

2023-06-08

OBJECTS AND REASONS

This Bill would amend the *Central Bank of Barbados Act, 2020* (Act 2020-30) to strengthen the Central Bank's mandate and to make better provision for governance.

Arrangement of Sections

1. Short title
2. Amendment of section 12 of Act 2020-30
3. Amendment of section 13 of Act 2020-30
4. Amendment of section 14 of Act 2020-30
5. Amendment of section 15 of Act 2020-30
6. Amendment of section 18 of Act 2020-30
7. Amendment of section 24 of Act 2020-30
8. Amendment of section 25 of Act 2020-30
9. Amendment of section 32 of Act 2020-30
10. Amendment of section 37 of Act 2020-30
11. Repeal and replacement of section 41 of Act 2020-30
12. Amendment of section 45 of Act 2020-30
13. Amendment of section 62 of Act 2020-30
14. Amendment of section 69 of Act 2020-30
15. Amendment of section 78 of Act 2020-30

16. Insertion of Second Schedule into Act 2020-30

SCHEDULE

BARBADOS

A Bill entitled

An Act to amend the *Central Bank of Barbados Act, 2020* (Act 2020-30).

ENACTED by the Parliament of Barbados as follows:

Short title

- 1.** This Act may be cited as the *Central Bank of Barbados (Amendment) Act, 2023*.

Amendment of section 12 of Act 2020-30

2. Section 12 of the Central Bank of Barbados Act, 2020 (Act 2020-30), in this Act referred to as the principal Act, is amended

- (a) *in subsection (1), by deleting the word “5” and substituting the word “6”;*
- (b) *in subsection (2), by deleting the words “accounting matters” and substituting the words “accounting or auditing matters”; and*
- (c) *by inserting the following subsection immediately after subsection (3):*

“(4) The meetings of the Board shall be conducted in the manner specified in the *Second Schedule*.”.

Amendment of section 13 of Act 2020-30

3. Section 13(2) of the principal Act is amended by deleting paragraph (l) and substituting the following:

- (l) to make by-laws to regulate the procedures of the Board;*
- (m) to adopt policies formulated by the Executive Committee in accordance with paragraph (c) of section 15(3);*
- (n) to make regulations and issue orders for the purpose of giving effect to the provisions of this Act;*
- (o) to amend, by Order, the Schedules to this Act.”.*

Amendment of section 14 of Act 2020-30

4. Section 14 of the principal Act is amended by deleting subsections (2) and (3) and substituting the following:

“(2) A committee appointed under subsection (1) may make recommendations to the Board with respect to the performance of the relevant function.

(3) Notwithstanding subsection (2), recommendations made by the committee shall not bind the Board.

(4) A committee appointed under subsection (1) shall, on completion of the function, submit a report in writing as soon as practicable to the Board. ”.

Amendment of section 15 of Act 2020-30

5.*Section 15 of the principal Act is amended*

- (a) *in subsection (1), by deleting the words “2 Deputy Governors” and substituting the words “3 Deputy Governors”; and*
- (b) *by deleting paragraph (b) of subsection (3) and substituting the following:*

“(b) the formulation, adoption and implementation of the monetary policy and the financial stability policy of the Bank;”.

Amendment of section 18 of Act 2020-30

6.*Section 18(1) of the principal Act is amended by deleting the words “2 Deputy Governors” and substituting the words “3 Deputy Governors”.*

Amendment of section 24 of Act 2020-30

7.*Section 24 of the principal Act is amended by deleting subsection (2) and substituting the following:*

“(2) Where there is a temporary absence or incapacity of a Director, the Minister may, on the recommendation of the Board, appoint a person to serve as a substitute for the Director until the expiry of the term of the Director or until a determination that the absence or the incapacity of the Director has ceased, whichever is earlier.”.

Amendment of section 25 of Act 2020-30

8. Section 25(2) of the principal Act is amended by

- (a) *deleting the words “Governor-General” and substituting the word “President”; and*
- (b) *deleting paragraph (a) and substituting the following:*

“(a) is unfit, absent without leave for a period of 3 consecutive months or otherwise incapable of carrying out his duties;”.

Amendment of section 32 of Act 2020-30

9. Section 32(1) of the principal Act is amended by deleting the words “Governor-General” and substituting the word “President”.

Amendment of section 37 of Act 2020-30

10. Section 37 of the principal Act is amended by deleting subsection (2) and substituting the following:

“(2) The Bank may

- (a) prescribe, by notice published in the *Official Gazette*, the fees that may be charged for services of the Bank referred to in subsection (1); and
- (b) forward a written notice of the fees to each financial institution at its principal place of business in Barbados.”.

Repeal and replacement of section 41 of Act 2020-30

11. *The principal Act is amended by deleting section 41 and substituting the following:*

“Limitation on operations of foreign exchange

41. The Bank may, in connection with the operations enumerated at section 40, deal only with such institutions as determined by the Board as part of the risk management policy of the Bank.”.

Amendment of section 45 of Act 2020-30

12. *Section 45(1) of the principal Act is amended by*

(a) deleting paragraph (c) and substituting the following:

“(c) subject to terms and conditions that the Bank establishes, provide to solvent but temporarily illiquid financial institutions or to solvent but temporarily illiquid systemically important financial institutions, loans in domestic or foreign currency for periods not exceeding 180 days, which are renewable only once at the discretion of the Bank and secured by collateral;”;

(b) deleting paragraph (f) and substituting the following:

“(f) lend to the Corporation on a short term basis under such conditions and amounts as the Bank determines and secured by an unconditional government guarantee that the Corporation may require to meet its obligations under the *Deposit Insurance Act*, Cap. 323 where such loans are for the purpose of addressing urgent situations which may negatively impact financial stability.”.

Amendment of section 62 of Act 2020-30

13. *Section 62 of the principal Act is amended by deleting subsection (4) and substituting the following:*

“(4) Notwithstanding subsection (3), the Bank may acquire securities transferred to it by the Government in accordance with section 7 and section 43 and pursuant to the *Debt Holder (Approval of Debt Restructuring) Act, 2018* (Act 2018-24).”.

Amendment of section 69 of Act 2020-30

14. *Section 69 of the principal Act is amended by deleting subsection (5) and substituting the following:*

“(5) Where a person

- (a) intentionally or without justification fails to comply with a request for information under subsection (2);
- (b) intentionally or without justification fails to furnish, within the time specified by the Bank, any information or data requested by the Bank under subsection (2); or
- (c) knowingly supplies any information pursuant to a request made under subsection (2) which is incomplete or false in material particular,

that person is liable to pay to the Bank an administrative penalty of an amount not exceeding \$10 000.

(6) Where the Bank seeks to impose an administrative penalty pursuant to subsection (5), the Bank shall issue an administrative

penalty notice to the relevant person in such form as the Bank determines and the administrative notice shall

- (a) specify the act constituting the contravention and the penalty to be paid; and
- (b) require the person to whom it is addressed to pay the penalty within 30 days of the date of the notice.

(7) A person who is in receipt of an administrative penalty notice issued pursuant to subsection (6) shall pay the amount of the penalty set out in the notice on or before the period specified in the notice.

(8) Notwithstanding subsection (7), where the Bank is satisfied on grounds of undue hardship or any other reason that would be just and equitable to do so, the Bank may arrange with the person who is the subject of the penalty notice to pay the penalty stated in the notice in instalments.

(9) An administrative penalty imposed pursuant to subsection (5) may be recovered as a debt due to the State in civil proceedings before a magistrate for District "A".

Amendment of section 78 of Act 2020-30

15. *Section 78 of the principal Act is amended by deleting the word "Schedule" and substituting the words "First Schedule".*

Insertion of Second Schedule into Act 2020-30

16. *The principal Act is amended by deleting the Schedule and substituting the Schedules as set out in the Schedule to this Act.*

SCHEDULE

(Section 15)

"FIRST SCHEDULE

(Section 78)

CONSEQUENTIAL AMENDMENT

Column 1

Column 2

Enactment

Amendment

*Public Finance Management Act, 2019
(Act 2019-1)*

Subsection (2) of section 59 is repealed.

Schedule (Concl'd)

SECOND SCHEDULE

(Section 12(4))

Meetings of the Board

Meetings

- 1.(1) The Board shall meet as often as the business of the Bank requires but not less than 10 times in each year.
- (2) Notwithstanding paragraph (1), no interval greater than 2 months shall elapse between one meeting of the Board and the following meeting.
- (3) Subject to any by-laws made in accordance with the Act, the Board may convene meetings for which no notice to its members is necessary.
- (4) Notwithstanding paragraph (3), the Board shall convene special meetings at the written request of the Governor or any 2 of the Directors for which notice shall be required.

Attendance at meetings by Deputy Governors

2. The Deputy Governors may attend the meetings of the Board, but shall not have the right to vote at the meeting unless acting as Chairman in accordance with the Act.

Quorum

3. Five Directors, one of whom shall be the Governor, or in the case of his absence or disability, a Deputy Governor, shall form a quorum at a meeting of the Board.

Decisions

- 4.(1) The Board shall adopt decisions by a simple majority of the votes of the members of the Board present at a meeting.
- (2) Where there is an equality of votes in respect of a decision to be made, the Chairman shall exercise a second vote."

Read three times and passed the House of Assembly this
day of _____, 2023.

Speaker

Read three times and passed the Senate this _____ day of
_____, 2023.

President