

A LAW AMENDING THE BANKING LAWS OF 1997 AND 1999

NO. 94(I) OF 2000

The House of Representatives enacts as follows:

- Short title**
66(I) of 1997
74(I) of 1999.
1. This Law may be cited as the Banking Law (Amendment) Law of 2000 and shall be read and construed as one with the Banking Laws of 1997 and 1999 (hereinafter referred to as the "Principal Law") and the Principal Law and this Law shall be referred to as the Banking Laws of 1997 to 2000.
- Amendment of**
section 29 of the
Principal Law.
2. Sub-section (2) of section 29 of the Principal Law is amended by the insertion immediately after paragraph (g) of the following new paragraph (gi):
- "(gi) the information is supplied for the purpose of maintaining and operating the Central Information Register set up under the provisions of sub-sections (3) and (4) of section 41; or".
- Amendment of**
section 32 of the
Principal Law.
3. Section 32 of the Principal Law is amended by the renumbering of the existing text of the said section to sub-section (1) and the addition of sub-section (2) as follows:
- "(2) The protection provided under sub-section (1) extends likewise to the Management Committee and to the members of the Management Committee of the Central Information Register, appointed pursuant to sub-section (4) of section 41, with regard to the exercise of their duties.".
- Amendment of**
section 41 of the
Principal Law.
4. Section 41 of the Principal Law is amended-
- (a) By the insertion in sub-section (1) immediately after the word "Law" (second line) of the following phrase "as well as its powers under this Law and under the Central Bank of Cyprus Law"; and
- (b) by the addition immediately after sub-section (2) of the following new sub-sections (3), (4) and (5):
- "(3) Specifically and without prejudice to the generality of sub-sections (1) and (2), the Central Bank may issue directives on matters of banking practice and good banking conduct, including directives with respect to the requirements and procedures for opening, maintaining, operating and closing current accounts and issuing or withdrawing cheque books.

- (4) In the context of its above-mentioned powers and with a view to effectively combating the incidence of bounced cheques, the Central Bank shall issue directives to be published in the Official Gazette of the Republic, for the establishment, maintenance and operation of a Central Information Register where information concerning the issuers of bounced cheques, bankrupts or wound up companies, persons convicted for offences relating to the issue of bounced cheques, may be recorded in accordance with a procedure clearly defined in the directives, with a view to imposing upon them such measures depriving them of the right to hold, acquire or use cheque books or current accounts at a bank as may be prescribed specifically in the directives. The responsibility for the maintenance, operation and updating the Central Information Register is assigned by the Central Bank to a Management Committee appointed for this purpose;

Provided that the directives to be issued under this sub-section shall be issued jointly after consultation with the Commissioner of Co-operative Societies and Co-operative Development to apply equally and in the same manner to co-operative credit institutions so that there shall be uniform regulation and a common Central Information Register.

- (5) The directives to be issued by the Central Bank pursuant to sub-section (4) shall contain provisions governing or regulating specifically -
- (a) The composition, duties and responsibilities of the Management Committee,
 - (b) matters concerning the remuneration or compensation of the members of the Management Committee,
 - (c) the procedure to be followed by the Management Committee for taking decisions, and the basic criteria or principles to be taken into account in making such decisions,
 - (d) the right of access and the manner access may be had to the records or information held on the Central Information Register,

- (e) any other matter that may be deemed useful or expedient to be regulated by or defined in the directives, including a fair arrangement for the recovery by the Central Bank of the expenditure incurred by it for the initial establishment and subsequent operation of the Central Information Register."

Substitution of section 42 of the Principal Law.

- 5. Section 42 of the Principal Law shall be deleted and replaced by the following new section:

Administrative fine.

- 42. Where the Central Bank in the course of exercising its powers or responsibilities to examine and supervise banks pursuant to this Law or the directives issued under this Law, including its powers and responsibilities to collect information, enter and inspect under sections 25 and 26, ascertains that a bank -
 - (a) contravenes or fails to comply with any directive or circular lawfully issued to banks by the Central Bank, or
 - (b) contravenes or fails to comply, within the specified time limit or, in the absence of such time limit, within a reasonable time, with any requirement or notice of the Central Bank lawfully made or addressed to it, or
 - (c) in purported compliance with any such directive, requirement or notice of the Central Bank or with any provision of the Law or the Regulations issued thereunder, provides or makes available any misleading, inaccurate or incomplete data or information, which it knew or ought to have known that they did not represent true reality,

the Governor of the Central Bank, after calling the bank to state its defence, has the power to impose for each and every contravention an administrative fine, ranging from one thousand to ten thousand pounds, depending on the seriousness of the contravention, and in the case of a continuing

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contravention the Governor of the Central Bank is additionally empowered to impose a further administrative fine, ranging from one hundred to five hundred pounds, depending on the seriousness of the contravention, for each day during which the contravention continues.

**Amendment of
section 43 of the
Principal Law.**

6. Sub-section (1) of section 43 of the Principal Law is amended by the insertion immediately after the word "Law" (first line) of the following phrase "or any Regulations or directives issued by the Central Bank under this Law".

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Translation in English by the Central Bank of Cyprus