

SAMOA

Arrangement of Provisions

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2010, No. 32

AN ACT to amend the Central Bank of Samoa Act 1984, and for related purposes. *[9th December 2010]*

BE IT ENACTED by the Legislative Assembly of Samoa in Parliament assembled as follows:

1. Short title and commencement-(1) This Act may be cited as the Central Bank of Samoa Amendment Act 2010.

(2) This Act commences on the date it is assented to by the Head of State.

2. Interpretation-(1) In this Act, unless the context otherwise requires:

“Principal Act” means the Central Bank of Samoa Act 1984.

(2) In section 2 of the Principal Act insert the following definitions in alphabetical order:

““Distributable profits” means net profits available for distribution in accordance with section 7A;

“Financial services” has the same meaning as in section 2 of the Financial Institutions Act 1996;”.

3. Functions of the Bank - In section 4 of the Principal Act:

(a) in paragraph (f), substitute “credit; and” with “credit;”; and

(b) substitute paragraph (g) with:

“(g) To license and supervise financial institutions in accordance with the Financial Institutions Act 1996; and

(h) To promote financial inclusion and financial literacy.”.

4. Capital - For section 6(5) of the Principal Act, substitute:

“(5) The Minister shall transfer negotiable securities issued by the Government to the Bank where the Bank’s annual audited balance sheet shows that the value of the Bank’s assets are less than the value of its liabilities and unimpaired paid-up authorised capital.

(6) The transfer by the Minister shall be performed within a period of not more than six (6) months after the balance sheet date and the amount transferred shall be such amount as is necessary for preserving the paid-up authorised capital from any impairment.

(7) Securities issued under this section shall be dated negotiable government securities, bearing market interest rates and conditions.”.

5. Insertion of new provision - After section 7 of the Principal Act, insert:

“7A. Distributable profits-(1) Profits available for distribution as determined by the Bank, computed from net profits after providing for:

- (a) an allocation of all realised profits arising from any change in the valuation of the Bank’s assets or liabilities in, or denominated in, gold or foreign currencies or any internationally recognised reserve asset, as a result of alteration of the exchange rate of the currency of Samoa;
- (b) an allocation of all realised losses from revaluation to relevant unrealised profits reserve account until such time as the balance of that account is equal to zero; and
- (c) such other purpose proposed by the Board and approved by the Minister.

(2) Where allocations provided in section 1(b) exceed the available balance on the Revaluation Reserve Account, the difference in the allocation between section 1(b) and the Revaluation Reserve Account shall first be deducted from distributable profits and then covered from the General Reserve Fund.”.

6. General Reserve - In section 8 of the Principal Act:

- (a) in subsection (1), substitute “net profits” (wherever occurring) with “distributable profits”; and
- (b) in subsection (2), for “sections 6(5) and 28(2)” substitute “section 6(5)”.

7. Governor - In section 9(2), of the Principal Act:

- (a) in paragraph (c), substitute “Board.” with “Board;”;
and

(b) after paragraph (c), insert:

- “(d) Perform functions of the Insurance Commissioner in accordance with the Insurance Act 2007; and
- (e) Perform functions of the Money Laundering Authority in accordance with section 4(2) of the Money Laundering Prevention Act 2007.”.

8. Power to recall - Section 22(3) of the Principal Act is repealed.

9. Operations in gold and foreign exchange - In section 26(b) of the Principal Act, after “sell” insert “, borrow”.

10. Revaluation Reserve Account - Section 28 of the Principal Act is repealed.

11. Exchange rates - In section 30(2) of the Principal Act, for “Any person” substitute “Except with the prior written approval of the Bank, any person”.

12. Heading of Part VII - For the heading of Part VII of the Principal Act, substitute:

**“RELATIONS WITH FINANCIAL
AND CREDIT INSTITUTIONS”.**

13. Operations with account holders - In section 32(d) of the Principal Act, for “183 days” substitute “5 years”.

14. Insertion of new provision - After section 35 of the Principal Act, insert:

“**35A. Control of margins** - The Bank may issue directions with respect to the control of margins, fees or charges, or both, of banks or financial institutions, or both.”.

15. Supply of information - In section 38 of the Principal Act:

- (a) in subsection (1), for “Act.” substitute “Act and the Financial Institutions Act 1996.”; and
- (b) repeal subsections (2), (3), (4) and (5).

16. Amendments to the Financial Institutions Act 1996-(1) In section 6(5) of the Financial Institutions Act 1996, omit “economic advantage of Samoa, the need for and the”.

(2) Section 31(5) of the Financial Institutions Act 1996 is repealed.

17. Amendments to the Decimal Currency Act 1966 - In section 8 of the Decimal Currency Act 1966:

- (a) in subsection (4), for “out of the Treasury Fund” substitute “by the Central Bank of Samoa”; and
- (b) after subsection (4) insert:

“(4A) All revenue from commemorative coins issued under this section shall be retained by the Central Bank of Samoa as revenue.”.

**The Central Bank of Samoa Amendment Act 2010
is administered by the Central Bank of Samoa.**

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