

ANTIGUA AND BARBUDA



EASTERN CARIBBEAN
CENTRAL BANK
AGENCY OFFICE
AUG 10 2012
ANTIGUA AND BARBUDA

Sections

- 1. Short title
- 2. Interpretation
- 3. Inspection of
- 4. Insertion of section 22A

Provision to the Central Bank regarding directors, significant shareholders and management of local financial institutions

THE BANKING (AMENDMENT) ACT, 2012

No. of 2012

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THE BANKING (AMENDMENT) ACT, 2012

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THE BANKING (AMENDMENT) ACT, 2012

ARRANGEMENT

Sections

1. Short title.
2. Interpretation
3. Insertion of section 21A - Notification to the Central Bank regarding directors, significant shareholders and management of local financial institutions
4. Insertion of section 22A

ANTIGUA AND BARBUDA
THE BANKING (AMENDMENT) ACT, 2012
No. of 2012

AN ACT to amend the Banking Act, 2005 No. 14 of 2005 and for incidental and connected purposes.

ENACTED by the Parliament of Antigua and Barbuda as follows:

1. Short title

This Act may be cited as the Banking (Amendment) Act, 2012.

2. Interpretation

In this Act “the principal Act” means the Banking Act, 2005 No. 14 of 2005.

3. Insertion of section 21A - Notification to the Central Bank regarding directors, significant shareholders and senior management staff members of local financial institutions

The principal Act is amended by inserting the following after section 21—

“21A. Notification to the Central Bank regarding directors, significant shareholders and senior management staff members of local financial institutions

A licenced local financial institution shall, in writing, notify the Central Bank—

- (a) of a change in the directors of the institution within 14 days of the election of a director;
- (b) of a change of the significant shareholders of the institution within 14 days of a change of shareholders; and
- (c) of a change of management for the institution within 14 days of the appointment of senior management staff members.”

4. Insertion of section 22A

The principal Act is amended by inserting the following after section 22—

“22A. Measures for ensuring compliance with section 26

(1) If the Central Bank is not satisfied, pursuant to notification under section 21A, that a director, significant shareholder or senior management staff member is qualified as prescribed to hold the position of director, significant shareholder or senior management staff member within a local financial institution, the Central Bank shall serve notice on the institution —

- (a) in writing that the requirements of section 26 have not been satisfied and the manner in which the requirements have not been met;
- (b) referred to in paragraph (a) of a time frame in which to rectify the breach of the requirements of section 26; and
- (c) of the penalty applicable for failure of compliance.

(2) If a financial institution does not comply with a notice served under subsection (1) the Central Bank may recommend that the Minister—

- (a) vary the conditions of a licence; or
- (b) revoke the licence of the financial institution to do banking business pursuant to section 11.”

Passed by the House of Representatives on
the , 2012.

Passed by the Senate on the , 2012.

Speaker.

President.

Clerk to the House of Representatives.

Clerk to the Senate.

EXPLANATORY MEMORANDUM

This Bill would amend the Banking Act so that local financial institutions, as defined by the Act, are required to inform the Central Bank, the Regulatory Authority for such institutions, of any change in directors, significant shareholders and senior management staff members within the institution.

It would also enable the Central Bank, to recommend such measures, as it considers applicable in the circumstances, to the Minister to take against the institutions which appoint or encourage

directors or shareholders, or which employ senior management staff members who do not meet the criteria set out under section 26 of the Act.

This amendment would further facilitate the Central Bank in its duty to regulate local financial institutions so as to ensure that the "fit and proper person" criteria, as set out by section 26 of the Act, is properly applied to persons engaged in the business of banking in Antigua and Barbuda.

Hon. Justin L. Simon, Q.C.
Attorney General and
Minister of Legal Affairs