



LAWS OF SEYCHELLES

CENTRAL BANK OF SEYCHELLES ACT

CHAPTER 26

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CHAPTER 26

CENTRAL BANK OF SEYCHELLES ACT

Act 24 of 1982.
Act 6 of 1986.*[1st January, 1983]*

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PART I.- PRELIMINARY

1. This Act may be cited as the Central Bank of Seychelles Act. Short title.
2. In this Act, unless the context otherwise requires — Interpretation.
2/6/1986.

“bank” means any financial institution the operations of which include the acceptance of deposits subject to transfer by cheque;

“banking business” means the business of accepting deposits of money from the public or members thereof withdrawable or payable upon demand or after a fixed period or after notice or any similar operations through the frequent sales or placements of bonds, certificates, notes or other securities and the employment of those funds either in whole or in part for loans or investments by lending or any other means for the account of and at the risk of the person doing such business and any other activity recognized by the Bank as customary banking practice which a bank or other financial institution may additionally be authorized to do;

“demand liabilities of the Bank” means notes and coins in circulation together with deposits held by the Bank and repayable on demand;

“financial institution” means —

(a) any person doing banking business;

or

Cap. 79.

- (b) a person declared to be a financial institution under section 58(3) of the Financial Institutions Act,

and, for the purposes of this Act, all branches, agencies and offices of a financial institution in Seychelles are deemed to be one financial institution;

“General Manager” means the General Manager of the Bank appointed under section 6; and

“General reserve” means the General Reserve established under section 16.

“Governor” means the Governor of the Bank appointed under section 6.

“notes and coins” means respectively, currency notes and coins issued or deemed to have been issued by the Bank.

“the Bank” means the Central Bank of Seychelles established by section 3;

“the Board” means the Board of the Bank constituted under section 5;

PART II - CONSTITUTION AND OBJECTIVES OF THE BANK

Establishment of
Bank.
3/6/1986.

3.(1) There is hereby established the Central Bank of Seychelles which shall be a body corporate under that name with perpetual succession and a common seal.

(2) The Bank shall be capable of doing anything within the capacity of a body corporate including, without prejudice to the foregoing generality, subject to this Act, the ability-

- (a) to enter into contracts;
- (b) to acquire, purchase, take, hold and enjoy any kind of moveable or immoveable property; and
- (c) to convey, assign, surrender, yield up, charge, mortgage, transfer or otherwise dispose of or deal with or in moveable or immoveable property.

4. The objectives of the Bank are—

- (a) to regulate the issue, supply and availability of money and its international exchange;
- (b) to advise the Government on banking, monetary and financial matters, and in particular on the monetary implications of any proposed fiscal or credit policies or operations of the Government;
- (c) to promote internal and external monetary stability;
- (d) to promote a sound financial structure; and
- (e) to foster financial conditions conducive to the orderly and balanced economic development of Seychelles.

5.(1) There shall be a Board of Directors of the Bank which shall be responsible for the policy and affairs of the Bank and in which all the powers of the Bank shall be vested.

Board of
Directors.
4/6/1986.

(2) The Board shall consist of—

- (a) the Governor;
- (b) the Principal Secretary to the Ministry or Department responsible for finance; and
- (c) one other member or, where at any time the office of the Governor is held by the Principal Secretary to the Ministry or Department responsible for finance, two other members appointed by the President.

(3) The President may designate an alternate to any member appointed under subsection (2)(c), and the alternate shall serve as a member of the Board in like manner to the member during the temporary absence or disability of the member, and any reference in this Act to a member of the Board shall, unless the context otherwise requires, include a reference to an alternate appointed under this subsection.

(4) A person appointed by the President under this section to be a member of the Board shall be a person of recognized standing

and experience in financial matters and shall be appointed for a period not exceeding 3 years but shall be eligible for re-appointment.

Governor and
General
Manager.
5/6/1986.

6 years Deputy Governor
6.(1) The Governor and General Manager shall be persons of recognized experience in financial matters.

(2) The Governor shall be appointed by the President on such terms and conditions as the President may determine for a period not exceeding 5 years, but a person so appointed shall be eligible for re-appointment.

(3) The General Manager shall be appointed by the Board with the approval of the President on such terms and conditions as the Board may determine.

(4) The Governor or, in the event of his absence or temporary disability, the General Manager —

- (a) shall preside as chairman at meetings of the Board;
- (b) shall be the chief executive officer of the Bank responsible to the Board for the execution of its policy and the day-to-day management of the Bank, and
- (d) subject to any express provision in this Act, the rules and regulations of the Bank, or any resolution of the Board, shall have the power to act, contract and sign instruments and documents on behalf of the Bank and is empowered to delegate such powers to other officers of the Bank.

(5) The General Manager may attend all meetings of the Board, but, except where he presides as chairman of the Board by virtue of subsection (4)(a), he is not a member of the Board and has no right to vote at meetings of the Board.

Disqualification
and resignation.

7.(1) No person shall be appointed to be the Governor or a member of the Board if —

- (a) he is a director, officer or employee of or a share-

holder in any bank or other financial institution under the regulatory jurisdiction of the Bank;

- (b) he is mentally or physically incapable of carrying out his duties on the Board;
- (c) he is insolvent or has been declared bankrupt whether in Seychelles or elsewhere or enters into an arrangement or composition with his creditors; or
- (d) he has been convicted of an offence involving dishonesty whether in Seychelles or elsewhere,

and in the case of any person who is already the Governor or a member of the Board, if at any time after his appointment any of the paragraphs (a) to (d) apply to him or if he is guilty of gross misconduct in relation to his duties on the Board, or if, in the opinion of the President, he is incompetent or otherwise unsuited to continue as a member of the Board, his appointment shall forthwith be terminated.

(2) The Governor or a member of the Board may resign his office by giving written notice to the President of his intention to do so —

- (a) in the case of the Governor not less than 3 months; and
- (b) in any other case not less than 1 month,

before his resignation is to take effect.

8. Subject to this Act, the Board may regulate its own procedure and, in particular, may regulate the holding of meetings, the notice to be given of meetings and custody, production and inspection of minutes.

Procedure.
6/6/1986.

9. The Board may appoint and employ at such remuneration and on such terms and conditions as the Board may determine any officers and employees the Board may consider necessary for the proper performance of the functions of the Bank.

Appointment of
officers and
employees.

10.(1) The Board shall meet as often as the Governor may consider the business of the Bank requires but in any event it shall meet not less frequently than six times a year.

(Governor and/o.
other members)
Meetings of the
Board.

- (2) ^{Four} Two members of the Board shall constitute a quorum.

Conflict of
interest.
7/6/1986.

11.(1) No member of the Board shall act as a delegate or representative of any commercial, financial, agricultural, industrial or other interest or receive or accept directions therefrom in respect of duties to be performed under this Act.

(2) All members of the Board shall fully disclose to the Board any commercial, financial, agricultural, industrial or other interest that they may have in any matter which becomes the subject of consideration or action by the Board.

(3) No member of the Board nor any officer or employee of the Bank shall accept any gift or advantage for himself, or on behalf of any person with whom he may have any family, business or financial connexion which would result or give the appearance of resulting in a diminution in his impartiality in any matter relating to his duties under this Act.

(4) Any person who contravenes any provision of this section shall be guilty of an offence and liable to a fine of R.3,000 and to imprisonment for 6 months.

Secrecy.
8/6/1986.

12.(1) No member of the Board nor any officer or employee of the Bank shall disclose to any person any information relating to the affairs of the Bank or of any bank or other financial institution or other person which he has acquired in the performance of his duties under this Act except for the purpose of the performance of his duties or when he is lawfully required to do so by a court.

(2) Any person who contravenes any provision of this section shall be guilty of an offence and liable to a fine of R. 10,000 and to imprisonment for 9 months.

Head office and
branches etc.

13.(1) The Bank shall have its head office on Mahe and may establish such branch offices in Seychelles as the Board considers appropriate.

(2) The Bank may appoint such agents or correspondents as it may from time to time, require.

PART III.- CAPITAL PROFITS AND RESERVES

10,000,000
14.(1) The authorized capital of the Bank shall be 5,000,000 Capital.
Seychelles Rupees and may be increased from time to time by such 10/6/1986.
amounts as may be proposed by the Board and approved by the
President. *in consultation w/t,*

(2) The initial paid-up capital of the Bank shall be 1,000,000
Seychelles Rupees and there shall be paid-up by the Government
such further amounts as may from time to time be proposed by the
Board and approved by the President.
in consultation w/t

(3) All capital stock of the Bank as and when issued shall be for
the sole account of the Government and shall not be transferable
or subject to encumbrance.

(4) The President, notwithstanding any other provision of this
Act, shall cause to be transferred to the ownership of the Bank
non-negotiable, non-interest bearing securities issued by the
Government from time to time for such an amount as is necessary
for the purpose of preserving the paid-up capital from any
impairment whenever, in the opinion of the Board, the assets of
the Bank are less than the sum of its liabilities and paid-up capital.

15.(1) The net profits of the Bank for any financial year shall *be as follows*
be determined by the Bank after meeting all current expenditure Profits.
for that year and after making provision for — 10/6/1986.

- (a) bad and doubtful debts, depreciation of assets and
contributions to staff and pensions funds; and
- (b) such other purposes as the Board may deem neces-
sary.

Provided that profits and losses arising under section 28 shall
not be included in the calculation.

(2) Notwithstanding the provisions of subsection (1) the Board
may, with the approval of the President, direct that any expendi-
ture of an exceptional nature shall be a charge upon the General
Reserve and shall be excluded from the calculation of the net
profits of the Bank.

General Reserve.
10/6/1986.

16.(1) The Bank shall establish and maintain a General Reserve to which shall be allocated at the end of each financial year of the Bank 50 percent of the net profits of the Bank until such time as the General Reserve is equal in amount to the authorized capital of the Bank, after which 25 percent of the net profits shall be allocated to the General Reserve until the General reserve is equal to twice the authorized capital of the Bank.

(2) After appropriate allocations have been made to the General Reserve under subsection (1), 50 percent of the remaining net profits shall next be applied to the redemption on behalf of the Government of any securities held by the Bank which have been issued in accordance with section 14(4) or 28(2).

(3) Any remaining net profits after all deductions under subsections (1) and (2) have been made shall be transferred to the Consolidated Fund:

Provided that the Board, with the approval of the President, may direct that further allocations to the General Reserve may be made out of such remaining net profits.

PART IV.- SEYCHELLES CURRENCY

Unit of currency.
10/6/1986.

17. The unit of currency of Seychelles shall be the Seychelles rupee, which shall be divided into one hundred cents.

Parity.
10/6/1986.

18.(1) The President may, after consultation with the Board, declare an external value for the rupee having due regard to the obligations that Seychelles has assumed in accordance with the provisions of any international monetary agreement to which it is a party or to which it has adhered.

(2) Notices of any change in the external value of the rupee shall be published in the *Gazette*.

Issue of currency.
10/6/1986.

19.(1) The Bank shall have the sole right to issue legal tender notes and coins in Seychelles, and no other person shall in Seychelles issue notes or coins or any documents or tokens payable to bearer on demand being documents or tokens which are likely to pass as legal tender.

(2) The Bank shall —

- (a) arrange for the printing of notes and the minting of coins and for all matters relating thereto and for the security of such notes and coins;
- (b) issue, reissue, withdraw and, at its discretion, exchange notes and coins including legal tender notes and coins issued before the commencement of this Act.

20.(1) Notes issued under this Act shall be of such denomination and of such form and design and authenticated in such manner as may, from time to time, be specified by the Board with the approval of the President.

Currency notes
and coins.
10/6/1986.

(2) Coins issued under this Act shall be of such denomination and of such weight, form and design and made of such metal or metals as may, from time to time, be specified by the Board with the approval of the President.

(3) The characteristics of notes and coins to be issued by the Bank shall be published in the Gazette.

(4) Legal tender notes and coins issued before the commencement of this Act and not demonetized before such commencement, shall in all respects be deemed to have been lawfully issued under and to comply with all requirements of this Act and be legal tender.

21.(1) Subject to the provisions of subsection (2), a tender of payment of money if made in notes and coins shall be legal tender —

Legal tender.
10/6/1986.

- (a) in the case of notes, for the payment of any amount;
- (b) in the case of coins, for each denomination of coins, for payment of an amount not exceeding twenty times the face value of that denomination.

(2) A coin that has been illegally dealt with shall not be legal tender.

(3) For the purposes of this Act, a coin shall be deemed to have

been illegally dealt with if it has been impaired, diminished or lightened otherwise than by fair wear or tear, or has been defaced by having any name, word, device or number stamped or engraved thereon, whether it has or has not been thereby diminished or lightened.

Evidence of
genuineness.
10/6/1986.

22.(1) In any proceedings in which the genuineness of any currency notes or coin purporting to have been issued by the Bank shall be in question, a certificate under the hand of a duly authorized officer of the Bank to the effect that such currency note or coin is spurious shall be received in all courts of law as conclusive evidence of the spuriousness of such currency note or coin.

(2) The officer shall not be examined or cross-examined with respect to any such certificate.

(3) The penalties for forgery, counterfeiting and alteration of currency notes and counterfeiting, mutilating and defacement of coinage shall be those established in the Penal Code.

Cap. 158.

Calling in of
notes and coins.
10/6/1986.

23.(1) The President may, by order published in the *Gazette*, and on the recommendation of the Bank, declare that any notes or coins shall, with effect from such date as may be specified in the order, cease to be legal tender in Seychelles and provide for any matters incidental to the calling in of such notes or coins:

Provided that the holders of any such notes or coins, or any legal tender notes or coins that have ceased to be legal tender before the commencement of this Act shall be entitled at any time to claim payment of the value thereof from the Bank or, where a transfer in respect thereof has been made to the Consolidated Fund under subsection (2), from the Consolidated Fund.

(2) When any notes or coins cease to be legal tender under subsection (1), an amount equivalent to the face value of any such notes or coins remaining in circulation 5 years after they have so ceased to be legal tender shall be transferred from the Bank to the Consolidated Fund and the said amount shall be written off the liabilities of the Bank:

Provided that in the case of gold and silver coins remaining in circulation for which corresponding assets are held by the Bank, the amount equivalent to their face value shall not be transferred to the Consolidated Fund and shall be written off the liabilities as well as the assets of the Bank.

(3) Where notes or coins are presented for payment under subsection (1) more than 5 years after they have ceased to be legal tender, the Bank may levy a handling charge of such amount as it may, from time to time, determine.

24. No person shall be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect note or coin, or of any coin which has been illegally dealt with and the circumstances and conditions under which such value may be refunded as an act of grace shall be determined by the Bank.

Certain notes and coins not redeemable.
10/6/1986.

PART V. - EXTERNAL RESERVE AND FOREIGN EXCHANGE OPERATIONS

25.(1) The Bank shall be the depository of the official external reserves of Seychelles.

External Reserve.
10/6/1986.

(2) The Bank shall maintain an External Reserve of internationally recognized reserve assets consisting of all or any of the following on such terms and conditions as the Board may determine —

- (a) gold;
- (b) foreign exchange in the forms of currency or bank balances held abroad;
- (c) any internationally recognized reserve assets, including —
 - (i) the ability of Seychelles to make a reserve tranche purchase in the General Department of the International Monetary Fund; and
 - (ii) the holding of any special drawing rights in the International Monetary Fund by Seychelles;

- (d) bills of exchange and promissory notes payable in foreign currency at any place outside Seychelles specified by the Board;
- (e) treasury bills issued by foreign governments specified from time to time by the Board; and
- (f) securities issued or guaranteed by foreign governments or international financial institutions specified from time to time by the Board.

(3) The Bank shall maintain the External Reserve at a level which shall not be less than the equivalent of 50 percent of the demand liabilities of the Bank at the close of each month:

Provided that, with the approval of the President, the External Reserve may be maintained at a level lower than that prescribed in this subsection for a period of three months in the first instance, which may, with like approval, be extended from time to time by periods not exceeding three months at any one time.

(4) In the event of unfavourable developments affecting the external reserves of Seychelles, it shall be the duty of the Bank to propose appropriate remedial measures to be taken by the Government.

Buying and
selling rates of
gold and foreign
exchange.
10/6/1986.

26.(1) The Bank shall from time to time determine the rates at which it will buy, sell or deal in gold and foreign currencies.

(2) The Bank may determine and make public the rates at which gold and foreign currencies may be bought, sold or dealt in by banks and other persons authorized to do so in Seychelles.

(3) The Bank may determine a mid-rate around which buying and selling rates may be established.

(4) In determining the rates under subsection(1) and (2), the Bank shall do so with due regard to the obligations which Seychelles has undertaken in accordance with the Articles of Agreement of the International Monetary Fund.

(5) A sale of special or commemorative coins for foreign

currency shall not be treated as a foreign currency transaction for the purpose of this section.

27.(1) The Bank may —

- (a) buy, sell or deal in gold coins, bullion or foreign exchange;
- (b) buy, sell, invest or deal in treasury bills and other securities issued or guaranteed by foreign governments or international financial institutions;
- (c) open and maintain accounts abroad with such banks, financial institutions or other depositories and appoint such correspondents or agents outside Seychelles, as may be necessary;
- (d) act as correspondent, banker, agent or depository for any monetary authority or central bank, foreign bank, foreign government, foreign government agency, international financial institution or international fund established under governmental auspices.

Operations in
gold and foreign
exchange.
10/6/86.

(2) The Bank shall, in connection with the operations enumerated in paragraphs (a) and (b) of subsection (1), deal only with the Government, its statutory corporations and agencies, banks and other financial institutions within Seychelles, foreign monetary authorities, central banks and other banks, foreign governments and agencies, international financial institutions, international funds established under governmental auspices and such other persons as may be recommended by the Board and approved by the Minister responsible for finance.

28.(1) The gains arising from any change in the valuation of the Bank's assets or liabilities in, or denominated in, gold, foreign currencies or other units of accounts as a result of alterations of the parity of the Seychelles rupee, or of any change in the values, parities, or exchange rates of such assets or liabilities with respect to the Seychelles rupee other than gains arising from normal trading activity of the Bank, shall be credited to a Revaluation Reserve Account and neither they nor the losses arising from any such change other than losses arising from normal trading activity shall be included in the computation of annual profits and losses of the Bank.

Revaluation
Reserve Account.
10/6/1986.

(2) The losses arising from any such change other than losses arising from normal trading activity of the Bank shall be set off against any credit balance in the Revaluation Reserve Account and, notwithstanding any other provision of this Act, if such balance is insufficient to cover such losses, the Government shall issue to the Bank non-negotiable, non-interest bearing securities to the extent of the deficiency.

(3) Any credit balance in the Revaluation Reserve Account at the end of each financial year of the Bank shall be applied first, on behalf of the Government, to the redemption of any outstanding securities issued under subsection (2).

(4) One-fifth of the remaining balance or an amount equivalent to one percent of the demand liabilities of the Bank as at the end of the financial year, whichever is the greater, shall be transferred to the Consolidated Fund :

Provided that when the remaining balance does not exceed one percent of the aforesaid demand liabilities the entire amount of the balance shall be transferred to the Consolidated Fund.

(5) No credits or debits shall be made to the Revaluation Reserve Account except in accordance with the provisions of this section.

PART VI- RELATIONS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Operations with
banks and other
financial
institutions.
10/6/1986.

29. The Bank may, on such terms and conditions as the Board may determine —

- (a) open accounts for, and accepts deposits from banks and other financial institutions in Seychelles;
- (b) make loans, advances and rediscounts to banks and other financial institutions in Seychelles for periods not exceeding 180 days.

Clearing house.
10/6/1986.

30. The Bank may, in conjunction with other banks, organize and manage a clearing house for the clearing of cheques and other instruments for effecting payments.

31.(1) The Bank may, by notice published in the *Gazette* and by written notice to each bank or other financial institution at its principal place of business in Seychelles, prescribe the maintenance of required reserves against deposit and other similar liabilities which may be specified for this purpose.

Reserve
Requirements.
10/6/1986.

(2) The reserves prescribed under subsection (1) shall be maintained by way of cash holdings or by way of deposits with the Bank in such proportion as the Bank may prescribe.

(3) The Bank may, if it deems necessary, prescribe secondary reserves to be maintained in such form and in such proportion as may be specified.

(4) The Bank may prescribe different reserve ratios for different classes of deposit and other similar liabilities and may prescribe the method of their computation:

Provided that —

- (i) the Bank shall not, unless the monetary situation so requires and the President approves, require banks and other financial institutions to hold a total amount of reserves in excess of 40 percent of the total deposit and other similar liabilities to which reserve ratios have been made applicable;
- (ii) the initial prescription of or any increase in the required reserve ratios shall be effective only after at least 15 days notice thereof has been given;
- (iii) the Bank may determine that the requirements of this sub-section may be satisfied by meeting the prescribed reserve ratios on the basis of averages of holdings over such period as the Bank may prescribe; and
- (iv) the prescribed reserve ratios shall be uniform for each class of bank and other financial institution in Seychelles.

(5) The Bank may impose on any bank or other financial institution which fails to maintain required reserves in the appro-

priate ratio prescribed under this section a charge at an annual rate determined by the Bank not exceeding twice the highest effective rate of interest charged by that bank or other financial institution to any of its customers during the period of the deficiency.

(6) The charge mentioned in subsection (5) shall be imposed for each day on which the deficiency occurs.

Regulation of
interest and
credit.
10/6/1986.

32.(1) The Bank may, with the approval of the President, prescribe, by notice published in the *Gazette*, and by written notice to each bank and other financial institution at its principal place of business in Seychelles —

- (a) the methods of computation and maximum and minimum amounts of interest payable in respect of deposits and other similar liabilities; and
- (b) the permissible purposes, aggregate ceilings, maximum amounts beyond which the Bank's approval is necessary, maximum maturities and maximum interest chargeable and minimum cash margin or security required in respect of —
 - (i) the making of advances, whether by loans or over drafts, and investments;
 - (ii) the discounting of bills of exchange, promissory notes and other commercial or financial paper;
 - (iii) the issuing of letters of credit; and
 - (iv) the granting of acceptances and other forms of credit.
- (c) the manner of disclosure to the public and to —
 - (i) each depositor in a bank or other financial institution of the effective annual interest rate payable in respect of deposits made therewith;
 - (ii) each person to whom credit is extended, the terms of obtaining such credit including the effective annual interest rate payable in respect thereof.

(2) With the approval of the President, subsection (1) may be made applicable by the Bank by notice published in the Gazette and by written notice to any person having as a main object of his business the extension of credit.

(3) The Bank may examine the accounts, books and papers of any person who it has reason to suspect is extending or has extended credit in contravention of subsection (1) and the refusal to submit such accounts, books, and papers shall be *prima facie* evidence of such contravention.

(4) Notices issued under this section shall apply uniformly in Seychelles and shall come into effect on such date as may be specified, being not earlier than 14 days after the date of issue, and the Bank in its notices may differentiate between banks and other financial institutions or classes thereof in respect of the items set out in subsection (1).

(5) Any bank or other financial institution which contravenes subsection (1) shall be liable to pay to the Bank for each contravention a charge not exceeding R. 1,000 for every day during which the contravention continues.

(6) Any person to whom subsection (1) is made applicable pursuant to subsection (2) shall be guilty of an offence if —

- (a) he contravenes subsection (1);
- (b) he supplies to the Bank any information which he knows to be false in any material particular; or
- (c) he fails to furnish to the Bank, within a reasonable time and before the expiration of the time limited by a request so to furnish, any information required by the Bank to satisfy the Bank that he is complying with subsection (1),

and shall be liable —

- (i) in the case of an offence under paragraph (a), to a fine of R. 3000 and to a further fine of R. 1,000 for each day during which the contravention continues after conviction; or

- (ii) in the case of offence under paragraph (b) or (c) to a fine of R. 10,000 and to imprisonment for 6 months.

Local assets ratio.
10/6/1986.

33.(1) Each bank and other financial institution shall maintain assets consisting of claims payable in Seychelles rupees and other assets situated in Seychelles in such minimum proportions of its deposit and similar liabilities payable in Seychelles as the Bank may prescribe by a directive issued under section 45.

(2) The Bank may impose on any bank or other financial institution which fails to comply with the requirement of subsection (1) within such reasonable time as the Bank may fix a charge at an annual rate determined by the Bank not exceeding twice the highest effective rate of interest charged by that bank or other financial institution to any of its customers during the period of the deficiency.

(3) The charge mentioned in subsection (2) shall be imposed for each day on which the deficiency occurs.

Foreign working
balances.
10/6/1986.

34. The Bank may prescribe by a directive issued under section 45 the maximum amount of the working balances which banks and other financial institutions may hold in foreign currencies generally or in any specified currency or currencies.

Provision of
information.
10/6/1986.

35.(1) The Bank shall have power to require any director, officer or employee of any bank or other financial institution and persons who may be subject to the provisions of this Act to furnish to the Bank such information and data as are necessary to enable it to perform its functions under this Act. The Bank may publish such information and data in whole or in part for aggregate amounts for classes of financial institutions:

Provided that no information shall be published which would disclose the affairs of a person who is a customer of a bank or other financial institution unless the consent of such person has been previously obtained in writing.

(2) Any person who —

- (a) fails, refuses, neglects or unreasonably delays to supply information or data under subsection (1); or

- (b) in complying with such requirements furnishes any information or data which he knows to be false in any material particulars,

shall be guilty of an offence and liable to a fine of R.10,000 and to imprisonment for 6 months.

36.(1) The Bank may periodically or at its discretion cause an inspection to be made by any of its officers or by any other qualified person appointed to that effect by the Bank of any bank and other financial institution and its books and accounts for the purpose of ascertaining the nature of its business and the condition of its affairs and to ascertain whether such bank or other financial institution is complying with the provisions of this Act.

Inspection of
banks and other
financial
institutions.
10/6/1986.

(2) Any person authorized under this section to inspect a bank or other financial institution shall be subject to the provisions of section 12 and may —

- (a) require any director, officer or employee of any bank or other financial institution to furnish such information as he may consider necessary for the purpose of the inspection; or
- (b) require any such director, officer or employee to produce for inspection any books, records or other documents in his possession containing or likely to contain such information.

(3) Any person who —

- (a) fails, refuses, neglects or unreasonably delays to comply with any requirement of an authorized person made under subsection (1) or (2); or
- (b) in complying with any such requirement, furnishes any information or produces any book, record or other document which he knows to be false in any material particulars,

shall be guilty of an offence and liable to a fine of R.10,000 and to imprisonment for 6 months.

PART VII.- RELATIONS WITH THE GOVERNMENT

Banker and fiscal
agent to
Government.
10/6/1986.

37. The Bank may, on such terms and conditions as may be agreed with the Government,

- (a) open accounts for and accept deposits from the Government;
- (b) undertake the issue and management of Government securities;
- (c) act as fiscal agency of the Government in its dealings with any international or regional financial institution and as depository of such institution;
- (d) administer on behalf of the Government any law relating to exchange control or the regulation of banking business;
- (e) undertake any other agency work for the Government.

Advisor to
Government.
10/6/1986.

38.(1) The Government may request the Bank to render advice and to furnish reports on matters relating to the objectives of the Bank.

(2) It shall be the duty of the Bank to inform and advise the Government concerning any matter which in the opinion of the Bank, is likely to affect the achievement of its objectives.

Advances to
Government.
10/6/1986.

39.(1) The Bank may, on such terms and conditions as may be agreed, —

- (a) make temporary advances to the Government subject to repayment within 3 months after the end of the financial year in which such advances are made;
- (b) make advances to the Government in respect of subscriptions and other payments resulting from or incidental to the membership of Seychelles in any international financial institution established under governmental auspices, the participation of Seychelles

in any account thereof and any transactions and operations undertaken in connection therewith.

40. The bank may buy, sell, invest or deal in treasury bills and other securities issued or guaranteed by the Government :

Dealings in
Government
securities.
10/6/1986.

Provided that the total amount of such securities in the ownership of the Bank shall not at any time exceed 50 percent of the demand liabilities of the Bank at the close of each month and whenever this limitation is exceeded or is, in the opinion of the Bank, likely to be exceeded, the Bank shall make a report to the President and shall allow an increase in the limitation as may be authorized by the President for a period of six months at a time.

PART VIII. - MISCELLANEOUS PROVISIONS

41. The Bank may —

Additional
powers.
10/6/1986.

- (a) open accounts for, and accept deposits for account of special funds administered by the Government, official aid agencies, and international or regional organizations recognized by the Government;
- (b) grant loans and advances to any of its officers and employees subject to such terms and conditions as may be determined by the Board —
 - (i) for the purchase, construction or repair of one residential house for his personal use against the security of the said house; and
 - (ii) for other purposes in an amount not to exceed, during the time they are outstanding, the annual remuneration received by the borrower from the Bank;
- (c) generally undertake such operations or do such things as may be incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Act.

42. The Bank shall not —

Prohibitions.
10/6/1986.

- (a) open accounts for or accept deposits from any per-

sons except as provided in paragraph (d) of section 27(1), paragraph (a) of section 29, paragraph (a), of section 37, and paragraph (a) of section 41;

- (b) engage in trade, purchase the shares of any corporation or company including the shares of any bank or other financial institution or otherwise have an ownership interest in any financial, commercial, agricultural, industrial or other undertaking except such interest as the Bank may acquire in the course of satisfaction of debts due to it:

Provided that all such interest so acquired shall be disposed of at the earliest suitable opportunity;

- (c) purchase or retain ownership of immovable property except in so far as is necessary for the conduct of its business or for the provision of housing and recreational or other amenities for its officers and employees.

Accounts and
annual state-
ment.
10/6/1986.

43.(1) The Board shall cause to be kept proper books of account and other books and records in relation thereto in which shall be recorded all the financial transactions of the Bank.

(2) The Bank shall, as soon as may be after the end of every month, make up a statement of the condition of the Bank as at the close of business on the last business day of such month and publish the same in the *Gazette*.

(3) The Bank shall within 3 months after the end of each financial year, submit to the President a report on its operation during the year together with a copy of its annual accounts certified by the auditor and shall publish the said report and accounts after obtaining the approval of the President.

(4) The accounts of the Bank shall be audited by a suitably qualified auditor appointed by the Board and approved by the President.

44. The Bank shall be exempt from payment of stamp duty, business tax, trades tax and all other taxes, fees and duties on its assets, documents, profits, operations and property.

Exemption from
taxes.
10/6/1986.

45. The Board shall have the power to make rules and issue directives to regulate the conduct of the Bank or any other matter relating to its functions and, with the approval of the President, make regulations for the better carrying into effect of the provisions of this Act.

Rules and
regulation.
10/6/1986.

NO SUBSIDIARY LEGISLATION
