



Laws and Regulations Announcement

Amendments Proposed to the Banking Act

Agency: Financial Services Commission

Law to be amended: Banking Act

FSC Notice number: 2018-12

Announcement date: January 15, 2018

Summary: The Financial Services Commission proposed amendments to the Banking Act that are intended to relax certain compliance and capital requirements and remove investment limit on certain classes of debt securities.

Key provisions:

- Banks are to be exempt from ex-ante reporting for concurrent businesses that are registered, approved, or authorized pursuant to legislation other than the Banking Act.
- Investment limit on low-risk debt securities such as municipal bonds is to be removed.
- Banks are to accumulate at least ten percent of their cash dividend as an "earned surplus reserve" until the aggregate reserve amount reaches half of the capital as they are required under the Commercial Act.

Public comment for the proposed amendments: The public comment period for the proposed amendments ends on February 25, 2018.
