No. S 16

CONSTITUTION OF BRUNEI DARUSSALAM
(Order under section 83(3))

EMERGENCY (BANKING ACT) (AMENDMENT) ORDER, 1999

In exercise of the power conferred by section 83(3) of the Constitution of Brunei Darussalam, His Majesty the Sultan and Yang Di-Pertuan has made the following Order –

1. This Order may be cited as the Emergency (Banking Act) (Amendment) Order, 1999 and shall commence on the 1st January, 1999. **Citation and commencement.**

2. The Banking Act is amended by inserting immediately after section 6A the following new section 6B – **Amendment of Chapter 95.**

"**Liquid Assets.** 6B. (1) The Minister may from time to time, prescribe by notice in writing to each bank a minimum amount or amounts of liquid assets to be held by the banks at all times.

(2) The minimum amount of or amounts of the assets so prescribed to be held shall be expressed in the form of –

(a) a percentage or percentages which such assets shall bear the sight, saving account, time and other deposit liabilities of each bank and such other liabilities thereof as may be determined by the Minister either jointly or separately ; and

(b) a percentage which such assets shall bear to the investment account of each bank and such percentages may be varied by the Minister from time to time by notice in writing to the bank.

(3) Where the Minister issues a notice under subsection (1) each bank shall be allowed such uniform period of grace, being not less than seven days, as may be specified in that notice in which to comply with the provisions thereof.

(4) A bank shall not, during any period in which it has failed to comply with any notice under subsection (1), without the approval of the Minister, lend or advance any money to any person.

(5) For the purpose of computing the minimum amount or amounts of liquid assets under this section and the sight, savings account, investment account, time and other deposit liabilities of a bank carrying on business in Brunei and elsewhere and such other liabilities of such bank as may be determined by the Minister, the offices and branches of such bank in Brunei shall be deemed to constitute a separate bank carrying on business in Brunei.

(6) For the purpose of this section liquid assets means –

(a) notes and coins which are legal tender in Brunei ;

(b) balances with the Ministry of Finance ;

(c) balances with the banks in Brunei, after deducting therefrom balances held for banks in Brunei ;

(d) net money at call in Brunei ;

(e) Treasury Bills issued by the Government ; and

(f) such other assets as the Minister may from time to time approve.

(7) The Minister may by notice in writing require each bank to render such return or returns as the Minister deems necessary for the implementation of this section.

(8) Any bank which fails to comply with any of the provisions of this section shall be liable to pay, on being called upon to do so by the Minister, a penalty interest charge of $1,000.00 per day or such larger amount as the Minister may determine for every day during which the deficiency continues.

(9) Any bank that fails or refuses to pay a penalty interest charge under subsection (8) shall be guilty of an offence under this Act.".

Made this 9th. day of Zulhijah, 1419 Hijriah corresponding to the 27th. day of March, 1999 at Our Istana Nurul Iman, Bandar Seri Begawan, Brunei Darussalam.

HIS MAJESTY
THE SULTAN AND YANG DI-PERTUAN
BRUNEI DARUSSALAM