

LAWS OF SEYCHELLES

SAVINGS BANK ACT

CHAPTER 208

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BY

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CHAPTER 208

**SAVINGS BANK ACT**

*(1st January, 1981)*

Act 7 of 1981

Act 24 of 1982

Act 11 of 1983

ARRANGEMENT OF SECTIONS

Act 2 of 1990

Section

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 Part I. - PRELIMINARY

- Short title            1. This Act may be cited as the Savings Bank Act.
- Interpretation       2. In this Act, unless the context otherwise requires -  
2/11/1983
- Cap 79
- (a) a person licenced as a bank under the  
                              Financial Institutions Act;
- (b) a bank outside Seychelles approved by the Principal  
                              Secretary, Finance;
- "Board" means the Board of Directors of the Savings Bank  
established under section 4;
- "Chairman" means the chairman of the Board;
- "member" means a member of the Board including the  
Chairman.
- "prescribed" means prescribed by regulations under this Act;
- "revenue" of the Savings Bank does not include moneys  
received on deposit;
- "Savings Bank" means the Seychelles Savings Bank  
constituted under this Act.

## PART II. - ADMINISTRATION

- Constitution of       3. The Seychelles Savings Bank (and all its offices)  
Savings Bank        subsisting at the commencement of this Act shall be deemed to be  
constituted and appointed under this Act.
- Management        4.(1) Subject to section 12, the Savings Bank shall be  
2/11/1983            under the direction and control of a Board of Directors which may,  
subject to this Act, take such steps as may be necessary and  
desirable for the encouragement of the thrift and for the proper  
management and conduct of business of the Savings Bank.

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(2) The Board shall consist of a Chairman and not less than 2 nor more than 4 other members.

(3) The members of the Board shall be appointed by the President.

(4) The term of office of a member is for 3 years and, subject to subsections (6) and (7), a member is eligible for reappointment.

(5) A member may resign his office by giving written notice of not less than one month to the President.

(6) A person shall not be appointed a member if -

- (a) he is insolvent or adjudged bankrupt or has entered into an arrangement or composition with his creditors;
- (b) he has been convicted in a court of law of a felony or an offence involving fraud or dishonesty.

(7) A member shall cease to hold office if -

- (a) he becomes subject to any disqualification mentioned in subsection (6); and
- (b) he is mentally or physically incapable of carrying out his duties on the Board; or
- (c) he is guilty of gross misconduct in relation to his duties on the Board; or
- (d) in the opinion of the President, he is incompetent or otherwise unsuited to continue in office.

Meetings of  
the Board  
2/11/1983

5.(1) The Board shall meet as often as the Chairman may consider necessary but not less frequently than once in every calendar quarter.

(2) The quorum for any meeting of the Board shall be as follows -

- (i) three, where the Board consists of five members; or

(ii)two, where the Board consists of less than five members.

(3) Where a member has any interest in any business for consideration at a meeting of the Board he shall, at the commencement of the consideration of such business, declare his interest.

(4) Subject to this Act, the Board may regulate its meetings and proceedings in such manner as it thinks fit.

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| Branches               | 6. The Minister may open or close branch Savings Banks in any district in Seychelles.         |
| Employment of officers | 7. The President may appoint such officers as may be necessary for the execution of this Act. |

#### PART III. - FINANCIAL PROVISIONS

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|-------------------------|---|
| Deposits and repayments | 8. Deposits of money to be paid into the Savings Bank shall be received and repaid under such conditions as may be prescribed.  |
| Security of Government  | 9. The repayment of all moneys deposited in the Savings Bank together with interest on those moneys is guaranteed by the Government and accordingly if at any time the assets of the Savings Bank shall be insufficient to pay the lawful claims of every depositor, the Minister shall - <ul style="list-style-type: none"> <li>(a) cause that deficiency to be met out of general revenues; and</li> <li>(b) certify that deficiency to the People's Assembly without delay.</li> </ul> |
| Interest                | 10.(1) Subject to this section, interest shall be payable on deposit accounts to each depositor at such rate and subject to such conditions as may be determined by the Minister by order published in the Gazette:   |

Provided that -

- (a) a reduction in the rate of interest; or
- (b) any other change adversely affecting depositors,

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shall not take effect until the expiration of 3 months after the order is published in the Gazette.

(2) Interest in terms of subsection (1) shall not be payable on any amount less than R.10 and shall be calculated on a monthly basis on the minimum balance held on deposit during each month.

(3) Interest on deposits shall, subject to subsection (2), be calculated to 31st December in every year and shall then be added to and become part of any principal moneys remaining on deposit.

(4) An order under subsection (1) may determine either the same or different rates of interest for deposits made under different conditions.

Expenses

11.(1) All expenses incurred in the execution of this Act shall be met from the moneys in the Savings Bank.

(2) Estimates of the revenue and expenditure of the Savings Bank shall be prepared for each year and for any longer period required by the Minister and shall be submitted to him not later than such date as he directs.

Employment  
of moneys  
17/24/1982

12.(1) Subject to this Act, moneys in the Savings Bank shall not be applied in any way to the purposes of the Government.

(2) Subject to subsection (3), moneys in the Savings Bank shall be deposited in the Public Treasury or with the Central Bank of Seychelles, the Development Bank of Seychelles or a bank, so that so far as practicable those moneys are invested in such securities or employed at interest in such manner as the Principal Secretary, Finance may approve.

(3) With the approval of the Principal Secretary, Finance sums may be kept in hand from the moneys in the Savings Bank for the general purposes of the Bank.

(4) Any sums of money that may from time to time be required for the repayment of any deposit or deposits under the authority of this Act, or for the payment of interest on deposits or expenses incurred in the execution of this Act, may be raised by

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the sale of the whole or a part of any securities referred to in subsection (2):

Provided that those sums of money may be advanced to the Savings Bank by the Minister out of general revenues until they can be raised by the sale of those securities and those advances shall bear interest at the rate from time to time payable to depositors.

Accounts  
2/2/1990

13.(a) Annual accounts of

- (i) the revenue and expenditure of the Savings Bank;
- (ii) deposits received and repaid; and
- (iii) interest credited to depositors,

during the year ended on 31st December, and

(b) a statement of the assets and liabilities of the Savings Bank,

shall, after being audited and certified by the Auditor- General, be laid by the Minister before the People's Assembly not later than 31st May in the next following year and shall as soon as practicable thereafter be published in the Gazette.

Surpluses and  
deficits

14.(1) If in any year the revenue of the Savings Bank is more than sufficient to defray the interest due to depositors and all expenses under this Act, the Minister may direct the transfer of the whole or any part of the surplus to general revenues :

Provided that no transfer shall be made unless the assets of the Savings Bank thereafter exceed the liabilities by not less than 15 percent of the liabilities to depositors.

(2) If on 31st December in any year the assets of the Savings Bank exceed the liabilities by more than 15 percent of the liabilities to depositors, the Minister may direct that the whole or any part of the surplus over 15 percent shall be transferred to general revenues.

(3) If in any year the revenue of the Savings Bank is

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insufficient to defray the interest due to depositors and all expenses under this Act, the deficiency shall be met

- (a) firstly out of any accrued excess of assets over liabilities under subsections (1) and (2) not previously transferred to general revenues; and
- (b) if that accrued excess is insufficient, out of general revenues.

#### PART IV. - MISCELLANEOUS

#### Regulations

15.(1) The Minister may make regulations for the management and regulation of the Savings Bank.

(2) In particular and without prejudice to the generality of subsection (1), the Minister may make regulations to -

- (a) prescribe limits of deposits;
- (b) prescribe the modes of making deposits;
- (c) prescribe the modes of withdrawing deposits and interest and provide for lost deposit books;
- (d) prescribe other services and facilities which may be provided by the Savings Bank, including prize draws or similar schemes or small loans to depositors;
- (e) regulate deposits by or prescribe conditions for the withdrawal of moneys by minors, guardians, trustees, friendly societies or other charitable bodies;
- (f) provide for the testamentary disposal of deposits and prescribe the modes of dealing with the deposits of deceased or insane persons;
- (g) provide for the forfeiture of deposits made in wilful contravention of this Act;
- (h) authorise the Principal Secretary, Finance to enter into an arrangement with the government savings bank of any other country for the transfer of sums standing to the



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	<p>credit of depositors from the Seychelles Savings Bank to that Savings Bank, and vice versa, and prescribe conditions for those transfers;</p> <p>(i) provide for a duty to be paid to the Savings Bank in respect of each payment made by the Savings Bank from a depositor's account to a third party and prescribe the amount of that duty and the form and manner of that payment;</p> <p>(j) provide for fees or commission to be paid to the Savings Bank for the maintenance of deposit accounts or for any other services provided by the Savings Bank.</p>
Confidentiality	<p>16.(1) No person appointed to carry or assist in carrying this Act into effect shall disclose the name of any depositor or the amount which may have been deposited or withdrawn by any depositor except :</p> <p>(a) in due course of law; or</p> <p>(b) to any other person appointed to carry or assist in carrying this Act into effect.</p> <p>(2) A person who contravenes this section is guilty of an offence and is liable to imprisonment for 6 months and to a fine of R.3000.</p>
Settlement of disputes	<p>17.(1) Any dispute between an officer of the Savings Bank and a depositor or other person in respect of a claim on the Savings Bank shall be referred for decision to the Minister.</p> <p>(2) If the claimant is dissatisfied with the decision of the Minister he may proceed as in an ordinary action before the competent court, and the court may make such order as to costs as it sees fit.</p>
Non-liability of Government etc.	<p>18. No liability shall be incurred by, and no action shall be brought against the Government, the Minister, the Principal Secretary, Finance or a person acting under their authority (who is not an officer of the Savings Bank) in respect of any claim arising from or in connection with a payment made or act done in accordance with this Act:</p>

Provided that a person may recover a sum lawfully due to him from any other person to whom payment has been made in accordance with this Act.

Stamp duty

19. Save as otherwise expressly prescribed in respect of payments by the Savings Bank to third parties, no stamp duty shall be levied in respect of any transaction with the Savings Bank.

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