

BANKS AND TRUST COMPANIES (PAYMENT OF DIVIDENDS) REGULATIONS

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BANKS AND TRUST COMPANIES (PAYMENT OF DIVIDENDS) REGULATIONS

(SECTION 24)

[Commencement 13th April, 2005]

Citation

1. These Regulations may be cited as the Banks and Trust Companies (Payment of Dividends) Regulations.

Interpretation

2. In these Regulations —

“licensee” means any Bank or Trust Company which is incorporated in The Bahamas and which holds a licence granted under section 4 of the Act;

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“the Act” means the Banks and Trust Companies Regulation Act.

Payment of
Dividends

3. No licensee shall, without the prior written approval of the Governor, during any financial year, declare or pay out dividends on its shares, in the aggregate of all classes of shares, in excess of its prior financial year’s net profit as reported in the annual audited statement of its accounts prepared pursuant to section 8 of the Act.

Restriction on
payment of
dividends

4. The Inspector may impose restrictions on the payment of dividends, where the Inspector is satisfied that on payment of dividends the licensee will be unable to meet its liabilities as they become due or, that such payment will cause the licensee to fail to comply with its

capital adequacy requirements as established by the Inspector.

5. The Governor may impose a fine not exceeding five thousand dollars where a licensee fails to comply with the provisions of these Regulations. Fine.