

“(13) Notwithstanding anything to the contrary in any other written law, the Central Bank shall, from time to time, determine the number of members of the Board of Directors of a licensed commercial bank which number shall not be less than seven in any case.”.

Amendment of section 44A of the principal enactment

**25.** Section 44A of the principal enactment is hereby amended by the repeal of subsection (1) thereof, and the substitution thereof of the following:-

“(1) The Chief Executive Officer and such other officers of a licensed commercial bank performing executive functions as may be determined by the Central Bank shall be fit and proper persons to hold such respective positions, and the provisions of subsection (2) of section 42 shall, *mutatis mutandis*, apply in determining whether such persons are fit and proper persons.”.

Insertion of sections 44B and 44C in the principal enactment

**26.** The following sections are hereby inserted immediately after section 44A of the principal enactment and shall have effect as sections 44B and 44C of that enactment: -

Disqualification of a director, the chief executive officer or an officer performing executive functions of a licensed commercial bank who previously held such positions in such bank

44B. (1) (a) Where the Central Bank, in pursuance to findings of any examination or investigation conducted on affairs of a licensed commercial bank, is satisfied at any time that a person who previously held office as a director, the chief executive officer or an officer performing executive functions of such bank has committed or has been connected with the commission of any act involving fraud, deceit, dishonesty or other similar criminal activity or any other improper conduct during the period in which he served in such office which may disqualify such person to be a fit and proper person to

be appointed, elected or nominated as a director, the chief executive officer or officer performing executive functions of a licensed commercial bank, or any other financial institution regulated and supervised by the Central Bank, it shall be lawful for the Central Bank to determine that such person is not fit and proper, notwithstanding the fact that whether such person no longer holds such office at the time of making such determination.

(b) The Central Bank shall, prior to making such determination ensure that such person has been offered an opportunity of being heard.

(2) The person so determined as not fit and proper under subsection (1) shall not be eligible to be appointed, elected, nominated or continued as a director, chief executive officer or other officer performing executive functions of a licensed commercial bank or any other financial institution regulated and supervised by the Central Bank.

This Part of  
this Act to  
prevail in  
case of  
inconsistency

44c. In the event of any conflict or inconsistency between the provisions of this Part of this Act and the provisions of any other written law for the time being in force, the provisions of this Part shall prevail.”.

**27.** Section 46 of the principal enactment is hereby amended in subsection (1) thereof, as follows:-

- (1) by the substitution for the words “directions to licensed commercial banks” of the words

Amendment of  
section 46 of the  
principal  
enactment

“directions to licensed commercial banks considering the asset size, scale, diversity and complexity of operations of such banks”;

- (2) by the repeal of paragraph (c) thereof and the substitution therefor, of the following:-

“(c) the limit on large exposures which, having regard to the equity capital, reserves and deposits of such licensed commercial bank and other relevant considerations including, as far as practicable, the adoption of international standards applicable on large exposures, as may be made by such bank-

(i) to any single company, public corporation, firm, association of persons or an individual; or

(ii) in the aggregate to-

(A) an individual, his close relations or to a company or firm in which he or his close relations have a substantial interest; or

(B) a group of connected borrowers if at least one of the following criteria is satisfied:-

(a) control relationship, a company and one or more of the following having a control relationship with each other:-

(i) its subsidiaries;

- (ii) its holding company;
  - (iii) its associate company;
  - (iv) a subsidiary of its holding company;
  - (v) a company in which a company referred to in item (a) of this subparagraph or its subsidiary, or its holding company, or a subsidiary of its holding company, has a substantial interest;
  - (vi) an individual having a substantial interest in such company and the close relations of such individual; or
  - (vii) any other company having direct or indirect control over such company as may be determined by the Central Bank;
- (b) economic interdependence between connected borrowers as may be determined by the Central Bank based on predetermined criteria:

Provided that, it shall be lawful for a licensed commercial bank to comply with the provisions of this paragraph within a period of three years from the appointed date or such other period as may be determined by the Central Bank.”.