

I assent.

(L.S.)

PAUL XUEREB
Acting President

5th April, 1988

ACT No. XI of 1988

AN ACT further to amend the Central Bank of Malta Act, 1967

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title and
commencement

1. (1) This Act may be cited as the Central Bank of Malta (Amendment) Act, 1988, and shall be read and construed as one with the Central Bank of Malta Act, 1967, hereinafter referred to as “the principal Act”.

(2) The provisions of this Act, other than this section and section 8, shall come into force on such date as the Minister may by notice in the Gazette appoint, and different dates may be so appointed for different provisions and different purposes of the Act.

(3) Section 8 of this Act shall be deemed to have come into force on 12 May, 1987.

Amendment of
section 2 of the
principal Act.

2. In section 2 of the principal Act the definition of “Posterity Fund” shall be deleted.

Amendment of
section 5 of the
principal Act.

3. In section 5 of the principal Act for the words “it may open branches in Malta” there shall be substituted the words “it may open branches in Malta and outside Malta”.

Amendment of
section 8 of the
principal Act.

4. Section 8 of the principal Act shall be amended as follows:

(a) in subsection (1) thereof, for the words “on the pensionable establishment of the Bank” there shall be substituted the words “on the establishment of the Bank”;

(b) for subsection (4) thereof, there shall be substituted the following:

“(4) In the event of the temporary absence of both the Governor and the Deputy Governor, the President acting on the advice of the Prime Minister, shall designate a director or a senior official of the Bank to act as Governor during such period of absence.”; and

(c) in subsection (5) thereof, for paragraph (c) of the proviso thereto there shall be substituted the following:

“(c) become chairman or director of any body corporate in Malta specified under paragraph (h) of subsection (1) of section 15 of this Act.”.

5. Section 15 of the principal Act shall be amended as follows: Amendment of section 15 of the principal Act.

(a) in subsection (1) thereof, for paragraph (c) there shall be substituted the following:

“(c) purchase or sell gold or silver coin or gold, silver or other precious metal in bullion or in any other form at the discretion of the Bank, provided that

(i) the Bank shall endeavour to hold as part of its reserve of external assets under section 19 of this Act a minimum of 500,000 troy ounces gold bullion or such other minimum as the Minister, on the recommendation of the Board, may specify by notice in the Gazette, and

(ii) where the Bank holds gold bullion in excess of the minimum as set down under item (i) of this paragraph, it may deal in such excess as it may deem appropriate, but if its holdings of gold bullion are lower than the said minimum the Bank may sell only at a price which is not less than the price at which it is valued at the end of the financial year immediately preceding the sale and the proceeds of such sale shall be placed in a separate account which is to be used solely for the purchase of gold bullion.”; and

(b) subsections (2), (3) and (4) thereof shall be deleted.

6. Section 16 of the principal Act shall be amended as follows: Amendment of section 16 of the principal Act.

(a) in paragraph (d) thereof, for the words “save as provided in section 26 of this Act,” there shall be substituted the words “save as provided in paragraph (k) of this section and in section 26 of this Act,”;

(b) in paragraph (e) thereof, after the words “of this section” there shall be added the words “or of paragraph (n) of subsection (3) of section 19”; and

(c) after paragraph (j) thereof, there shall be added the following new paragraph:

“(k) grant to or permit to be outstanding in respect of any one of its employees unsecured advances or unsecured credit facilities which in the aggregate exceed twelve months emoluments of such employees.”.

Amendment of section 19 of the principal Act.

7. Section 19 of the principal Act shall be amended as follows:

(a) in subsection (1) thereof, for the words “established Stock Exchange.” there shall be substituted the words “established Stock Exchange and immovable property situated outside Malta.”;

(b) in subsection (3) thereof, after paragraph (m) there shall be added the following new paragraph:

“(n) immovable property situated outside Malta, consisting of commercial or residential premises or rights thereon, for eventual lease or sale as the Board may deem fit.”; and

(c) immediately after subsection (5) thereof, there shall be added the following new subsection:

“(6) The total value of the assets held under the provisions of paragraph (n) of subsection (3) of this section shall at no time exceed two and one half per centum of the total value of the external reserves of the Bank.”.

Deletion of section 19A of the principal Act.

8. Section 19A of the principal Act shall be deleted.

Amendment of section 22 of the principal Act.

9. In subsection (4) of section 22 of the principal Act the words “together with the accounts of the Posterity Fund laid with them before the House under subsection (6) of section 28A of this Act” shall be deleted.

Amendment of section 23 of the principal Act.

10. Section 23 of the principal Act shall be amended as follows:

(a) in subsection (2) thereof, after the word “commodities,” there shall be added the words “immovable property situated outside Malta,”; and

(b) for paragraphs (a) and (b) of subsection (4) thereof, there shall be substituted the following new paragraphs:

“(a) with effect from the financial year 1985 up to and including the financial year 1987, as to such portion thereof, being not less than five per centum, as the Minister may direct, to the Posterity Fund, and as to the balance of such profits, to the Government; and

(b) with effect from the financial year 1988, entirely to the Government.”.

Repeal of Section 28A of the principal Act.

11. (1) Subject to the following subsections of this section, section 28A of the principal Act shall be deleted.

(2) Notwithstanding the repeal of section 28A of the principal Act, the Posterity Fund shall continue to exist but shall be wound up with effect from a date which shall not be later than the 30 June, 1988, and which shall be specified by the Minister by notice in the Gazette.

(3) On the date so specified by the Minister all assets, liabilities and the net profits of the Posterity Fund up to that date shall be transferred to Government and passed to the Consolidated Fund and all rights and obligations of the Fund shall vest in the Government.

(4) Notwithstanding the provisions of any other law, the management, control and administration of the Posterity Fund shall be deemed to have vested in the Bank from 12 May, 1987 until the date specified by the Minister as provided under subsection (2) of this section and anything done by the Bank in the management, control and administration of that Fund as aforesaid during that said period shall be deemed to have been done under the authority of this section.

(5) The Bank shall be responsible for winding up the Posterity Fund and for drawing up audited accounts of that Fund for the year closing on 31 December, 1987 and for the period from 1 January, 1988 to the date specified by the Minister under subsection (2) of this section.

(6) The Bank shall as soon as may be but not later than six months after the audited accounts of the Posterity Fund have been finalized as provided under subsection 5 of this section, transmit to the Minister a copy of such audited accounts and the Minister shall cause that copy to be laid before the House of Representatives and to be published in the Gazette.

12. For subsection (2) of section 40 of the principal Act there shall be substituted the following: Amendment of section 40 of the principal Act.

“(2) Notes issued by the Bank shall be in such denominations, and of such forms and designs, as shall be approved by the Minister on the recommendation of the Bank:

Provided that as from 1 April, 1988 the designs shall not portray any person, whether as the main theme or otherwise, who is alive at the time of the approval given by the Minister.”.

13. Section 41 of the principal Act shall be amended as follows: Amendment of section 41 of the principal Act.
(a) for subsection (2) thereof there shall be substituted the following:

“(2) Coins issued by the Bank shall be in such denominations, and of such forms and designs, as shall be approved by the Minister on the recommendation of the Bank:

Provided that as from 1 April, 1988 the designs shall not portray any person, whether as the main theme or otherwise, who is alive at the time of the approval given by the Minister.”;

(b) subsections (7) and (8) thereof shall be renumbered subsections (8) and (9) respectively, and

(c) for subsection (6) thereof, there shall be substituted the following new subsection:

“(6) Notwithstanding the provisions of subsection (4) of this section, the Bank shall have power, on due notice being given by the Minister in the Gazette to call in any of the coins currently legal tender on payment of the face value thereof and any such coins shall, on the expiration of the period mentioned in the notice, cease to be legal tender but, subject to the provisions of subsections (5) and (9) of this section and until the expiration of two years following the end of the period aforesaid shall be redeemable by the Bank on demand at par and without charge.”;

(d) immediately after subsection (6) thereof there shall be added the following new subsection:

“(7) After the expiration of six months following the end of the period mentioned in the notice calling in any coins under subsection (6) of this section, any coins so called in but not presented for redemption shall cease to be included in the coin liabilities of the Bank and —

(a) the value of such coins shall be added to the profits of the Bank for the financial year during which the said period of six months expires; and

(b) the redemption of any coins thereafter shall be a charge on the profit and loss account of the Bank for the year in which they are redeemed.”.

Passed by the House of Representatives at Sitting No. 88 of the 30th March, 1988.

JIMMY FARRUGIA
Speaker

P. MUSCAT TERRIBILE
Acting Clerk to the House of Representatives.