



I assent.

[L.S.]

K. K. T. MARA
President
[19 December 1995]

AN ACT

TO AMEND THE NATIONAL BANK OF FIJI ACT

ENACTED by the Parliament of Fiji—

Short title and commencement

1.—(1) This Act may be cited as the National Bank of Fiji (Amendment) (No 2) Act, 1995.

(2) This Act shall enter into force on a date appointed by the Minister and published in the *Fiji Republic Gazette*.

Interpretation

2. The National Bank of Fiji Act is in this Act referred to as “principal Act”.

Section “2” amended

3. Section “2” of the principal Act is amended by:—

(a) deleting the definition of “Board director” and substituting the following:

““Board director” means the Permanent Secretary for Finance and the other directors of the Board and shall include any Deputy Secretary for Finance attending any Board meeting or part thereof in accordance with subsection (4) of section 11;”;

National Bank of Fiji (Amendment)—28 of 1995

- (b) deleting the definition of "Chief Manager" and substituting the following:
 " "Chief Manager" means the person appointed to be Chief Manager of the Bank in accordance with section 17, which person shall be deemed to be an officer of the Bank for the purposes of this Act;";
- (c) deleting the definition of "director" and substituting the following:
 " "director" means a director of the Board other than the Permanent Secretary for Finance and the Deputy Secretary for Finance;";
- (d) inserting the following after the definition of "director":
 " "executive officer" means a person appointed to be an executive officer of the Bank in accordance with section 17, which person shall be deemed to be an officer of the Bank for the purposes of this Act;".

Section "4" repealed and substituted

4. Section "4" of the principal Act is repealed and substituted by a new section as follows:

"National Bank of Fiji Board

4.—(1) The operations of the Bank shall be controlled by a National Bank of Fiji Board, which shall be constituted as hereinafter provided.

(2) It shall be the duty of the Board to ensure the policy of the Bank is directed towards the conduct of prudently managed commercial banking operations in a sound and efficient manner."

Section "5" amended

5. Section "5" of the principal Act is amended by deleting the words "in the national interest" in the second and third lines.

Section "6" repealed

6. Section "6" of the principal Act is repealed.

Section "8" repealed and substituted

7. Section "8" of the principal Act is repealed and substituted by a new section as follows:

"Capital

8. The authorised capital of the Bank shall be—

- (a) the sum of \$50,000,000; which may be increased from time to time by such amount as may be proposed by the Board and approved by the Minister; and
- (b) such other sums as are transferred from the reserve fund under the provisions of subsection (2) of section 9."

Section "10" repealed and substituted

8. Section "10" of the principal Act is repealed and substituted by a new section as follows:

"Net profits"

10.—(1) In determining the net profits of the Bank, deduction shall be made for—

(a) Government taxes;

(b) such amounts as may be written off bank premises or be provided for bad or doubtful debts or other contingencies as the Board may decide.

(2) Subject to subsection (1), the net profits of the Bank in each year shall be dealt with as follows:—

(a) such amount as the Board may determine having regard for the adequacy of the Bank's capital in relation to the size and nature of its business, shall be placed to the credit of the reserve fund; and

(b) such remaining amount if any, as the Board in consultation with the Minister may determine, shall be paid into the Consolidated Fund:

Provided that in no case shall the amount transferred to the reserve fund be less than one half of the net profits of the Bank in that year."

Section "11" amended

9. Section "11" of the principal Act is amended by repealing subsection "(1)", and substituting the following subsection:

"11.—(1) The Board shall consist of—

(a) the Permanent Secretary for Finance, *ex officio*, who shall be a Board director; and

(b) such other directors as may be appointed by the Minister:

Provided that the number of directors appointed under paragraph (b) of this subsection shall be not less than 8."

Section "12" amended

10. Section "12" of the principal Act is amended in subsection "(1)" by—

(a) repealing paragraph "(d)" and substituting the following—

"(d) any officer or employee of the Bank appointed under section 18 or section 19 of this Act;"

(b) inserting a colon at the end of paragraph "(e)" and inserting the following proviso—

"Provided that this subsection shall not preclude the Chief Manager or any executive officer appointed under section 17 of this Act, from being appointed by the Minister as a director pursuant to section 11, or from continuing to act as a

director following his appointment as a director pursuant to section 11 of this Act.”

Section “15” amended

11. Section “15” of the principal Act is amended by repealing subsection “(4)”, and substituting the following subsection:

“(4) 5 Board directors shall form a quorum at any meeting of the Board.”

Insert new section “15A”

12. A new Section “15A” is inserted after Section “15” of the principal Act as follows:

“Power to make rules, appoint committees and to delegate

15.A—(1) The Board shall have the power to make rules—

- (a) subject to the provisions of section 15, to regulate the proceedings of the Board;
- (b) for the custody and use of the common seal and the manner in which documents, cheques and instruments of any description shall be signed or executed on behalf of the Bank;
- (c) generally for the exercise of its powers and duties under the provisions of this Act.

(2) Subject to the provisions of this Act, the Board may delegate to any officer of the Bank, director or committee of the Board, the power and authority to carry out on its behalf such duties, and upon and subject to such conditions as the Board may determine.”

Section “17” repealed and substituted

13. Section “17” of the principal Act is repealed and substituted by a new section as follows:

“Appointment of Chief Manager and executive officers

17.—(1) The Board may appoint a Chief Manager of the Bank under such terms and conditions as the Board may determine.

(2) The Board may appoint such other executive officers of the Bank as it considers necessary for the proper carrying out of the provisions of this Act, under such terms and conditions as the Board may determine.

(3) The Board may remove the Chief Manager or any executive officer who is considered by the Board—

- (a) to be incapable of carrying out his duties;
- (b) to be guilty of misconduct or neglect in the performance of his duties;
- (c) to have failed to comply with the requirements of subsection (5) of this section; or

- (d) to have acted or be acting in a manner prejudicial, or likely to be prejudicial, to the interests of the Bank.

(4) The Chief Manager shall be accountable to the Board for the prudent management of the Bank in accordance with the policies of the Board and shall, except as may otherwise be provided in this Act, or any resolution of the Board, have the power to act and to enter into contracts and to sign instruments and documents on behalf of the Bank, and may with the approval of the Board, delegate such powers to other officers of the Bank.

(5) The Chief Manager and every executive officer shall devote the whole of his service to the Bank and shall not while holding office, without the approval of the Board—

- (a) receive any remuneration from any office or any employment other than with the Bank;
- (b) hold any other office or employment, whether for remuneration or not, except as a nominee of the Bank;
- (c) actively engage in any other business either as shareholder, partner, sole trader or agent."

Section "18" amended

14. Section "18" of the principal Act is amended by—

- (a) deleting the words and expression "Subject to the provisions of the Higher Salaries Commission Act," in the first line;
- (b) deleting the word "the" and substituting the word "The" in the first line.

Section "20" amended

15. Section "20" of the principal Act is amended by deleting the expression and figures "\$200" and substituting the expression and figures "\$2,000".

Insert new section "20A"

16. A new Section "20A" is inserted after Section "20" of the principal Act as follows:

"Personal immunity of directors, officers and employees

20A. No director, officer or employee of the Bank shall be personally liable for any act or default of the Bank done or omitted to be done in good faith and without negligence in the course of the operations of the Bank."

Section "29" repealed

17. Section "29" of the principal Act is repealed.

Consequential amendment to Higher Salaries Commission Act

18. The name "National Bank of Fiji" is deemed to be deleted from the list of organisations in the First Schedule to the Higher Salaries Commission Act.

Passed by the House of Representatives this fourth day of December, in the year of our Lord one thousand, nine hundred and ninety-five.

Passed by the Senate this thirteenth day of December, in the year of our Lord one thousand, nine hundred and ninety-five.