

## OBJECTS AND REASONS

This Bill would amend the *Central Bank Act*, Cap. 323C to provide for necessary consequential changes as a result of the introduction of deposit insurance in respect of deposit taking financial institutions.

### *Arrangement of Sections*

#### *Section*

1. Short title.
2. Amendment of section 2 of Cap. 323C.
3. Amendment of section 16 of Cap. 323C.
4. Amendment of section 23 of Cap. 323C.
5. Amendment of section 31 of Cap. 323C.

**BARBADOS**

A Bill entitled

An Act to amend the *Central Bank Act*, Cap. 323C.

ENACTED by the Parliament of Barbados as follows:

1. This Act may be cited as the *Central Bank (Amendment) Act, 2006*. Short title.

2. Section 2 of the *Central Bank Act*, in this Act referred to as the principal Act, is amended by inserting after the definition "Board" the following definition: Amendment of section 2 of Cap. 323C.

Act 2006- "Corporation" means the Deposit Insurance Corporation established under the *Deposit Insurance Act, 2006*;"

Amendment of section 16 of Cap. 323C.

3. Section 16 of the principal Act is amended by adding after subsection (4) the following new subsections:

"(5) The Bank and the Corporation may make appropriate arrangements for the transfer or secondment of any officer in the service of the Bank to the service of the Corporation or from the service of the Corporation to the service of the Bank.

(6) Where a transfer or secondment is effected pursuant to subsection (5), the Bank or the Corporation, as is appropriate, shall make such arrangements as may be necessary to preserve the rights of the officer so transferred or seconded, to any pension, gratuity or other allowance to which he would have been eligible had he remained in the service of the Bank or the service of the Corporation, as the case may be."

Amendment of section 23 of Cap. 323C.

4. The principal Act is amended by deleting section 23 and substituting the following:

Issuance, re-issuance and exchange. 23. (1) The Bank shall issue currency notes and coins and shall re-issue and exchange on demand, currency notes and coins which it has issued.

(2) The Bank may, with the approval of the Minister, prescribe by notice published in the *Official Gazette* and by written notice to each bank at its principal place of business in Barbados, such fees that may be charged for the services referred to in subsection (1).

(3) Where a requested denomination is temporarily unavailable, the Bank may discharge its obligation by delivering currency notes and coins of available denominations which most nearly approximate to those requested.

5. Section 31 of the principal Act is amended by renumbering that section as subsection (1) of that section and inserting after subsection (1) as renumbered the following new subsection:

Amendment  
of section 31  
of  
Cap. 323C.

"(2) The Bank may

(a) open accounts for and accept deposits from the Corporation;

Act 2006-

(b) lend to the Corporation pursuant to the *Deposit Insurance Act, 2006* such amounts as may be required by the Corporation to meet its obligations under the *Deposit Insurance Act, 2006* on such terms and conditions as the Board and the Corporation may agree."