

REPUBLIC OF NAURU
BANKING ACT (AMENDMENT) BILL 2013
MEMORANDUM

The Banking Act (Amendment) Bill is a Bill for an Act to amend the *Banking Act 1975*.

EXPLANATION OF CLAUSES

Clause 1 provides for a new section to be inserted into the *Banking Act 1975*. This will allow for a prudent regulation of foreign owned banks and regulated financial institutions while at the same ensuring that we adhere to changing international standards on banking supervision. The provision ensures the adherence of foreign owned banks and financial institutions to legal requirements within the Act while at the same time giving the Minister the power to exempt the banks and institutions from all other requirements of the Act.

Clause 2 is a formality required with all amended laws, a renumbering of all sections affected by the inclusion of Clause 1 within the Act. Attached to this memorandum is the draft The *Banking Act (Amendment) Bill 2013*.