

**ARRANGEMENT OF CLAUSES**

1. Short title
2. Amendment to section 2 of principal Act
3. Amendment to section 3 of principal Act
4. Amendment to section 4 of principal Act
5. Repeal and substitution of section 5 of principal Act
6. Amendment to section 7 of principal Act
7. Amendment to section 14 of principal Act
8. Amendment to section 19 of principal Act
9. Amendment to section 42 of principal Act
10. Insertion of new section 43A to principal Act
11. Amendment to section 44 of principal Act
12. Amendment to section 45 of principal Act
13. Amendment to section 49 of principal Act
14. Amendment to section 50 of principal Act
15. Amendment to section 51 of principal Act
16. Amendment to section 53 of principal Act
17. Amendment to section 54 of principal Act
18. Amendment to section 55 of principal Act
19. Amendment to section 57 of principal Act
20. Amendment to section 60 of principal Act
21. Amendment to section 69 of principal Act
22. Repeal and substitution of section 80 of principal Act
23. Amendment to section 88 of principal Act

24. Amendment to section 89 of principal Act
25. Amendment to section 92 of principal Act
26. Amendment to section 97 of principal Act
27. Repeal and substitution of section 101 of principal Act
28. Amendment to section 103 of principal Act
29. Repeal and substitution of section 104 of principal Act
30. Repeal and substitution of section 105 of principal Act
31. Amendment to section 107 of principal Act
32. Amendment to section 108 of principal Act
33. Repeal and substitution of section 109 of principal Act
34. Amendment to section 131 of principal Act
35. Amendment to section 137 of principal Act
36. Amendment to section 138 of principal Act
37. Insertion of new section 138A to principal Act
38. Amendment to section 140 of principal Act
39. Amendment to section 147 of principal Act
40. Amendment to section 168 of principal Act
41. Repeal and substitution of section 169 of principal Act
42. Repeal and substitution of section 174 of principal Act
43. Amendment to section 178 of principal Act
44. Amendment to section 180 of principal Act
45. Amendment to section 186 of principal Act
46. Amendment to section 192 of principal Act
47. Repeal and substitution of Schedule I of principal Act
48. Repeal and substitution of Schedule III of principal Act



GRENADA

**ACT NO. OF 2018**

I assent,

*31st December, 2018.*CÉCILE E. F. LA GRENADE  
*Governor-General.*

AN ACT to amend the Banking Act No. 20 of 2015.

*[ 31st December, 2018 ].*

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives and by the authority of same as follows—

1.—(1) This Act may be cited as the

Short title.

**BANKING (AMENDMENT) ACT, 2018.**

and shall be read as one with the Banking Act No. 20 of 2015, hereinafter referred to as the “principal Act”.

2. Section 2 of the principal Act is amended as follows—

Amendment  
to section 2 of  
principal Act.

- (a) in subsection (1)–
- (i) in the definition of “affiliate” by deleting paragraph (e) and substituting therefor the following paragraph–
- “(e) a company which–
- (i) has the same beneficial owner; or
- (ii) shares common management and has any interlinked business with F;”;
- (ii) in the definition of “banking business” by deleting the word “frequent” in subparagraph (a)(ii);
- (iii) by inserting immediately after the definition of “borrower group” the following new definition–
- ““branch” means “any office or place of business of a licensed financial institution, other than the principal office where a licensed financial institution carries on any banking business and which facilitates the–
- (a) acceptance of deposits and other repayable funds; or
- (b) issuing and administering means of payment including credit cards, travellers’ cheques, bankers’ drafts, and electronic money,

but does not include automatic banking machines and bureaux de exchange”;

- (iv) by inserting immediately after the definition of “business of a financial nature” the following new definition—

“CARICOM national” means a national of a member state of the Caribbean Community including the CARICOM Single Market and Economy established by Article 2 of the Revised Treaty of Chaguaramas signed at Nassau, The Bahamas on 5th July 2001”;
- (v) by deleting the definition of “capital base”;
- (vi) in the definition of “exposure”, in paragraph (a), by inserting the words “or any other asset recognized by the Central Bank as an exposure” after the word “acceptance”;
- (vii) in the definition of “financial group” by deleting the word “conduct” and substituting therefor the words “carry on”;
- (viii) in the definition of “large exposure” by deleting the words “the capital base” and substituting therefor the words “tier 1 capital”;
- (ix) in the definition of “licensed financial holding company” by inserting

immediately after the word “Act” the words “and includes a former licensed financial holding company”;

- (x) by deleting the definition of “licensed financial institution” and substituting therefor the following definition—

““licensed financial institution” means a person or incorporated entity licensed to carry on banking business and includes a former licensed financial institution”;

- (xi) in paragraph (a) of the definition of “officer” by inserting the words “branch manager, country manager” after the word “vice-president”;

- (xii) in paragraph (b) of the definition of “officer” by deleting the words “by-laws” and substituting therefor the words “bye-laws”;

- (xiii) by inserting immediately after the definition of “officer” the following new definition—

““outsource” means to enter into a contractual arrangement with a third-party service provider, where the service provider manages functions, business activities, processes or products that are, or could be undertaken by the licensed financial institution”;

- (xiv) by deleting the definition of “place of business” and substituting therefor the following definition—

““place of business” means a physical location, site, structure, or other similar facility, through which a licensed financial institution or licensed financial holding company transacts its affairs or carries on business”;

- (xv) by deleting the definition of “relative” and substituting therefor the following definition—

““relative” means a spouse, son, daughter, stepson, stepdaughter, adopted son, adopted daughter, brother, sister, father or mother”;

- (xvi) by inserting immediately after the definition of “significant shareholder” the following new definition—

““spouse” includes—

- (a) a woman who, for a period of not less than five years, has cohabited with a man as if she were in law his wife; and
- (b) a man who, for a period of not less than five years, has cohabited with a woman as if he were in law her husband”;

- (xvii) by inserting immediately after the definition of “subsidiary” the following new definition–
- ““tier 1 capital” means the total of–
- (a) paid-up share capital, statutory reserve fund, share premium account, retained earnings and any other capital account approved by the Central Bank, in the case of local licensed financial institutions, or
  - (b) such other capital account or similar measure as approved by the Central Bank, in the case of a licensed branch of a foreign financial institution, less any amount by which that total has been impaired in either case”;
- (b) in subsection (2)–
- (i) in subparagraph (a)(iv) by deleting the words “an employee or” and substituting therefor the words “a business”; and
  - (ii) in subparagraph (b)(iii) by deleting the words “or employee”;
- (c) by inserting after subsection (2) the following new subsection–
- “(3) In this Act, for the purposes of the payment of licence fees, a reference to a local financial institution includes a foreign financial institution that is a CARICOM national.”.

**3.** Section 3 of the principal Act is amended in paragraph (5)(a) by deleting the words “financial institution” and substituting therefor the word “corporation”.

Amendment to section 3 of principal Act.

**4.** Section 4 of the principal Act is amended—

Amendment to section 4 of principal Act.

(a) in subsection (2), by deleting the word “conduct” and substituting therefor the words “carrying on”; and

(b) by deleting subsection (4) and substituting therefor the following subsection—

“(4) A police officer who accompanies an officer in whose name an order has been granted under subsection (2) may in the case of resistance break open a door and remove an impediment or obstruction to the entry, search or seizure.”.

**5.** Section 5 of the principal Act is hereby repealed and substituted with the following—

Repeal and substitution of section 5 of principal Act.

“Appointment of receiver for failure to hold licence.

5. Notwithstanding subsection 3(5), if a person is found under subsection 4(2) to be carrying on banking business without a licence, the Central Bank may appoint a receiver for the person under paragraph 138(1)(b).”.

**6.** Section 7 of the principal Act is amended—

Amendment to section 7 of principal Act.

(a) in paragraph (1)(e), by deleting the words “holding company” and substituting therefor the word “group”; and

- (b) in subsection (2), by inserting the words “or subsidiary” after the word “branch”.

Amendment to section 14 of principal Act.

**7.** Section 14 of the principal Act is amended in paragraph (1)(j) by deleting the word “conduct” and substituting therefor the words “carry on”.

Amendment to section 19 of principal Act.

**8.** Section 19 of the principal Act is amended in subsections (7), (8) and (9) by deleting the words “electronic banking system” and substituting therefor the words “automatic banking machine”.

Amendment to section 42 of principal Act.

**9.** Section 42 of the principal Act is amended in paragraph (1)(f) by deleting the word “conduct” and substituting therefor the words “carry on”.

Insertion of new section 43A to principal Act.

**10.** The principal Act is amended by inserting in Part V immediately before section 44 the following new section—

“Definition of specified assets.

**43A.** In this Part “specified assets” means freely transferable assets free from any charge, lien or encumbrance and includes—

- (a) notes and coins which are legal tender in the Currency Union and such foreign notes and coins as the Central Bank may specify;
- (b) balances at the Central Bank;
- (c) net balances at licensed financial institutions in the Currency Union, but where the balances are negative they will be subtracted from the specified assets;

- (d) treasury bills and other securities issued or guaranteed by a Participating Government and securities issued by a statutory corporation wholly owned by a Participating Government and approved by the Central Bank;
- (e) bills of exchange and promissory notes eligible for rediscount by the Central Bank and warehouse warrants or their equivalent securing possession of goods against which the Central Bank may grant advances, within the limits and in accordance with the evaluation fixed by the Central Bank;
- (f) net balances at licensed financial institutions in the monetary areas as the Central Bank may approve and the Central Bank may provide for the treatment to be accorded the balance or any portion in respect of the head office of a licensed financial institution organised abroad, and where any balances are negative they will be subtracted from specified assets;
- (g) money at call in monetary areas approved by the Central Bank under paragraph (f), bills of exchange bearing at least two good signatures drawn on and payable at any place in the approved monetary areas, and treasury bills issued by the government

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of a country in any approved monetary areas and maturing within one hundred and eighty days.”.

Amendment to section 44 of principal Act.

**11.** Section 44 of the principal Act is amended—

- (a) in subsections (1) and (2) and paragraph (3)(a) by deleting the word “Grenada” and substituting therefor the words “the Currency Union”; and
- (b) by inserting after subsection (4) the following new subsection—

“(5) The Central Bank may approve the holding of assigned capital in the form of specified assets.”.

Amendment to section 45 of principal Act.

**12.** Section 45 of the principal Act is amended—

- (a) by deleting subsection (2) and substituting therefor the following subsection—

“(2) A licensed financial institution or licensed financial holding company shall not declare, credit or pay any dividend or make any other transfer from profits if the declaration, credit, payment or transfer would result in—

- (a) an impairment of the capital required under section 44;
- (b) inadequate and inappropriate forms of liquidity contrary to section 48; or
- (c) negative retained earnings or accumulated deficit”; and

- (b) by inserting after subsection (2) the following new subsections—

“(3) Subject to subsections (4) and (5) a licensed financial institution or licensed financial holding company shall not, except with prior written approval of the Central Bank, declare, credit or pay any dividend or make any other transfer from profits if the licensed financial institution or licensed financial holding company realises a net loss for that financial year.

(4) A licensed financial institution or licensed financial holding company shall seek the approval of the Central Bank under subsection (3) at least fifteen days before the intended declaration, credit, payment or transfer.

(5) The Central Bank may grant approval under subsection (3) on terms and conditions the Central Bank deems fit.”.

**13.** Section 49 of the principal Act is amended in subsections (1) and (6) by deleting the words “capital base” and substituting therefor the words “tier 1 capital”.

Amendment to section 49 of principal Act.

**14.** Section 50 of the principal Act is amended in subsection (4) by deleting the words “the capital base” and substituting therefor the words “tier 1 capital”.

Amendment to section 50 of principal Act.

Amendment  
to section 51  
of principal  
Act.

**15.** Section 51 of the principal Act is amended—

- (a) by deleting subsection (3) and substituting therefor the following subsection—

“(3) A licensed financial institution shall not, except with the prior written approval of the Central Bank, grant or permit to be outstanding to its employees any unsecured advances or credit facilities which in the aggregate amount for any one employee exceeds the annual remuneration of such employee.”; and

- (b) by deleting subsection (4) and substituting therefor the following subsection—

“(4) The Central Bank may grant approval under subsection (3) on terms and conditions the Central Bank deems fit.”.

Amendment  
to section 53  
of principal  
Act.

**16.** Section 53 of the principal Act is amended—

- (a) in subsection (2) by deleting the word “conduct” and substituting therefor the words “carry on”; and

- (b) by deleting the words “the capital base” wherever they appear and substituting therefor the words “tier 1 capital”.

Amendment  
to section 54  
of principal  
Act.

**17.** Section 54 of the principal Act is amended—

- (a) by inserting after subsection (1) the following new subsection—

“(1A) A licensed financial institution shall not own a subsidiary company that does not engage solely in permissible activities.”;

- (b) by inserting after subsection (4) the following new subsection—

“(5) For the purposes of this section “permissible activities” includes business of a financial nature and any other activities that the Central Bank may determine”; and

- (b) by deleting the words “the capital base” wherever they appear and substituting therefor the words “tier 1 capital”.

**18.** Section 55 of the principal Act is amended—

Amendment  
to section 55  
of principal  
Act.

- (a) by deleting subsection (1) and substituting therefor the following subsection—

“(1) A licensed financial institution shall not directly or indirectly, except with the prior approval of the Central Bank, purchase, acquire or lease real or immovable property unless it is necessary for the purpose of carrying on its business as a licensed financial institution including provision for future expansion and housing its officers and employees.”;

- (b) by deleting subsection (2) and substituting therefor the following subsection—

“(2) If a licensed financial institution holds any real or immovable property held or leased

by it before the commencement of this Act for purposes other than for carrying on its business as a licensed financial institution, the licensed financial institution shall comply with this section within a period of three years or a further period as may be determined by the Central Bank.”; and

- (b) by inserting after subsection (3) the following new subsection—

“(4) The Central Bank may grant approval to a licensed financial institution under subsection (1) on terms and conditions the Central Bank may deem fit.”.

Amendment to section 57 of principal Act.

- 19.** Section 57 of the principal Act is amended by repealing subsection (7).

Amendment to section 60 of principal Act.

- 20.** Section 60 of the principal Act is amended—

- (a) in subsection (2) –
- (i) by deleting the word “six” and substituting therefor the word “nine”; and
- (ii) by deleting the word “three” and substituting therefor the word “six”; and
- (b) by deleting subsection (3) and substituting therefor the following subsection—

“(3) A person who has served the maximum period under section 60(2) may not be re-appointed as the external auditor until after a

period of five years has elapsed since the last appointment.”.

**21.** Section 69 of the principal Act is amended by deleting subsection (5) and substituting therefor the following subsection—

Amendment to section 69 of principal Act.

“(5) Subject to section 91, if a licensed financial institution or a licensed financial holding company fails to comply with the requirements of—

- (a) subsection (1) within six months of the end of its financial year; or
- (b) subsections (2) to (4),

it is liable to a penalty of fifty thousand dollars and three thousand dollars for every day of the default.”.

**22.** Section 80 of the principal Act is hereby repealed and substituted with the following—

Repeal and substitution of section 80 of principal Act.

“Failure to comply with remedial actions

**80.** (1) A licensed financial institution or an affiliate of a licensed financial institution that fails to comply with a requirement or prohibition the Central Bank imposes on the licensed financial institution under this Part, is liable to a penalty of one hundred thousand dollars and a further penalty of ten thousand dollars for each day of the default.

(2) A director, officer, employee or significant shareholder of a licensed financial institution who fails to comply with a requirement or

prohibition the Central Bank imposes on the director, officer, employee or significant shareholder under this Part, is liable to a penalty of fifty thousand dollars and to a further penalty of five thousand dollars for each day of the default.”.

Amendment to  
section 88 of  
principal Act.

**23.** Section 88 of the principal Act is hereby repealed and substituted with the following—

“Notification  
of removal of  
directors and  
officers

**88.** (1) If an action under this Part requires the removal of a director or officer of a licensed financial institution, the Central Bank shall serve on the licensed financial institution and on the director or officer concerned written notice of the intended removal.

(2) The licensed financial institution and the director or officer served with a notice under subsection (1) may, within fourteen days commencing from the day after which the notice is served, make written representations and a request for face to face representation to the Central Bank.

(3) If the Central Bank receives a request for a face to face representation under subsection (2), the face to face representation shall take place within fourteen days of receipt of the request.

(4) The Central Bank shall take the representations into account in deciding whether to remove the director or officer.

(5) If the Central Bank is of the opinion that the public interest may be prejudiced by the director or officer continuing to exercise the powers or carry out the duties and functions of that office during the period for making representations specified in subsections (2) and (3), the Central Bank may make an order suspending the director or officer and the suspension shall not extend beyond the period for making representations.

(6) If the Central Bank decides to remove the director or officer, the Central Bank shall, within seven days of the written or face to face representation notify the director or officer and the licensed financial institution of the removal order made under this Part.

(7) The director or officer ceases to hold office on the date the removal order is made or a later date specified in the removal order.

(8) If the director, officer or licensed financial institution is aggrieved by the decision of the Central Bank under subsection (6), the director, officer or the licensed financial institution may, within fourteen days of the decision, appeal to the High Court but the appeal shall not operate as a stay of the decision under this section unless the High Court directs otherwise.”.

**24.** Section 89 of the principal Act is amended in paragraph (3)(c) by deleting the words “the capital base” and substituting therefor the words “tier 1 capital”.

Amendment to  
section 89 of  
principal Act.

Amendment to section 92 of principal Act.

**25.** Section 92 of the principal Act is amended by inserting the words “to the Central Bank” after the word “made”.

Amendment to section 97 of principal Act.

**26.** Section 97 of the principal Act is amended in subsection (2) by inserting after paragraph (h) the following new paragraph—

“(i) whether the person is a director or officer of, or directly or indirectly concerned in the management of a corporation locally or abroad, that is compounding with or suspending payments to its creditors.”.

Repeal and substitution of section 101 of principal Act.

**27.** Section 101 of the principal Act is hereby repealed and substituted with the following—

“Notification to Central Bank of appointment of officers and directors

**101.** (1) A licensed financial institution or licensed financial holding company shall give written notice to the Central Bank of the proposed appointment or election of a director or officer at least sixty days prior to the appointment or election of the director or officer.

(2) On receipt of the notice under subsection (1) the Central Bank shall conduct an investigation to determine whether the proposed director or officer satisfies the fit and proper criteria in section 97.

(3) On completion of its investigation, the Central Bank shall inform the licensed financial institution or licensed financial holding company in writing that—

- (a) the requirements of section 97 have been satisfied and it has no objections to the proposed appointment or election of the director or officer; or
- (b) the requirements of section 97 have not been satisfied, the manner in which the requirements have not been met and that it objects to the appointment.

(4) Despite subsection (1), if prior notification of the appointment or election of a director or officer of a licensed financial institution or licensed financial holding company is not possible, the licensed financial institution or licensed financial holding company—

- (a) may appoint or elect the director or officer, conditional on the Central Bank's confirmation under subsection (3) that the director or officer satisfies the requirements of section 97; and
- (b) shall within five days of the appointment or election give written notice to the Central Bank of the conditional appointment or election of the director or officer specifying the reasons for the appointment or election of the director or officer without prior approval.

(5) If the Central Bank receives a notice under subsection (4) and is not satisfied that a director or officer meets the requirements of section 97, the Central Bank—

- (a) shall direct the removal of the director or officer; and
- (b) may notify in writing the person whose removal is required by serving on the person a copy of the direction under paragraph (a).”.

Amendment to  
section 103 of  
principal Act.

**28.** Section 103 of the principal Act is amended—

- (a) in paragraph (1)(a) by deleting the words “two-thirds of”;
- (b) by deleting subsection (2) and substituting therefor the following subsection—

“(2) Subject to subsection (2A) and prudential standards issued by the Central Bank, a person who—

- (a) has been declared bankrupt;
- (b) has been sentenced for an offence involving, a term of imprisonment exceeding six months or sentenced to imprisonment in default of the payment of a fine;
- (c) has been a director or officer of a company which has been wound up by a court or has been placed in receivership;

- (d) has been a director or officer of, or directly or indirectly concerned in the management of a former licensed financial institution or body corporate locally or abroad, the licence of which has been revoked

shall not, without the prior approval of the Central Bank, act or continue to act as a director or officer of, or be directly or indirectly concerned in any way in the management of any licensed financial institution or licensed financial holding company;” and

- (c) by inserting after subsection (2) the following new subsection—

“(2A) Paragraph (2)(d) does not apply if the revocation of the licence was due to—

- (a) its amalgamation with another licensed financial institution or licensed financial holding company or other company; or
- (b) its voluntary winding up.”.

**29.** Section 104 of the principal Act is hereby repealed and substituted with the following—

Repeal and substitution of section 104 of principal Act.

“Right to make representation

**104.** (1) A licensed financial institution or licensed financial holding company to which a direction is given and a person who is served a copy of the direction under subsection 101(5)

or subsection 103(4) may, within fourteen days commencing from the day after which the direction is given, make written representations and a request for a face to face representation to the Central Bank.

(2) If the Central Bank receives a request for a face to face representation under subsection (1), the face to face representation shall take place within fourteen days of receipt of the request.

(3) The Central Bank shall take the representations into account in deciding whether to confirm the direction.”.

Repeal and substitution of section 105 of principal Act.

**30.** Section 105 of the principal Act is hereby repealed and substituted with the following—

“Notice of confirmed removal

**105.** (1) If the Central Bank decides to confirm the direction it shall, with seven days of the written or face to face representation as the case may be, serve written notice of the confirmation on the licensed financial institution or the licensed financial holding company and the person whose removal is required.

(2) If the licensed financial institution, the licensed financial holding company or the person whose removal is required is aggrieved by the decision of the Central Bank under subsection (1), the licensed financial institution, the licensed financial holding company or the person whose removal is required may, within

fourteen days of the decision, appeal to the High Court, but the appeal shall not operate as a stay of the decision under this section unless the High Court directs otherwise.”.

**31.** Section 107 of the principal Act is amended by deleting the words “subsection (2)” and substituting therefor the words “subsection (5)”. Amendment to section 107 of principal Act.

**32.** Section 108 of the principal Act is amended by deleting the words “subsection (2)” and substituting therefor the words “subsection (5)”. Amendment to section 108 of principal Act.

**33.** Section 109 of the principal Act is hereby repealed and substituted with the following— Repeal and substitution of section 109 of principal Act.

“Failure to comply with section 103

**109.** (1) A licensed financial institution which fails to comply with section 103 is liable to a penalty of one hundred thousand dollars and ten thousand dollars for each day of the default.

(2) A director or officer of a licensed financial institution who fails to comply with section 103 is liable to a penalty of fifty thousand dollars and five thousand dollars for each day of the default.”.

**34.** Section 131 of the principal Act is amended in paragraph (1)(b) by deleting the word “three” and substituting therefor the word “ten”. Amendment to section 131 of principal Act.

**35.** Section 137 of the principal Act is amended by deleting paragraph (2)(b) and substituting therefor the following paragraph— Amendment to section 137 of principal Act.

“(b) the licensed financial institution or licensed financial holding company cannot be rehabilitated and the Central Bank issues a decision to commence receivership and liquidation proceedings under Part X.”.

Amendment to  
section 138 of  
principal Act.

**36.** Section 138 of the principal Act is amended by deleting subsection (1) and substituting therefor the following subsection—

“(1) The Central Bank may appoint a receiver for—

- (a) a licensed financial institution or licensed financial holding company if—
  - (i) it is insolvent;
  - (ii) it is not viable;
  - (iii) its capital is impaired or its condition is otherwise unsound;
  - (iv) it has experienced substantial dissipation of assets or earnings due to any of the grounds for action by the Central Bank under subsection 75(1);
  - (v) it or its directors, officers, employees, or significant shareholders wilfully violate or fail to comply with an order or direction of the Central Bank under sections 75 to 87;
  - (vi) its business is being conducted in an unlawful or imprudent manner;
  - (vii) the continuation of its activities is detrimental to the interests of its depositors;

- (viii) it conceals or refuses to submit any of its records or its operations for examination as provided for in section 74, or has otherwise obstructed such examination;
  - (ix) its licence has been revoked in accordance with sections 14 or 76;
  - (x) official administration is terminated pursuant to paragraph 137(2)(b); or
- (b) a person who is found under subsection 4(2) to be carrying on banking business without a licence.”.

**37.** The principal Act is amended by inserting immediately after section 138 the following new section—

Insertion of new section 138A to principal Act.

“Receivership and compulsory liquidation in respect of a person under section 138(1)(b)

138A. The provisions of subsection 138(2) and section 139 to section 157 shall apply to a person under paragraph 138(1)(b) with the necessary modifications.”.

**38.** Section 140 of the principal Act is amended—

Amendment to section 140 of principal Act.

- (a) in subsection (1), by deleting the words “and revocation of licence”;
- (b) in subsection (3), by deleting the words “revocation of the licence and”;
- (c) by deleting subsection (4) and substituting therefor the following subsection—

“(4) The notice shall also specify that—

- (a) authorisations of persons to engage the financial responsibility of the

licensed financial institution or licensed financial holding company have been cancelled; and

- (b) persons who previously had authorisation to give instructions on behalf of the licensed financial institution or licensed financial holding company with respect to payment or transfer of the licensed financial institution's or licensed financial holding company's assets or assets managed by the licensed financial institution or licensed financial holding company are no longer so authorised.”.

Amendment to section 147 of principal Act.

**39.** Section 147 of the principal Act is amended in paragraph (1)(g) by deleting the words “one hundred” and substituting therefor the words “two hundred”.

Amendment to section 168 of principal Act.

**40.** Section 168 of the principal Act is amended in subsection (1) by deleting the words “ninety days” and substituting therefor the words “three months”.

Repeal and substitution of section 169 of principal Act.

**41.** Section 169 of the principal Act is hereby repealed and substituted with the following—

“Abandoned property to vest in the Crown

**169.** (1) Any abandoned property paid into the custody of the Central Bank under subsection 168(1) shall vest in the Crown fifteen years from the date on which it was paid into the custody of the Central Bank.

(2) Any abandoned property paid into the custody of the Central Bank prior to

the commencement of this Act shall vest in the Crown fifteen years from the date of commencement of this Act.”.

**42.** Section 174 of the principal Act is hereby repealed and substituted with the following—

Repeal and substitution of section 174 of principal Act.

“Failure to file report or to pay property

**174.** A licensed financial institution or licensed financial holding company which fails to comply with subsections 168(1) and 168(4) and subsection 170(2) is liable to a penalty of five thousand dollars and for a further penalty of one thousand dollars for each day of default.”.

**43.** Section 178 of the principal Act is amended by deleting subparagraph (2)(b) and substituting therefor the following subparagraph—

Amendment to section 178 of principal Act.

“(b) a licensed financial institution or a director, officer, secretary, employee, agent, auditor, receiver, official administrator or official liquidator of the licensed financial institution, from providing access to confidential information of the licensed financial institution that is necessary to conduct due diligence in connection with a potential acquisition of assets and liabilities of the licensed financial institution, whether through direct transfer or through a merger or similar corporate transaction.”.

**44.** Section 180 of the principal Act is amended by deleting subsection (1) and substituting therefor the following subsection—

Amendment to section 180 of principal Act.

“(1) The penalties imposed under sections 9(3), 19(9), 19(10), 44(4), 56(2), 57(8), 68, 69(5), 80, 96, 109 and 174 shall be paid to the Central Bank.”.

Amendment of  
section 186 of  
principal Act.

**45.** Section 186 of the principal Act is deleted and the following section is substituted—

“(1) A Participating Government may establish a bridge financial institution for the purpose of acquiring and managing the assets and liabilities of a licensed financial institution that is subject to official administration or receivership under Part IX or Part X for a period of up to twelve months.

(2) The Central Bank may grant an extension of the period referred to in subsection (1) for up to four consecutive periods of twelve months each.

(3) The designation of a licensed financial institution as a bridge financial institution shall terminate if—

- (a) the period under subsection (1) and any subsequent extensions under subsection (2) expire;
- (b) the bridge financial institution—
  - (i) is sold to another person, or licensed financial institution or licensed financial holding company, that is not a bridge financial institution; or
  - (ii) amalgamates with another licensed financial institution that is not a bridge financial institution; or

(c) satisfies the capital requirements of sections 44 and 46.

(4) Where the designation of a licensed financial institution as a bridge financial institution terminates pursuant to subparagraph (3)(a) the bridge financial institution shall be placed into receivership and liquidated.

(5) The Central Bank may initiate receivership of a bridge financial institution in accordance with Part X, prior to the expiration period identified in subparagraph (3)(a).

(6) A bridge financial institution established under subsection (1) shall be licensed under this Act and shall be subject to all of the provisions of this Act, except the capital requirements of sections 44 and 46.

(7) A Participating Government may establish an asset management company for the purpose of acquiring, managing, and disposing of problem assets of a financial institution pursuant to Part IX or Part X.”

**46.** Section 192 of the principal Act is amended in paragraph (2)(a) by inserting the words “or continued in force” after the word “made”.

Amendment to section 192 of principal Act.

**47.** The principal Act is amended by repealing Schedule I and substituting therefor the following new schedule—

Repeal and substitution of Schedule I of principal Act.

## “SCHEDULE I

## Fees for Licensed Financial Institution

Sections 7(1), 8(5), 9(1), 36(1), 38(2)

Description	Non Refundable Application Fee	Initial Licence Fee	Annual Licence Fee
Branch - Foreign Financial Institution	\$20 000	\$120 000	\$120 000
Local Licensed Financial Institution	\$20 000	\$80 000	\$80 000
Licensed Financial Holding Company - Foreign	\$20 000	\$60 000	\$60 000
Licensed Financial Holding Company - Local	\$20 000	\$40 000	\$40 000
Branch – Local Licensed Financial Institution	-	-	\$20 000
Additional Branch – Foreign Financial Institution	-	-	\$30 000

**48.** The principal Act is amended by repealing Schedule III and substituting therefor the following new schedule—

Repeal and substitution of Schedule III of principal Act.

## “SCHEDULE III

Section 181

Offences in respect of which liability to conviction may be discharged by payment of a fixed penalty

<b>Offence</b>	<b>Section</b>	<b>Fixed penalty</b>
Carrying on banking business without a licence	3(5)	\$250 000
Refusal to make relevant documents available for examination	4(5)	\$2 500
Use of restricted words, names and practices	16(5)	\$125 000
Failure to disclose transfer	31(1)	\$1 000
Failure to disclose acquisition of interest	31(2)	\$2 500
Failure to disclose and allow access to books and records	74(3)	\$25 000
Providing information that is false in any material particular	74(4)	\$25 000
Restriction on advertising likely to mislead the public	93(2)	\$25 000
Failure to declare related interest	110	\$5000
Deceiving statements and obstruction of audit or authorised examination	111	\$15 000
Failure of management to comply with the law	112	\$7 500
Failure to assist the official administrator	129(5)	\$7 500
Interference with receivers access to or control over office, books of accounts and other records	145(4)	\$7 500

Passed by the House of Representatives this 19th day of December, 2018.

ADRIAN FRANCIS  
*Clerk to the House of Representatives (Ag.).*

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Passed by the Senate this 28th day of December, 2018.

ADRIAN FRANCIS  
*Clerk to the Senate (Ag.).*