The application shall be accompanied by a copy of the proposed bye-laws of the bank for registration.

(4) The Registrar shall satisfy himself that the bye-laws are not contrary to this Act and shall thereupon register the licence and the bye-laws and certify under his hand that the bank is registered and shall issue a copy of his certificate to the bank.

(5) The bank shall thereupon become incorporated under this Act with the liability of its members limited to the amount, if any, unpaid on the shares respectively held by them.

(6) The bank may thereafter sue and be sued in its registered name.

DIRECTORS AND REGISTERED OFFICE

9. (1) The affairs of the bank shall be managed and administered by and under authority of a board consisting of not less than two directors at its registered office. Directors.

(2) Notice of any change of directors or of the registered office shall be given to the Registrar within fourteen days and he shall record the same.

(3) Every bank shall affix its name on the outside of its registered office in a conspicuous position in letters easily legible.

(4) If default is made in complying with subsections (2) or (3), every director, manager, secretary or other officer of the bank who knowingly authorises or permits the default is liable to a fine of two thousand dollars.

BYE-LAWS

10. (1) The bank shall make bye-laws relating to the conduct of the affairs of the bank, which bye-laws shall contain the several matters hereunder mentioned— Bye-laws.

- (a) the number of directors from time to time, such number to be not less than two nor more than seven;
- (b) the terms of service, appointment, qualifications and remuneration of directors;
- (c) the appointment, functions, duties and removal of all officers, agents and servants of the bank;

- (d) the security to be given by officers, agents and servants of the bank and their remuneration;
- (e) the qualification for admission to membership as shareholders and the transmission and assignment of shares;
- (f) the day, time and place for holding the annual meeting of the members of the bank;
- (g) the calling of meetings of the board and of members of the bank and the notice to be given of any such meeting;
- (h) the quorum at any such meeting;
- (i) the requirements as to proxies;
- (j) the procedure in all things at any such meetings;
- (k) the receipt and repayment of deposits or interest thereon, and the fixing and payment of dividends to members;
- (l) the custody and use of the seal, if any;
- (m) the determination or dissolution of the bank; and
- (n) the conduct in all other particulars of the affairs of the bank.

(2) The board may at any time make any amendment of the bye-laws, and the amendment shall not be valid unless approved by a resolution of a majority of members of the bank present at a general meeting and a copy thereof registered with the Registrar.

(3) If the Registrar is satisfied that the amendment of the bye-laws is not contrary to this Act he shall register the same.

MEMBERSHIP

Membership.

11. The members of the bank shall consist of the shareholders of the bank who shall be required to hold shares to the value of at least four dollars and eighty cents fully paid.

DEPOSITS

Bank may receive deposits.

12. (1) The bank may receive deposits of money on such terms as the bye-laws of the bank prescribe, and such deposits may be received from and withdrawn by any person of whatever age, status or condition of life, and whether such person is qualified by law to enter into contracts or not.

(2) No deposit shall be received which would make the amount at the credit of the account in respect of which the deposit is offered exceed two hundred and forty dollars and not more than one account shall be kept in respect of the same depositor, and in no case shall interest be paid or allowed to depositors in the bank in excess of three per cent per annum. Maximum.

13. (1) Any payment of the whole or part of any deposit or of any interest thereon, not exceeding twenty four dollars, made in good faith and in accordance with the bye-laws of the bank, shall discharge the bank from any claim by any person whomsoever in respect of the deposit or interest so paid, notwithstanding that the person making the deposit may have died or become insane or become otherwise incapacitated and that there is or is not a person qualified to represent such person other than the person to whom the payment is made. Certain payments valid.

(2) Upon the book or other paper given to the depositor representing the deposit or in or on which the deposit is entered, there shall be printed a copy of subsection (1).

14. (1) The bank may out of the moneys received on deposit by it hold for the purpose of paying withdrawals such amount as the directors shall determine, but not exceeding ten per cent of the total deposits in the bank. Bank may hold ten per cent of deposit.

(2) All moneys received on deposit and on hand at any time in excess of such amount shall be deposited by the bank in the Post Office Savings Bank or any other bank licensed under the Banking Act. Ch. 79:01.

15. (1) The board may withdraw from the account of the bank in the Post Office Savings Bank or other bank in which a deposit is made and apply towards payment of the working expenses or for the purpose of augmenting the guarantee fund of the bank, such portion of the interest credited to the account of the bank as may be necessary. Board may withdraw moneys from Post Office Savings Bank.

(2) The board may also withdraw such portion of the amounts from time to time at the credit of the bank in the Post Office Savings Bank or such other bank for the purpose of using and investing the same in the name of the bank in the purchase of such bonds or other securities of the Government or of such other securities as the Registrar may approve, and may apply towards paying the working expenses or dividends or for the purpose of augmenting the guarantee fund of the bank, such portion of the

interest or other profit received from such investments as represents the excess of the interest or profit so received over the interest paid or allowed by the bank to depositors.

(3) Except as aforesaid the moneys at the credit of the bank in the Post Office Savings Bank or such other bank shall be withdrawn by the bank only for the purpose of the payment of withdrawals by depositors in the bank of amounts deposited by them and interest thereon, and shall be used and applied by the bank only for such purpose.

Bonds and other securities to be deposited with Registrar.

(4) All bonds and other securities which may be purchased by the board shall be deposited with the Registrar and, when the same or any part thereof are thereafter paid off or sold, the proceeds shall be deposited to the credit of the bank in the Post Office Savings Bank or such other bank.

Restrictions on powers.

16. (1) The bank shall not—

- (a) issue any bank note or note intended to circulate as money or as a substitute for money;
- (b) lend money or make advances upon the security of bills of exchange or promissory notes except to members of the bank, and no such loans or advances shall in the case of any one individual member exceed a total amount of ninety-six dollars or be made to any member who is not *sui juris*;
- (c) except as hereinafter provided, acquire any real estate;
- (d) except as by this Act permitted, invest, lend or dispose of any moneys received by it; nor
- (e) except as specially provided in this Act engage or be engaged in any trade or business.

(2) If a bank acts in contravention of this section, every director, manager, secretary or other officer of the bank, who knowingly authorises or permits the contravention, is liable to a fine of two thousand dollars.

GUARANTEE FUND

Guarantee fund by the bank.

17. A fund (to be known as the guarantee fund) shall be established and maintained by the bank for the purpose of securing the repayment of the deposits made in the bank and interest thereon and the payment of all other debts and liabilities of the bank

incurred in the management of the business thereof, provided however that the guarantee fund shall only be used in the event of the funds in the hands of the board for the purpose of paying such deposits, interest and other debts and liabilities being insufficient to pay the same, or in the event of the bank being dissolved.

18. The guarantee fund shall consist of the following moneys and securities (other than moneys and securities left with the bank for safe custody), that is to say—

- (a) all moneys and securities received by or paid to the bank, other than deposits and interest thereon and other than moneys specifically appropriated by this Act or by the person from whom they are received for the working expenses of the bank or for any other purpose in connection with the bank, other than the guarantee fund;
- (b) securities and investments in which the bank is by this Act authorised to invest the moneys of the fund.

19. The guarantee fund shall be in such sum as the Registrar may from time to time order, provided that such sum shall not at any time amount to less than two hundred and forty dollars, and a separate account shall be kept by the bank in respect of the fund.

20. (1) The bank may in its registered name invest the moneys of the guarantee fund in, or lend such moneys upon, the following securities only, that is to say:

- (a) bonds, stocks or other securities of the Government;
- (b) bonds or debentures of any municipal corporation in Trinidad and Tobago;
- (c) any securities which are authorised investments under the Trustee Ordinance;
- (d) such freehold or leasehold property as is required for the actual use and occupation of the bank for the management of its business provided that the bank shall be at liberty to bid for and acquire any freehold property given to it for securing the repayment of a mortgage debt in any mortgagee's suit at the instance of the bank.

(2) If a bank acts in contravention of this section, every director, manager, secretary or other officer of the bank, who knowingly authorises or permits the contravention, is liable to a fine of two thousand dollars.

Dissolution for failure to maintain fund.

21. Should the bank fail at any time to maintain such guarantee fund in the manner required by this Act, the bank shall cease to receive deposits and shall be dissolved as hereinafter provided.

Disposal of fund and properties of bank.

22. The moneys received on account or in respect of the guarantee fund or arising by way of interest from investment thereof and all property held by the bank and the proceeds thereof, shall be and remain the property of the bank and may, subject to this Act in regard thereto being fully observed and complied with, be disposed of and dealt with by the bank as the board determines.

STATEMENTS

Statements to be filed with Registrar.

23. (1) The bank shall in each and every year not later than 31st March file with the Registrar a balance sheet and statements showing the condition and business of the bank on 31st December for the whole of the preceding year, verified by the statutory declaration of the secretary and the chairman of the board.

Certificate from accountant.

(2) To every such balance sheet and statement shall be annexed a certificate from an accountant to be nominated by the Registrar certifying—

- (a) that he has examined and audited the books of the bank and that he finds that the statement is a true statement of the affairs of the bank at the date named therein;
- (b) that he has inspected the securities as shown in the balance sheet and found the same to be in order;
- (c) that he has obtained certificates from the Post Office Savings Bank or other bank in which deposits have been made in verification of the respective balances shown in the balance sheet;
- (d) that he counted the cash in hand during the course of the audit and found the same to be in order;
- (e) that, to the best of his knowledge and belief, buildings and furniture are adequately covered against loss by fire and that he has examined the policies and seen receipts for current premiums;
- (f) that the Act and the bye-laws of the bank have been complied with; and

(g) that he finds such statement, including the balance sheet, is a true statement of the affairs of the bank at the date named therein according to the best of his belief and the information and explanations given to him and as shown by the books of the bank.

(3) If default is made in complying with this section, every director, manager, secretary or other officer of the bank, who knowingly authorises or permits the default is liable to a fine of two thousand dollars. Penalty for default.

24. In the statements shall appear the following information, that is to say— Contents of statement.

- (a) the amount due to depositors in the bank on 31st December;
- (b) the amount of the guarantee fund and the nature of the investments thereof; and
- (c) any other information as to the nature and extent of the business of the bank and in such detail as the Registrar may from time to time require.

25. (1) The Registrar may call for a special return from the bank in such form as he may determine at any time when in his judgment it is necessary or expedient. Special returns.

(2) If default is made in complying with subsection (1), every director, manager, secretary or other officer of the bank, who knowingly authorises or permits the default, is liable to a fine of two thousand dollars.

26. No officer of or person employed in the bank shall, except by direction of a Judge of the High Court or of a Petty Civil Court or of a Magistrate, in any proceeding, civil or criminal, disclose the name of any depositor or the amount deposited or withdrawn by him. Secrecy.

27. Except as may herein be otherwise prescribed, there shall be paid to the Registrar the fees specified in the Schedule. Fees. Schedule.

28. (1) Every bank shall keep at its registered office a register wherein shall be entered the names and addresses and the occupations of its directors and members, and also of contributors to the guarantee fund, and shall on 31st March in each year send to the Registrar a copy thereof together with the number of shares and the amount contributed by each such member and in List of directors and members to be sent to Registrar.

the case of the guarantee fund the amounts contributed by each person.

(2) If default is made in complying with this section, every person who is responsible for the default, including every director of the bank, is liable to a fine of two thousand dollars.

Companies Act
not to apply.
Ch. 31 No. 1.
(1950 Ed.).

29. Except as provided by section 30(e), the Companies Ordinance shall not apply to banks registered under this Act.

DISSOLUTION

Proceedings
necessary for
determination
or dissolution.

30. A bank shall terminate or be dissolved—

- (a) upon the happening of any event declared by its bye-laws to be the determination of the bank;
- (b) by dissolution in a manner prescribed by its bye-laws;
- (c) by dissolution with the consent of three-fourths of the members testified by their signatures to the instrument of dissolution;
- (d) by failing to comply with an order of the Registrar made under section 19 upon application by the Registrar of the Supreme Court for an order to wind up the bank as in paragraph (e);
- (e) by an order of the High Court to wind up the bank made as is directed in regard to companies by the Companies Ordinance, the provisions whereof except paragraph (4) of section 161 of the said Ordinance, shall apply to any such order.

Ch. 31 No. 1.
(1950 Ed.).

Contents of
instruments of
dissolution.

31. The instrument of dissolution shall set forth—

- (a) the liabilities and assets of the bank in detail;
- (b) the number of members and the amount subscribed or contributed by them;
- (c) the claims of depositors and other creditors and the provision to be made for their payment;
- (d) the intended appropriation or division of the funds and property of the bank;
- (e) the names of one or more persons to be appointed trustees for the special purpose and their remuneration;

but alterations in the instrument may be made with the consent of three-fourths of the members testified by their signature thereto, which alterations shall, together with the instrument, be registered by the Registrar and be binding upon all the members of the bank.

32. Notice of the commencement and termination of every dissolution or winding up shall be sent to the Registrar and be registered by him.

Notice of
dissolution.

33. (1) Notwithstanding section 30, on the application in writing of any three members of any bank, setting forth that the bank is unable to meet the claims of its members or depositors and that it would be for their benefit that it should be dissolved, and requesting an investigation into the affairs of the bank with a view to the dissolution thereof, the Registrar may investigate the affairs of the bank but shall, before so doing, give not less than two weeks' previous notice in writing to the bank at its registered office.

Power to
dissolve bank
after
investigation.
[51/1980].

(2) Upon receiving any such application the Registrar may in his absolute discretion by notice to the applicants require that, before a day to be specified in the notice, a deposit of money not exceeding seventy-five dollars shall be paid to him by the applicants for the payment of any expenses in connection with such investigation.

(3) If on such investigation it appears that the bank is unable to meet the claims of its members or depositors and that it would be for their benefit that it should be dissolved, the Registrar may, if he considers it expedient to do so, award that the bank be and the same shall be dissolved and he shall direct in what manner the affairs of the bank are to be wound up but the Registrar may suspend his award for such period as he may think necessary to enable the bank to make such alterations in its bye-laws as will in his judgment prevent the necessity of the award being made.

(4) The Registrar shall, within twenty-one days after the making of any award for dissolution under this section, cause notice thereof to be advertised in the *Gazette*, and in one daily newspaper circulating in Trinidad and Tobago.

34. Where a bank is being dissolved in manner prescribed by its bye-laws or in pursuance of the consent of three-fourths of the members or by failing to comply with the Registrar's order made

Obligations of
liquidators and
trustees on
dissolution.

under section 19, the provisions of this Act shall continue to apply in the case of the bank, as if the liquidators or other persons conducting the dissolution of the bank or the trustees appointed under the instrument of dissolution were the board of directors of the bank.

Account and balance sheet to be sent to Registrar on dissolution.

35. If a bank is dissolved in manner prescribed by its bye-laws or in pursuance of the consent of three-fourths of the members or for failing to comply with the Registrar's order made under section 19, the liquidators, trustees or other persons having the conduct of the dissolution shall within twenty-eight days from the termination of the dissolution send to the Registrar an account and balance sheet signed and certified by them as correct and showing the assets and liabilities of the bank at the commencement of the dissolution and the mode in which those assets and liabilities have been applied and discharged, and in default of so doing shall each be liable to a fine of two thousand dollars.

OFFENCES—PROCEEDINGS.

Proceedings in regard to offences. Ch. 4:20.

36. (1) Penalties under this Act shall be recoverable in the manner provided by the Summary Courts Act.

(2) Proceedings may be instituted at any time within two years from the time when the cause of complaint arose.

Section 27. [45 of 1979 51/1980].

SCHEDULE

Fees

	\$
For registering licence and bye-laws under section 8	10.00
For registering any amendment of byelaws under section 10, for each bye-law amended	1.00
For any certificate signed by the Registrar	3.00
For filing statement under section 23	3.00
For filing any notification under section 28	3.00
For registering instrument of dissolution	4.80
For registering each alteration of instrument of dissolution	3.00
For any notice under section 32	2.50
For any award under section 33	12.00
For filing account and balance sheet on dissolution under section 35	5.00
For every search of and examination of records of any bank	1.00
For each copy of any record and for every page or part thereof	1.00