



GUYANA

ACT NO. 10 OF 1995

CO-OPERATIVE FINANCIAL INSTITUTIONS  
(AMENDMENT) ACT 1995

I assent.

CHEDDI JAGAN,  
President.

26th June, 1995

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement.
2. Amendment of section 2 of the Principal Act.
3. Amendment of section 4 of the Principal Act.
4. Amendment of section 15 of the Principal Act.
5. Amendment of section 22 of the Principal Act.
6. Amendment of section 24 of the Principal Act.
7. Amendment of section 25 of the Principal Act.
8. Amendment of section 26 of the Principal Act.

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9. Amendment of section 28 of the Principal Act.
10. Amendment of section 32 of the Principal Act.
11. Amendment of section 33 of the Principal Act.
12. Amendment of section 34 of the Principal Act.
13. Amendment of section 35 of the Principal Act.
14. Amendment of section 48 of the Principal Act.
15. Amendment of section 50 of the Principal Act.
16. Repeal and re-enactment of section 51 of the Principal Act.
17. Amendment of section 56 of the Principal Act.

AN ACT to amend the law relating to the Co-operative Financial Institutions Act and to provide for matters connected therewith.

A.D. 1995

Enacted by the Parliament of Guyana:-

Short title  
and com-  
mencement.  
Cap. 75:01

1. This Act, which amends the Co-operative Financial Institutions Act, may be cited as the Co-operative Financial Institutions (Amendment) Act 1995, and shall come into operation on such date as the Minister may by order appoint.

Amendment  
of section 2  
of the  
Principal  
Act.

2. Section 2 of the Principal Act is hereby amended by the insertion of the following definitions in their appropriate alphabetical order:-

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1995

"(i) 'bank' has the same meaning as in section 2 of the Financial Institutions Act 1995;

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1995

(ii) 'the Bank' has the same meaning as in section 2 of the Bank of Guyana Act 1995;

(iii) 'licensed financial institution' means a financial institution or a company engaged in a banking or financial business to which a licence is granted under the Financial Institutions Act 1995 authorising the conduct of such business in Guyana;"

Amendment  
of section  
4 of the  
Principal  
Act.

3. Section 4 of the Principal Act is hereby amended by the insertion immediately after subsection (3) of the following subsection as subsection (4) -

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"(4) Notwithstanding the foregoing, the Administration shall not exercise any of the powers conferred on the Bank under the Financial Institutions Act 1995, the Bank of Guyana Act 1995 or any other law with respect to the licensing, regulation, inspection or supervision of licensed financial institutions."

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4. Section 15 of the Principal Act is hereby amended in the following respects -

Amendment  
of section  
15 of the  
Principal  
Act.

- (a) by the repeal of subsection (11) and the substitution therefor of the following subsection as subsection (11) -

"(11) The Minister, by order establishing a financial institution under this section or by a subsequent order hereunder, may exclude or modify the application of this Act, other than sections 4, 51 and 56, in relation to the financial institution in respect of any particular matter:

Provided that nothing in this Act shall in any way authorise the Minister or the Administration to exclude or modify the application of the Financial Institutions Act 1995 or the Bank of Guyana Act 1995 to any licensed financial institution, except insofar as this Act, the Financial Institutions Act 1995 or the Bank of Guyana Act 1995 specifically confer such authority by language to that effect and not merely by implication.";

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- (b) by the insertion immediately after subsection (12), of the following subsection as subsection (13) -

"(13) Any financial institution which is conducting a banking or financial business, as defined in section 2 of the Financial Institutions Act 1995, on the date on which that Act comes into force, or which is established by order under this section made after such date, shall comply in all respects with the provisions of the Financial Institutions Act 1995 and the Bank of Guyana Act 1995 applicable to licensed financial institutions in such manner and to such extent as such Acts shall provide.".

5. Section 22(2) of the Principal Act is hereby amended by the insertion after the word "Minister" of the words "or as authorised by the Financial Institutions Act 1995 or other applicable laws".

Amendment  
of section 22  
of the Prin-  
cipal Act.  
No. 1 of 1995

Amendment  
of section 24  
of the Prin-  
cipal Act.  
No. 1 of 1995

6. Section 24(1) of the Principal Act is hereby amended by the insertion after the word "Act" of the words ", the Financial Institutions Act 1995 or other applicable laws".

Amendment  
of section 25  
of the Prin-  
cipal Act.  
No. 1 of 1995

7. Section 25(1) of the Principal Act is hereby amended by the insertion after the word "Act" of the words ", the Financial Institutions Act 1995 or other applicable laws".

Amendment  
of section 26  
of the Principal  
Act.

8. Section 26 of the Principal Act is hereby amended in the following respects -

- (a) by the insertion after subsection (5) of the following subsection as subsection (5A) -

"(5A) In addition to the requirements of the preceding subsections, a director of a financial institution which is a licensed financial institution shall make such disclosures and take such actions with respect to any loans, contracts or arrangements in which he has an interest as may be required under the Financial Institutions Act 1995.";

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- (b) in subsection (7), by the substitution for the words "five hundred dollars" of the words "two hundred thousand dollars and to such other penalties as may be prescribed under any other law".

Amendment  
of section 28  
of the Prin-  
cipal Act.

9. Section 28(1) of the Principal Act is hereby amended by the insertion of the following words before the full stop at the end -

"and notwithstanding the foregoing, the authorised capital of a financial institution which is a licensed financial institution shall at no time be less than the minimum capital required under the Financial Institutions Act 1995 for such financial institution".

Amendment  
of section 32  
of the Prin-  
cipal Act.

10. Section 32 of the Principal Act is hereby amended by the insertion after subsection (3), of the following subsection as subsection (3A) -

"(3A) With respect to the guarantee of any authorised borrowings of a financial institution which is a licensed financial institution, the Minister, prior to the giving of a guarantee under subsection

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(1), also shall consult with the Bank as to whether the giving of such guarantee is necessary and appropriate for the protection of depositors and the promotion of the objectives of the Financial Institutions Act 1995 and the Bank of Guyana Act 1995."

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11. Section 33 of the Principal Act is hereby amended by re-numbering it as subsection (1) thereof and by the insertion after the said subsection, as so re-numbered, of the following subsection as subsection (2) -

Amendment  
of section 33  
of the Prin-  
cipal Act.

"(2) Notwithstanding subsection (1), investments made by a financial institution which is a licensed financial institution shall be subject to such limitations on investments in securities as may be provided under the Financial Institutions Act 1995."

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12. Section 34(1) of the Principal Act is hereby amended by the insertion after the word "impose" of the words", and as otherwise permitted by the Financial Institutions Act 1995 or by any other law".

Amendment  
of section 34  
of the Prin-  
cipal Act.  
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13. Section 35 of the Principal Act is hereby amended by the insertion after the word "institution" of the words", to the extent permitted under any other law,".

Amendment  
of section 35  
of the Prin-  
cipal Act.

14. Section 48 of the Principal Act is hereby amended in the following respects -

Amendment  
of section 48  
of the Prin-  
cipal Act.

- (a) in subsection (8), by the substitution for the words "fifty dollars or, in default of payment, to imprisonment for one month" of the words "ten thousand dollars or, in default of payment to imprisonment for three months";
- (b) by the insertion after subsection (9), of the following subsection as subsection (10) -

"(10) Subject to the provision of section 33 of the Financial Administration and Audit Act (which mandates the audit of public corporations and certain other corporate bodies by the Auditor General), a financial institution which is a licensed financial institution shall be audited by an auditor qualified in accordance with the Financial Institutions Act 1995 and who, in satisfaction of the requirements of

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subsection (3), performs such reviews and makes such reports as are required under the Financial Institutions Act 1995 in respect of licensed financial institutions. Such auditor shall exercise in addition to any other functions and powers otherwise conferred on him, those functions and powers provided in subsections(5), (6) and (7).".

15. Section 50 of the Principal Act is hereby amended by the insertion, after subsection (1), of the following subsection as subsection (1A) -

Amendment  
of section 50  
of the Prin-  
cipal Act.

No. 1 of 1995      "(1A) Notwithstanding any requirement of the Financial Institutions Act 1995 to the contrary, the provisions of this section shall apply with full force and effect to a financial institution which is a licensed financial institution."

16. Section 51 of the Principal Act is hereby repealed and the following section substituted therefor -

Repeal and  
re-enactment  
of section 51  
of the Prin-  
cipal Act.

\*Application  
of certain  
enactments to  
licensed financial  
institution.  
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No. 11 of 1995      51(1) Except as otherwise specifically provided in this Act or in any other law by language to such effect and not merely by implication, the Financial Institutions Act 1995 and the Bank of Guyana Act 1995 shall apply with full force and effect, as provided in such Acts, to financial institutions which are licensed financial institutions.

Cap. 91:02      (2) With respect to financial institutions other than licensed financial institutions, the Minister may by order made under section 15 establishing a financial institution or reconstituting an institution mentioned in section 61(1), or in any subsequent order made under section 15, apply the provisions of the law for the time being relating to companies, the Insurance Act, or any other law in whole or in part, to such financial institutions, and in such manner and to such extent as shall be provided in such order."

17. Section 56 of the Principal Act is hereby amended by the insertion, after subsection (2), of the following subsections as subsections (3) and (4) -

Amendment  
of section 56  
of the Prin-  
cipal Act.

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"(3) Any dissolution pursuant to this section of a financial institution shall be treated as a voluntary winding up of such institution under the the Financial Institutions Act 1995.

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(4) Nothing in this section shall in any way impair or restrict the authority of the Bank under the Financial Institutions Act 1995 or the Bank of Guyana Act 1995 to exercise those powers conferred on the Bank thereunder with respect to any class of licensed financial institutions, including financial institutions created under this Act."

Passed by the National Assembly on 22nd May, 1995.

*F.A. Narain,*  
Clerk of the National Assembly.

(Bill No. 8/1995)