nancial Institutions

CONTENTS:

Bill

Objects and Reasons Notice of Presentation

Covering letter from Minister to Clerk to Parliament

(Authorisation from Minister of Finance under s.60 of Constitution)

FROM:

Attorney General's Chambers

TO:

Minister

(for signing Objects & Reasons, Notice of Presentation and covering

letter to Clerk)

TO:

Minister of Finance

(for signing of letter to Clerk signifying Cabinet approval under s.60

of Constitution)

TO:

Clerk to National Parliament

(for certificate by Speaker)

TO:

Attorney General's Chambers

(for printing)

TO:

Clerk to National Parliament

(for reference during 1st, 2nd and 3rd Readings)
(Date passed...39/11/19.9... Act No. 11/19.)

TO:

Attorney General's Chambers

(for checking before Assent)

TO:

Governor-General

(for Assent)

1 copy

TO:

Clerk to National Parliament

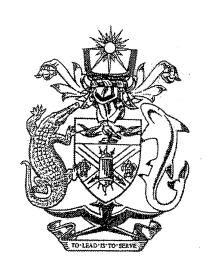
(for distribution:

Attorney General's Chambers

1 copy Ministry

1 copy Parliament Office

1 copy Registrar of the High Court



THE FINANCIAL INSTITUTIONS (AMENDMENT) ACT 1999

(No. 11 OF 1999)



THE FINANCIAL INSTITUTIONS

(AMENDMENT) ACT 1999

(No. 11 OF 1999)

'assed by the National Parliament this thirtieth day of Tovember 1999.

his printed impression has been carefully compared by me with ne Bill passed by Parliament and found by me to be a true and orrect copy of the Bill.

'lizabeth Andresen 'lerk to National Parliament

ssented to in Her Majesty's name and on Her Majesty's behalf is tenth day of December 1999.

ev. John Ini Lapli overnor-General

ate of commencement: date of publication in the Gazette.

THE FINANCIAL INSTITUTIONS (AMENDMENT) ACT 1999

ARRANGEMENT OF SECTIONS

SECTION:

7	OTTOTE	DOTEST	_
	SHORT	. 1 . 1 . 1 . 1	14
1.	α	1111	, I ',

- 2. AMENDMENT OF SECTION 2 OF ACT NO. 3 OF 1998
- 3. AMENDMENT OF SECTION 3
- 4. AMENDMENT OF SECTION 5
- 5. AMENDMENT OF SECTION 9
- 6. AMENDMENT OF SECTION 16
- 7. AMENDMENT OF SECTION 18
- 8. AMENDMENT OF SECTION 24
- 9. AMENDMENT OF SECTION 27
- 10. AMENDMENT OF SCHEDULE.

1. This Act may be cited as the Financial Institutions Amendment) Act 1999.

Short title

2. Section 2 of the Financial Institutions Act 1998 aereinafter referred to as the "principal Act") is hereby mended in the following respects -

Amendment of section 2 Act No. 3 of 1998

- (a) in subsection (1) -
 - (i) in paragraph (b) of the definition of "banking business", by inserting the words "may additionally be authorised to engage in by the Central Bank" after the words "in paragraph (a),";
 - (ii) by deleting the words "EDP service" ocurring immediately after the definition of "director", and substituting therefor the words "EDP Servicer";
 - (iii) by inserting immediately after the definition of "officer", the following new definition -
 - "pyramid selling scheme" means a scheme which constitutes primarily an opportunity for participants to sell an investment opportunity to other participants in the scheme; and which is or is likely to be unfair to many of the participants in the scheme in that -
 - (a) the financial rewards of many of those participants are dependent on the recruitment of additional participants (whether or not at successively lower levels); and
 - (b) the number of additional participants that must be recruited to produce reasonable financial rewards to participants in

(b) in subsection (2) by deleting the words "such advertisement." and substituting therefor the words "such advertisement; or advertises, promotes or operates a pyramid selling scheme.".

Amendment of section 3.

- 3. Section 3 of the principal Act is hereby amended in the following respects -
 - (a) by deleting subsection (1) and substituting therefor the following new subsection -
 - " (1) No person shall carry on banking business in Solomon Islands unless such person is a financial institution licensed under this Act."; and
 - (b) in subsection (7) by inserting the words "or establishing a representative office in Solomon Islands pursuant to section 24(3)" after the words "section 5"

Amendment of section 5.

- 4. Section 5 of the principal Act is hereby amended in the following respects -
 - (a) in subsection (1) by deleting the word "company" and substituting therefor the word "person";
 - (b) by inserting immediately after subsection (1), the following new subsection -
 - " (1A) No person other than a body corporate shall be issued with a licence to carry on banking business pursuant to this Act.";
 - (c) in subsection (3) by deleting the word "company" and substituting therefor the word "person";

- " (7A) A licence shall not be issued pursuant to paragraph (a) of subsection (7) unless the Central Bank is satisfied in respect of the matters set out in subsection (5) and, where the applicant is a foreign financial institution, the matters set out in subsection (6)"; and
- (e) in subsection (10) by adding the words "and as prescribed by regulations" after the word "approve".
- 5. Paragraph (v) of subsection (8)(a) of section 9 of rincipal Act is hereby amended by deleting the words "the cial institution is unable" and substituting therefor the s "he is unable".

Amendment of section 9.

6. Paragraph (b) of subsection (1) of section 16 of rincipal Act is hereby amended by deleting the word pany" and substituting therefor the word "comply".

Amendment of section 16.

7. The proviso to subsection (4) of section 18 of the ipal Act is hereby amended by deleting the word "revised" ubstituting therefor the word "revived".

Amendment of section 18.

8. Subsection (2) of section 24 of the principal Act eby amended by inserting the words 'with the word "bank"; derivative) in its title' after the words "Solomon Islands".

Amendment of section 24.

9. Section 27 of the principal Act is hereby amend-inserting the words "on conviction" after the word "liable".

Amendment of section 27.

10. The Schedule to the principal Act is hereby ded in the following respects -

Amendment of Schedule

(a) by deleting the words "Australian Guarantee Corporation (SI) Limited" and substituting therefor the words "A.G.C. Finance (SI) Limited"; and

Honiara, Solomon Islands Printed under the authority of the Solomon Islands Government

Published by Solomon Islands Printers Ltd.