

SUPPLEMENT TO
THE
SWAZILAND GOVERNMENT
GAZETTE

VOL. XXIV] MBABANE, Friday, March 28th., 1986 [No. 431

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PART A — BILLS

8. The Financial Institutions (Consolidation) (Amendment) Bill, 1986 S1

THE FINANCIAL INSTITUTIONS (CONSOLIDATION) (AMENDMENT)
BILL, 1986

(Bill No. 8 of 1986)

(To be presented by the Minister for Finance)

MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is to amend the Financial Institutions (Consolidation) Order, 1975 by —

- (a) amplifying the definition “banking business”;
- (b) increasing the minimum of capital reserve accounts;
- (c) prohibiting the serving by a director, officer or employee of a financial institution at the same time in such capacity with another financial institution;
- (d) providing for matters incidental to the foregoing.

D.P. MAKANZA
Attorney—General

A BILL

for

An Act to amend the Financial Institution (Consolidation) Order, 1975.

ENACTED by the Regent and Parliament of Swaziland.

Short title.

1. This Act may be cited as the Financial Institutions (Consolidation) (Amendment) Act, 1986, shall be read as one with the Financial Institutions (Consolidation) Order, 1975 (hereinafter referred to as “the Order” and shall come into operation on such date as the Minister may by notice in the Gazette appoint and the Minister may appoint different dates for the coming into operation of different provisions of this Act.

Amendment of section 2.

2. Section 2 of the Order is amended by replacing the definition “banking business” with the following —

“banking business” means —

- (a) the business of receiving funds from the public or from members thereof through the acceptance of money, deposits of money payable upon demand or after a fixed period or after notice or any similar operation through the periodic sale or placement of bonds, certificates, notes or other securities and the use of such funds either in whole or in part for loans, advances, investments or any other operation authorized by law or customary banking practice, for the account and at the risk of the person doing such business;
- (b) any other activity recognised by the Central Bank as customary banking practice which a financial institution may be authorised by the Central Bank to engage in.

Amendment of section 18.

3. Section 18 of the Order is amended —

- (a) in subsection 1(a) by replacing the words “one hundred thousand Emalangeni (E100,000)” with “one million Emalangeni (E1,000,000)”;
- (b) in subsection 1(b)(i) by replacing the words “fifty thousand Emalangeni (E50,000)” with “five hundred thousand Emalangeni (E500,000)”.

Amendment of section 22.

4. Section 22 of the Order is amended in subsection (3) by inserting after paragraph (c) the following paragraph —

- “(cc) securities issued by the Central Bank and maturing within one hundred and eighty days.”

Amendment of section 33.

5. Section 33 of the Order is amended in subsection (1) by deleting the words “after consultation with the Minister”.

Amendment of section 40.

6. Section 40 of the Order is amended by adding after subsection (3) the following subsection —

- “(4) A person who is a director, auditor, officer or employee of a financial institution shall not serve at the same time as a director, auditor, officer or employee of any other financial institution except where the Central Bank after consultation with the Minister permits, in writing, such service in respect of not more than such other institution.”