



REPUBLIC OF NAURU

Banking(Amendment) Act

No. [5] of 2013

An Act to amend the Banking Act 1975

Certified on []

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Enacted by the Parliament of Nauru as follows:

1 Short title

This Act may be cited as the *Banking (Amendment) Act 2013*.

2 Commencement

This Act commences 7 days after certification or at a date notified by the Minister in the Government Gazette.

3 Amendment of Banking Act 1975

A. Insertion of new section 7

Licensing of foreign owned banks and regulated financial institutions

7 (1) Every application for a licence received from a foreign owned bank or regulated financial institution shall be submitted to the Minister and shall be accompanied by –

- a) A confirmation in writing by the home supervisory authority that it has received a proposal from an institution seeking to establish banking operations in Nauru and after consideration it is able to advise:
 - i. That the applicant institution is a licenced financial institution conforming to existing prudential requirements.
 - ii. It has consented to the form of representation as outlined in the application.
 - iii. It supervises the applicant institution on a global consolidated basis in accordance with the Essential Criteria outlined in Principle 12 of Core Principles Methodology published by the Basel Committee on Banking Supervision, October 2012.
 - iv. It may exchange with the Minister, information of a general nature and on an ad hoc basis in relation to the institution from time to time.
- b) A letter from the applicant bank (by a duly authorised officer) indicating that:
 - i. The applicant bank will comply with all laws and regulations of the Government of Nauru.

- ii. The proposed manager of the Nauru operations is a fit and proper person who has no convictions in any court in any place for offences relating to fraud or misappropriation together with a Police certificate to that effect.
- iii. The applicant bank will not engage in any other business in Nauru other than the customary business of banking.
- iv. It agrees to payment of statutory fees and charges in relation to registration and administration of corporations in Nauru.
- v. It will provide half yearly financial statements covering its Nauru operations and other such statistical data as may be reasonably required by the Minister from time to time.

(2) In addition to the documents, information, and evidence which shall accompany an application under subsection (1), an applicant shall, if required to do so by the Minister, furnish such additional documents, information or evidence as the Minister may require.

(3) In satisfaction of the application, the Minister may issue the licence exempting the foreign bank from all other requirements of the Act.

(4) A licence granted under this Act shall be valid only for a period not exceeding 10 years.

(5) A licensee shall not transfer control of the holder of the licence without prior written approval of the Minister.

(6) The licence or a copy of the licence shall be prominently displayed in the public area of the principal place of business in Nauru.

(7) This section shall be subject to any applicable provisions of this Act and all applicable laws of the Republic of Nauru.

Table of Constituent Legislation

Short title	Number	Certification	Commencement
<i>Banking Act 1975</i>	1975/04	24.06.1975	01.07.1975*
<i>Banking (Amendment) Act 1975</i>	1975/11	23.09.1975	01.01.1975
<i>Banking (Amendment) Act 1977</i>	1977/05	06.04.1977	06.04.1977
<i>Banking (Amendment) Act 2004</i>	2004/02	26.02.2004	26.02.2004
<i>Statute Law Revision Act 2011</i>	2011/08	15.04.2011	15.04.2011
<i>Banking (Amendment) Act 2013</i>			

* See s. 5 of the *Banking (Amendment) Act 1975*.

Table of Amendments

ad. = added or inserted am. = amended rep. = repealed rs. = repealed and substituted
om = omitted os = omitted and substituted

Provision affected	How affected
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Section 7	Ad by Act of 2013
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