

**CENTRAL BANK OF THE BAHAMAS  
(AMENDMENT) BILL, 2010****Arrangement of Sections**

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**Section**

1.	Citation and commencement.....	2
2.	Amendment of section 5 of the principal Act.....	2
3.	Amendment of section 18 of the principal Act.....	3
4.	Insertion of new Part VIA into the principal Act.....	3
5.	Repeal and replacement of section 25 of the principal Act.....	3
6.	Amendment of section 29 of the principal Act.....	3
7.	Amendment of section 30 of the principal Act.....	4
8.	Insertion of new section 45 into the principal Act.....	4
9.	Amendment of the Schedule to the principal Act.....	4

<b>OBJECTS AND REASONS</b>	<b>5</b>
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**ENDNOTES**



## CENTRAL BANK OF THE BAHAMAS (AMENDMENT) BILL, 2010

**A BILL FOR AN ACT TO AMEND THE CENTRAL BANK OF THE  
BAHAMAS ACT TO ENHANCE THE BANK'S REGULATORY  
POWERS; TO VALIDATE THE BANK'S OWNERSHIP OF BALCONY  
HOUSE AND FOR CONNECTED PURPOSES**

**Enacted by the Parliament of The Bahamas**

**1. Citation and commencement.**

- (1) This Act, which amends the Central Bank of The Bahamas Act<sup>1</sup>, may be cited as the Central Bank of The Bahamas (Amendment) Act, 2010.
- (2) This Act shall come into force on a date to be appointed by the Minister by notice published in the Gazette.

**2. Amendment of section 5 of the principal Act.**

Section 5 of the principal Act is amended in subsection (1) as follows—

- (a) by the insertion immediately after paragraph (a) of the following paragraphs —
  - “(b) to ensure the stability of the financial system;
  - (c) to promote and ensure the establishment and oversight of a sound and efficient national payment system;”;
- (b) by re-lettering paragraphs (b) and (c) as paragraphs (d) and (e) respectively.

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<sup>1</sup>(Ch. 351),

**3. Amendment of section 18 of the principal Act.**

Section 18 of the principal Act is amended in subsection (2) by the deletion immediately before the word “demand” of the word “the” and the substitution of the word “other”.

**4. Insertion of new Part VIA into the principal Act.**

The principal Act is amended by the insertion immediately after section 24 of a new Part as follows —

**“PART VIA – NATIONAL PAYMENT SYSTEM”**

**5. Repeal and replacement of section 25 of the principal Act.**

Section 25 of the principal Act is repealed and replaced by the following —

**“25. Central Bank to regulate payment systems.**

The Central Bank may, in the exercise of its functions pursuant to paragraphs (b) and (c) of subsection (1) of section 5 —

- (a) establish, operate, organise, promote, participate or assist in the establishment, operation, organisation and promotion of, and regulate and oversee any system —
  - (i) for the clearing and settlement of payments and other arrangements for the making or exchange of payments;
  - (ii) for the clearing and settlement of securities and other arrangements for the exchange of securities; and
  - (iii) to facilitate the clearing and settlement including other arrangements for the making or exchange of payments or the exchange of securities as well as links among systems;
- (b) regulate and oversee the issuance, provision and functioning of payment instruments, operating either with or without the opening of an account, including the issuance of e-money or any other forms of stored value.”.

**6. Amendment of section 29 of the principal Act.**

Section 29 of the principal Act is amended by the insertion immediately after subsection (3) of the following —

- “(4) Subject to the provisions of this Act, the Bank may purchase, acquire, lease, sell, let, sublet or create licences over, or otherwise dispose of, real property or any part thereof and may provide ancillary services in connection with such activities.”.

**7. Amendment of section 30 of the principal Act.**

Section 30 of the principal Act is amended as follows —

- (a) in paragraph (a), by the insertion after the semi-colon of the word “or”;
- (b) in paragraph (b), by the deletion of the semi-colon and the word “or” and the substitution of a full-stop; and
- (c) by the repeal of paragraph (c).

**8. Insertion of new section 45 into the principal Act.**

The principal Act is amended by the insertion immediately after section 44 of the following new section —

**“45. Validation of acts of the Bank.**

Every act or thing done by the Bank prior to the commencement of this Act that would have been lawful if subsection (4) of section 29 had been in force at the time when it was done is hereby validated and declared to have been lawfully done by the Bank.”.

**9. Amendment of the Schedule to the principal Act.**

The Schedule to the principal Act is amended by the repeal and replacement of paragraph (d) of Clause 6 as follows —

- “(d) is a director, officer or employee of, or is a shareholder with an interest of five per cent or more in the ordinary paid up share capital of, or has a controlling interest in, any financial institution, trust company or money transmission business regulated by the Central Bank.”.

**OBJECTS AND REASONS**

The purposes of this Bill are to strengthen the legal underpinnings of the Central Bank's role as regulator of payments systems within The Bahamas, clarify the calculation of the value of the Bank's external reserve, validate the Bank's acquisition and continued ownership of Balcony House and remove the prohibition against directors of the Bank owning any shares in entities that are regulated by the Bank.