

OBJECTS AND REASONS

This Bill would amend the *Financial Institutions Act*, Cap. 324A to provide for

- (a) the Central Bank to exercise a discretion to require a licensee to disclose the basis for imposing a fee or charge;
- (b) the period of notice within which a licensee informs the Central Bank of the imposition or variation of a fee or charge;
- (c) the period of notice for the Central Bank to advise a licensee in respect of the imposition of a proposed fee or charge;
- (d) the Central Bank to issue directives;
- (e) the Central Bank to make regulations relating to the imposition of fees and charges; and
- (f) related matters.

Arrangement of Sections

1. Short title
2. Amendment of section 43 of Cap. 324A
3. Repeal and replacement of section 95 of Cap. 324A
4. Repeal and replacement of section 114A of Cap. 324A
5. Amendment of section 115 of Cap. 324A

BARBADOS

A Bill entitled

An Act to amend the *Financial Institutions Act*, Cap. 324A.

ENACTED by the Parliament of Barbados as follows:

Short title

- 1.** This Act may be cited as the *Financial Institutions (Amendment) Act, 2024*.

Amendment of section 43 of Cap. 324A

2. *The Financial Institutions Act, Cap. 324A in this Act referred to as the principal Act is amended by deleting section 43 and substituting the following:*

“Financial statements

43.(1) A licensee, in relation to its operations, shall on a solo basis and also on a consolidated basis if applicable, submit to the Central Bank in the prescribed form,

- (a) not later than 21 days after the end of each month, or such other period as the Central Bank may in any particular case determine, a monthly statement showing the assets and liabilities of the licensee accompanied by a statement showing the amounts of all outstanding unsecured advances or unsecured credit; and
- (b) not later than 21 days after the end of each quarter ending on 31st March, 30th June, 30th September and 31st December respectively, or such other period as the Central Bank may in any particular case determine, returns containing statements of
 - (i) assets and liabilities;
 - (ii) loans and advances; and
 - (iii) earnings and expenses.

(2) The Central Bank may require a licensee to submit within such period and in such manner as the Central Bank determines,

- (a) any financial data required by the Central Bank; and

- (b) such returns in addition to those specified in subsection (1) as the Central Bank requires.
- (3) The Central Bank may require a licensee to submit such information that it considers necessary
 - (a) to facilitate an understanding of any statement or return furnished by that licensee under subsection (1) or (2); and
 - (b) in respect of any holding company, financial holding company, subsidiary or affiliate of the licensee, and the information shall be submitted within such time and in such manner as the Central Bank requires.
- (4) The Central Bank may require a licensee to show separately, amounts of unsecured credit.
- (5) A licensee shall disclose all large exposures to the Central Bank.
- (6) The assets that a Barbados bank which is a licensee holds for its own account shall be shown separately; and its equity interests in subsidiaries shall be separately disclosed.
- (7) The Central Bank may publish in the *Official Gazette* and in a daily newspaper published and circulating in Barbados information submitted on the quarterly returns of each licensee under this section but no information in respect of the affairs of a particular customer of a licensee shall be so published.”.

Repeal and replacement of section 95 of Cap. 324A

- 3.** *The principal Act is amended by deleting section 95 and substituting the following:*

“Fees and charges

95.(1) Where, in the opinion of the Central Bank, a licensee is imposing a fee or charge that is unreasonable, the Central Bank shall require the licensee to disclose the basis for the fee or charge.

(2) Notwithstanding subsection (1), a licensee under Part II that intends to impose a fee or charge or vary an existing fee or charge shall submit written notice to the Central Bank of its intention 60 days before the proposed date that the licensee intends to impose or vary the fee or charge.

(3) Where the Central Bank receives written notice in accordance with subsection (2), it shall, within 30 days of receiving the notice, inform the licensee in writing whether it objects to the fee or charge to be imposed or varied and shall issue a directive to the licensee stating any action that the licensee is required to take, if any, in relation to the proposed fee.”.

Repeal and replacement of section 114A of Cap. 324A

4. *Section 114A of the principal Act is deleted and the following substituted:*

“Power to issue guidelines and directives

114A. The Central Bank may issue guidelines and directives on any matter that it considers necessary

- (a) to ensure the safety and soundness of licensees;
- (b) respecting the operation of common trust funds;
- (c) respecting the information to be recorded in relation to trust accounts of a licensee;

- (d) approving the manner of using, investing or managing any property or funds outside or within Barbados by a licensee;
- (e) in respect of loans and other assets; and
- (f) generally to provide for the conduct of licensees.”.

Amendment of section 115 of Cap. 324A

5. *Section 115 of the principal Act is amended by deleting paragraph (j) and substituting the following:*

- “(j) in respect of the imposition of fees and charges; and
- (k) generally for giving effect to the provisions of this Act.”.

Read three times and passed the House of Assembly this
day of _____, 2024.

Speaker

Read three times and passed the Senate this _____ day of
, 2024.

President