

Official Report

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2015-2018) OF THE ELEVENTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN

90TH Sitting

Thursday, 12TH July, 2018

Assembly convened at 2.18 p.m.

Prayers

[Mr. Speaker in the Chair]

ANNOUNCEMENTS BY THE SPEAKER

Leave to Member

Mr. Speaker: Hon. Members, leave from today's sitting has been granted to the Hon. Member Ms. Indranie Chandarpal.

Death of Mr. Abdul Kadir, former Member of Parliament

Mr. Speaker: Hon. Members, you would all be aware of the death of Mr. Abdul Kadir, a former Member of Parliament who died on 20th June, 2018 in prison in the United States of America. He was 66 years old, having been born on 8th December, 1951.

Mr. Kadir came from the People's National Congress Reform. Following the General and Regional Elections which were held on Monday, 19th March, 2001, the Eight Parliament of Guyana commenced when the National Assembly first met on Friday 4th May, 2001. Mr. Kadir was appointed an ordinary Member of Parliament on 17th April, 2001 to serve in the Eight Parliament. Mr. Kadir was also Chairman and Vice-Chairman of the Parliamentary Sectoral

Committee on Natural Resources. He ceased to be a Member of Parliament on 2nd May, 2006 when the Eighth Parliament was dissolved on that date.

Hon. Members, I invite you to stand and observe one minute of silence as a mark of respect for the late Mr. Abdul Kadir.

A minute of silence observed.

PRESENTATION OF PAPERS AND REPORTS

The following Papers and Reports were laid:

- (1) The Annual Reports of the Rights of the Child Commission for the years 2015 and 2016. [*Speaker of the National Assembly*]
- (2)
 - (i) The State Pensions (Mary Noel Menezes) Order 2018, No. 22 of 2018.
 - (ii) The State Pensions (Maximum Annual Rate) Order 2018, No. 23 of 2018. [*Minister of Finance*]
- (3) The Audited Financial Statements of the Institute of Applied Science and Technology for the years ended 31st December, 2012 and 2013. [*Minister of State*]

REPORTS FROM COMMITTEES

The following Report was laid:

Report of the Special Select Committee on the Animal Welfare Bill 2016, Bill No. 21 of 2016. [*Minister of Social Cohesion with Responsibility for Culture, Youth and Sport - Chairperson of the Special Select Committee on Animal Welfare Bill 2016*]

ORAL QUESTIONS WITHOUT NOTICE

CAUSES FOR THE HIGH MORTALITY RATES AT THE NEONATAL INTENSIVE CARE UNIT OF THE GEORGETOWN PUBLIC HOSPITAL CORPORATION

Dr. Persaud: My questions I am sure will generate great concern in this House and they are related to the causes for the high mortality rates at the Neonatal Intensive Care Unit of the Georgetown Public Hospital Corporation.

In accordance with Guyana's commitment to the 17 Sustainable Development Goals or SDGs:

- (a) Could the Hon. Minister of Public Health inform this National Assembly as to what measures are being taken to reduce the increase in neonatal deaths at the Neonatal Intensive Care Unit (NICU) of the Georgetown Public Hospital Corporation?
- (b) Could the Minister provide the National Assembly with the number of neonates admitted to the NICU and the number of deaths for the period June 1, 2017 to June 30, 2018?
- (c) Has the Ministry and the Georgetown Public Hospital Corporation investigated the causes of the increased and alarming number of neonatal deaths?

A follow-up to those:

- (i) When was this investigation done and who comprised the investigation team?
- (ii) What corrective measures were recommended and have been put in place?
- (iii) Was post sterility and infrequent testing of the unit responsible for any of the deaths in this period? And if so, how many?

Mr. Speaker: Hon. Member Dr. Persaud, I believe that there was an amendment which you possibly overlooked. I noticed the word "alarming" crept into your presentation. I believe it was excluded from the approved motion and it would be a good thing if Members stay with the approved motion as presented to them by the Speaker. Thank you.

Minister of Public Health [Ms. Lawrence]: Let me thank the Hon. Member for posing the question with regard to neonatal deaths in our country. Let me say that while we have signed on to the SDGs, and we are working towards being compliant of SDG 3: Good Health and Well-Being for People, this Government recognises that we have the right and also the onus is on us to ensure that at every level, we provide the necessary services for our people. As a result of that,

we have looked at this particular area over the last three years. We have invested a lot of money into this particular department. I would like to say to the Hon. Member that during the period which she has indicated, that is, from June 1, 2017 through June 30, 2018 for that year we did not see an increase, rather what we saw was the same line, in terms of how those deaths which had occurred took place.

As a result of having 1,155 admissions to the NICU, there were 119 deaths which we called too many deaths and which represented 10.3% of the total admissions. **[Ms. Teixeira:** That is

too high.] Yes, exactly, it is too high. Even one is too high. That is right. If you look over the years, this has been declining and we continue to work and put measures in place to ensure that we can be able to bring this down to zero. That is what all of us must work towards.

With regard to the investigated cases of neonatal deaths, let me just inform the Hon. Member in this House that every neonatal death is reported and a report is prepared and reviewed by the Child Mortality Committee which comprises not only persons from within the Government sector, but those from the private sector. If the report shows any discrepancies, then further investigations are done. For that period under review, there was no special investigation launched, since there was no increase in the neonatal deaths for that period.

With regard to if an investigation was done, as I said, we did not do any because we did not have any such discrepancies in the report to launch one.

Regarding the corrective measures, since there was no investigation, there were no measures or recommendations.

The question on if post sterility and infrequent testing of the unit are responsible for any of the deaths in this period, and if so, how many? The response is none.

Let me just share with the House that the Georgetown Public Hospital Corporation does employ the following practices routinely to prevent mortality. The NICU is cleaned thoroughly, sterility checks are done after cleaning, and then blood culture results from the NICU are reviewed. Once that is done, then there is a review of all the cleaning protocols and hand hygiene compliance audits are done by the Quality Improvement Department.

2.33 p.m.

Further to that, the NICU is a clean environment, sterility checks are only warranted after a general cleaning and decontamination is done.

Last year, the reconstitution of the Child Morbidity and Mortality Committee was done. This committee is there to review all child deaths. I would like to share that information with the Hon. Member and this House, and just to inform the general public also. That is why the Government through the budget allocation have sought to ensure that we do have an additional wing at the Georgetown Public Hospital Corporation which will now add to the present or the old wing which we have and within there we also have a section for our neonates.

Dr. Persaud: Could the Hon. Minister say at what number of death would warrant an investigation, since I have in good authority that from January to April of this year at least there were 30 neonatal deaths? What number would cause an investigation to be done? Were the families informed that they were potentially fatal infections at the NICU before babies were placed there during this period?

Ms. Lawrence: Mr. Speaker, I did speak with the Clerk and I sought permission to have the technical persons come to sit with me so that I could have technical advice to answer these and so I am asking your permission, Sir.

Mr. Speaker: Please proceed. Permission is granted.

Ms. Lawrence: The question asked by the Hon. Member, one, she made mention of some 30 babies dying. I have the graph here in front of me. The statistics for the period of June 1, 2017 through June 30, 2018, at no point were there 30 babies who passed. **[Dr. Persaud: It is**

January to April.] It was January to April of this year. Thank you for the correction. Between January and April for this year, yes, in January there were ten and then unfortunately again in February another ten and in March there were 12. However, in June, we saw a decrease to three deaths due to the measures that were put in place.

With regard to investigations, as I indicated before, that the committee reviewed all deaths and where such is warranted, it will be done. However, in these cases, it was not found that it warranted further investigations.

With regard to parent and being informed, yes. I am informed that even when the baby is in difficulty, the parents are notified and they are allowed to be there with their child during this period.

Dr. Persaud: Mr. Speaker, I know you would agree with me by now that it was alarming and that I was right to be alarmed. The question that I asked previously was, is it alarming enough to have an investigation 35 deaths from January to April warrants, in four months? It warrants an investigation from the time for the first couple of deaths, in my humble opinion. The question I want to ask now: What were the direct causes of deaths within this period? Were they infection based? I also listened to what the Minister said and she said nothing was warranted, in terms of adding any measures. With regard to the deaths, the final part to this question is to do with the nursing programme. How many nurses have been trained in techniques that are necessary in the NICU and is the programme still functioning to train these nurses?

Ms. Lawrence: Mr. Speaker, I will ask, through you, that the Hon. Member put in writing the question with regard to the nursing, since we will need to get that information to provide to you. I heard you mentioned that I indicated that there is no investigation. Let me just reiterate what I said about two things. Review of all cleaning protocols and hand hygiene compliance audits are done by the Quality Improvement Department, and that is constant.

Secondly, I did indicate to you that for every neonatal report, a report is prepared and reviewed by the Child Mortality Committee. If the report shows any discrepancies, further investigation is done.

Dr. Persaud: I would like to thank the Hon. Minister for her answers and I will be pursuing this. I would like to thank the doctors at Georgetown Public Hospital Corporation. They are very good. I would like to also ask something, if I could put this in writing too. What bacteria had been identified in the last investigation?

Mr. Speaker: Whatever questions you wish to ask from now on, you could put them writing.

Dr. Persaud: Mr. Speaker, this is very serious. That is why I think it ought to be treated with that level of gravitas.

Ms. Lawrence: Mr. Speaker, I would like to indicate that the Ministry of Public Health and the Georgetown Public Hospital Corporation stand ready to answer any question. We would not mind the Member putting whatever questions she has to the National Assembly and we will provide the answers.

Mr. Speaker: I thank you Hon. Minister. The Hon. Member will choose to write to the Ministry, not under this opportunity for Oral Questions Without Notice.

TEACHERS' SALARIES AND CONDITIONS OF SERVICE

Ms. Selman: Taking into consideration that the Special High-Level Task Force established in November 2017 between the Guyana Teachers' Union and the Government of Guyana to examine and make recommendations for the salaries and conditions of service of the teachers in a multi-year agreement completed its report over three months ago, could the Hon. Minister of Education, Member of Parliament inform this National Assembly as to the following:

- i) What are the reasons for the delay since the Special High-Level Taskforce was composed of specially selected representatives of the Government and the report resulted with joint agreement on both sides?
- ii) Will Government address the outstanding issues of de-bunching and the housing project?
- iii) What is the status of the moneys that were allocated for the housing project?
- iv) Will the Government include those teachers who would have retired during the period 2015-2018 and those who will be retiring prior to Government's decision who are entitled to their benefits?
- v) When will the teachers of this country be informed of the commencement and implementation of that report's recommendations?

Minister of Education [Ms. Henry]: Thank you Hon. Member for your question. Let me begin by saying that this Government is a pro-working class Government. It is with that in mind that the high-level committee and public education was convened. With regard to the status update, the report submitted by this high-level committee was forwarded to the Ministry of Finance for

review, analysis and guidance. Having completed that review, the report is now before Cabinet and as soon as that is concluded all parties will be aware of the outcome of that report. That speaks to the status update.

The second question: Will the Government address the outstanding issues of de-bunching? I have to say that all of the matters contained in the report will be addressed together. Therefore that will be communicated at the time when the outcome of the report is communicated.

The third question: What is the status of the moneys that were allocated for the housing projects? That money is currently in a bank account at the Bank of Guyana.

The fourth question: Will the Government include those teachers? Again, this question will certainly be related to what the outcomes are of the report that is currently before Cabinet.

Final question: When will teachers be informed? I could not give you a date, but I could certainly say as soon as Cabinet would have concluded its deliberation, the information would be communicated to all parties.

Mr. Speaker: Hon. Member, do you have a supplementary question?

Ms. Selman: Yes, thank you Mr. Speaker.

Mr. Speaker: Please proceed.

Ms. Selman: Could the Hon. Minister indicate whether the Minister of Finance has recommended an increase, in terms of the moneys to be allocated for the housing project?

Ms. Henry: I have to say that the Ministry of Finance has not made any recommendations that I can stand up here and speak to at this point in time. Cabinet is currently reviewing all of the recommendations. As soon as Cabinet would have concluded on those recommendations and decisions, you will be notified. I cannot stand up unilaterally and convey to you any decision that has not been made, because it would be premature on my part.

2.48 p.m.

Ms. Teixeira: I have a follow-up question to my colleague, and the answer. Minister Harmon announced in the press recently that the cost were prohibitive. Is that a factor in relation why the

report of the special high-level task force is taking so long to be considered by the Cabinet and how many more months do the teachers of this country have to wait for an answer?

Ms. Henry: I would suggest that the Hon. Member refers her question to the Member who would have made that statement. I could not speak here for any other Member.

QUESTIONS ON NOTICE

[Oral Reply]

ASSESS THE IMPACT OF THE SUSTAINABLE LIVELIHOOD AND ENTREPRENEURIAL DEVELOPMENT (SLED) INITIATIVE

Dr. Persaud: I beg to ask the Minister of Social Protection Question No. 1 standing in my name:

- (1) Could the Hon. Minister inform this National Assembly whether any proposals for Sustainable Livelihood and Entrepreneurial Development (SLED) initiative programmes are under consideration for the communities impacted by the termination of the jobs of the sugar workers?

I will have her answer and then I will continue.

Minister of Social Protection [Ms. Ally]: I would like to thank the Hon. Member for her question. Firstly, I want to say that Guyana's population embraces sugar workers, carpenters, labourers and a number of people, even some who are unemployed. The SLED programme seeks to promote local economic development across the country in various communities. More specifically, the SLED programme seeks to achieve all of the following objectives:

- (i) they provide financial support for entrepreneurial ventures;
- (ii) create income generating opportunities;
- (iii) promote improved husbandry, practices in agricultural and livestock ventures;
- (iv) promote community development through the functioning of cooperatives and
- (v) encourage successful business practices and build the skills of community members through participation in projects.

Projects are considered following receipt of request for assistance from community based projects whose beneficiaries can include several categories of workers.

Thank you. [*Applause*]

Mr. Speaker: Hon. Member, do you have a supplementary question?

Dr. Persaud: I was just wondering if it is permitted for me to read the question again because I do not think the Minister got clearly what I was asking clearly. It is in writing too, but I was speaking specifically about the sugar workers. Maybe she can answer this, the first question that I asked and then the second question that I will ask now:

- (2) What portion of the SLED Initiative's 2018-2019 financial outlay the Ministry plans to spend on projects in the aforementioned communities?

Ms. Ally: Funding is provided based on requests for assistance, thus there is no predetermined amount identified for specific communities. SLED programme funding is based on annual budgetary proposals and the 2018 funds have been programmed, preparations for the Budget 2019 are on the way and the request will be made for funding. Thank you.

Dr. Persaud: Mr. Speaker, I am clearly getting a sense that there is nothing allocated to an industry that is paralysed. Can I ask my follow-up question on this one please?

Mr. Speaker: That will be your second follow-up question. You may proceed.

Dr. Persaud: Sir, these are the listed questions. I have not asked any follow-up questions so far. I am just merely reading what is here.

My follow-up question: Is it that anyone who requests will be able to access the funds from SLED or is there an internal process within, who manages it and how is it disbursed?

Ms. Ally: I clearly said that these projects once requests are made and they are considered, funding will be disbursed.

Dr. Persaud: I think that the Minister keeps missing my point because she is not really relating to the questions that I have been asking. The third question...

Mr. Speaker: Hon. Member, this will be your final question.

Dr. Persaud: This is the final question, but I am still allowed one more supplementary question.

Mr. Speaker: I will determine if you are allowed another one.

Dr. Persaud: Mr. Speaker, this is a serious matter that deals with 5,000 sugar workers.

Mr. Speaker: Every matter before this honourable House, I believe, is a serious matter, but the rules which guide us - I may be lenient in my interpretation of the rules - must guide us in the first instance.

Dr. Persaud: Mr. Speaker, respectfully, I am not deviating from the rules. Two questions are usually given. The third is on the Order Paper:

- (3) What timeline exists for the implementation of SLED initiative projects for those afflicted communities?

Meaning, what I would like to find out, why these 5,000 workers were not dealt with considered in the first instance?

Ms. Ally: As with annual budgetary allocations, implementation is done during the calendar year of the approved budgetary allocation.

Secondly, sugar workers are one aspect of the population.

Mr. Speaker: Hon. Member, you have another question.

Dr. Persaud: The 5,000 sugar workers that I referred to were just in Berbice. Overall, 7,000 workers have lost their jobs. How will they benefit if they are unaware that this is available? Does the Government, the Minister, in particular, plan to have a special intervention utilising this initiative?

Ms. Ally: In my initial response to the first part of the question, I did indicate what the objectives of the SLED programme are. I maintain that, Sir.

PUBLIC BUSINESS

GOVERNMENT BUSINESS

MOTIONS

DEATH OF MR. JULES RICHARD KRANENGBURG, FORMER SENIOR MINISTER OF PUBLIC WORKS, COMMUNICATIONS AND REGIONAL DEVELOPMENT

BE IT RESOLVED:

That this National Assembly place on record our profound grief at the great loss suffered by the people of Guyana on the death of Mr. Jules Richard Kranengburg, on 29th May, 2016, and pays tribute to his dedicated service to the Parliament of Guyana where he served as a Member of Parliament in the Fifth Parliament from the 3rd February, 1986 to 20th October, 1986. Mr. Jules Richard Kranengburg was appointed Minister of Transport from 20th October, 1986 to 31st December, 1986, Minister of Communications and Works from 8th January, 1987 to 7th July, 1991 and Senior Minister in the Ministry of Public Works, Communications and Regional Development from 8th July, 1991 to 28th August, 1992;

BE IT FURTHER RESOLVED:

That the National Assembly directs that an expression of heartfelt condolences and sympathy to be conveyed to his sorrowing widow, children, relatives. [*Minister of Public Infrastructure*]

Minister of Public Infrastructure [Mr. Patterson]: I rise to the motion which reads:

“BE IT RESOLVED:

That this National Assembly place on record our profound grief at the great loss suffered by the people of Guyana on the death of Mr. Jules Richard Kranengburg, on 29th May, 2016 and pays tribute to his dedicated service to the Parliament of Guyana where he served as a Member of Parliament in the Fifth Parliament from the 3rd February, 1986 to 20th October, 1986. Mr. Jules Richard Kranengburg was appointed Minister of Transport from 20th October, 1986 to 31st December, 1986, Minister of Communications and Works from 8th January, 1987 to 7th July, 1991 and Senior Minister in the Ministry of Public Works, Communications and Regional Development from 8th July, 1991 to 28th August, 1992;

BE IT FURTHER RESOLVED:

That the National Assembly directs that an expression of heartfelt condolences and sympathy to be conveyed to his sorrowing widow, children and relatives.”

Daughter Karen and sister Joan and other relatives, who as you said, Mr. Speaker, are with us today.

There is an old Hebrew that states “say not in grief ‘he is no more’ but live in thankfulness that he was”. Mr. Jules Richard Kranenburg transitioned on 29th May, 2016 at the St. Joseph Mercy Hospital in Georgetown at 83 years old. He had a long and varied life.

‘Dicky’, as he was affectionately and familiarly known by his family and friends, was a seafaring man who embarked this life on Waterloo Street on 30th September, 1932. He was the third of eight children of the late Cyril and Madge Kranenburg. ‘Dicky’ attended Christ Church Primary School and Dolphin Under 12 Primary School followed by St. Stanislaus College, from 1942 to 1949. Immediately after St. Stanislaus College, he launched his seafaring career by joining Transport and Harbours Department in 1949 as an Apprentice Pilot on the *Lucy Smith*, a Windjammer plying the Barbados route for a period of six months under Captain Hassel. He then joined the Sigourney line of Canada under Captain Houston on *MV Sun Prints* for approximately two years.

3.03 p.m.

Dickey gained invaluable sea and ocean going experience, while with this Montreal based company.

Returning to British Guiana - *Dickey* returned to the Transport and Harbours Department (T&HD) qualified in his chosen vocation. Jules Richard, in due course, attained the position of Chief Pilot and served in that capacity with distinction until his retirement from the pilot service in 1979. He had the distinction of being the youngest Chief Pilot ever to serve at the Harbours Division. *Dickey’s* true leadership qualities were admirably manifested during his 10 years’ tenure as General Secretary of the Guyana Airline Pilots Association. He was truly respected by all.

He joined the Marketing Division of the Bauxite Industry Development Company (BIDCO) as Operations Manager, where he gave yeoman service in BIDCO's Shipping Department for approximately three years. Resulting from his sterling tenure at BIDCO, Jules Richard Kranenburg was appointed as a Member of the Fifth Parliament in February, 1986 and as a Technocrat Minister under the Hoyte Administration in October of the same year. He served his country and his people with honour until the 28th August, 1992.

During his tenure as Minister, Mr. Kranenburg had oversight of the proprietary works for the modernisation of the ferry service through a grant from the European Union (EU). The immediate action plan programme involving the repairs of ferry vessels to last for three to five years, after which there were to be new vessels. Roll-rows and the stellings were to be reconfigured to accommodate such vessels. The second phase never materialised because the first was too protracted and the funds were diverted elsewhere. The works involved the changing of the Mirrlees Blackstone engines to Caterpillar high speed engines for the three large ferry vessels which were the Moruca, Terani and the Malali. This was in keeping with the Economic Recovery Programme which the Government at that time had embarked on in the late 1980s. He also served as a Director on the Board of Directors of the Leeward Islands Air Transport (LIAT) company during his tenure as Minister with responsibility for Transport.

Mr. Kranenburg was a Director on the Board of the Canawaima Ferry Service Inc., which is the ferry service between Guyana and Suriname, from November, 1998 to the time of his demise on the 26th May, 2016.

Mr. Kranenburg was an active member of the Rotary Club of Demerara for a number of years. He was also a Mason for the Mount Olive Lodge where he served as Worshipful Master. His guiding principle throughout life: "To always be of service to others". Jules Richard Kranenburg was a remarkable human being, a devoted husband and father, a dear and true friend to so many, as well as patriot and son of Guyana.

On the 29th May, at 9.30 p.m., *Dickey* weighed anchor, cast off the morin lines and set sail into the great abyss where he will no longer have need for anchors or morin lines. May his soul rest in eternal peace and rise in eternal glory.

I thank you. [*Applause*]

Mr. Neendkumar: I rise to speak on the motion before this House, but I would like to recognise Mr. Richard Kranenburg's dear sister, Ms. Joan Christiani and his daughter Karen, who came all the way from Singapore to be with us right here in this Assembly this afternoon.

The death of Mr. Jules Richard Kranenburg, former Senior Minister of Works, Communications and Regional Development - the Kranenburg family is indeed a well-respected family. In fact, the father was the last colonial Treasurer and the first Accountant General in Guyana. I have great respect for his brother, Mr. Jimmy Kranenburg, who was a successful Manager at the Bermine and Linmine Bauxite Operations. He is alive and is in Richmond Hill, but it is a petty he cannot come. As for his sister Joan Christiani, as I said, she is presently here with us and I must say that she is a wonderful woman. She was quick to say that her brother, Richard, was a believer that he should give service to his people and that he did.

Mr. Richard Kranenburg was born on the 30th September, 1932. He was a distinguished student from the St. Stanislaus College. He had an outstanding career in the Maritime Division of the Transport and Harbours Department, where he achieved the position of Chief Pilot before he was seconded to the Bauxite Industry Development Company – BIDCO - as he headed the Shipping Department there.

Mr. Richard Kranenburg was appointed a Technocrat Minister in the Fifth Parliament. He served as Minister of Transport from the 3rd February, 1986 to the 19th October, 1986. He also served as Minister of Communications and Works from the 20th October, 1986 to the 7th July, 1991. He further served as Senior Minister in the Ministry of Public Works, Communications and Regional Development from the 8th July, 1991 to 28th August, 1992. I asked former eminent Member of Parliament about Mr. Kranenburg, and Mr. Clinton Collymore was quick to say that he was one of the most decent and helpful Ministers. Former Prime Minister, Mr. Samuel Hinds, also spoke about Mr. Richard Kranenburg and he said, “*Dickey* and his family will also go down in history as one of the well-respected families in Guyana”. Let us never forget that the things we do live after us. We must always respect others. To his immediate family – his wife Megan Kranenburg, his daughter Karen and his brothers and sisters, we are proud of your rich family life. May Richard Kranenburg's soul, rest in eternal peace.

Thank you. [*Applause*]

Mr. Speaker: I thank the Hon. Member for his statement. Hon. Member, Mr. David Patterson, you may move the motion.

Mr. Patterson: Thank you, Mr. Speaker.

I would like to thank the Hon. Member and join with him on the sentiments expressed on the quality and status of the late Jules Richard Kranengburg.

I move that the motion standing in my name, the National Assembly directs that, as an expression of our heartfelt condolences, sympathies be conveyed to his sorrowing widow, Karen, his sister Joan and other relatives, be adopted.

Question put, and agreed to.

Motion carried.

DEATH OF MR. HUKUMCHAND a/k PARAG, FORMER MEMBER OF PARLIAMENT

BE IT RESOLVED:

That this National Assembly records its deep regret on the death of Mr. Hukumchand a/k Parag, on 24th January, 2016, and pays tribute to his dedicated service to the Parliament of Guyana as a Member of Parliament from 24th October, 1992 to 29th October, 1997, and to the people of Guyana;

BE IT FURTHER RESOLVED:

That the National Assembly directs that an expression of its sympathy be conveyed to his sorrowing widow, children and relatives. [*Mr. Rajkumar, M.P.*]

Mr. Speaker: Hon. Members, I was informed that the relatives of the late Mr. Hukumchand a/k Parag, are unable to attend the session today. There are two speakers on the motion. The first is Mr. Haimraj Rajkumar.

Mr. Rajkumar: Thank you Mr. Speaker. Mr. Speaker, I rise to move the motion on the death of Mr. Hukumchand a/k Parag. Be it resolved that the National Assembly place on record our

profound grief at the loss suffered by the people of Guyana on the passing of my Hukumchand a/k Parag on 24th January, 2016 and pays tribute to his dedicated service to the Parliament of Guyana, where he served as a Member of Parliament (MP) from 24th October, 1992 to 29th October, 1997 and to the people of Guyana. Be it further resolved that the National Assembly directs an expression of our sincere condolences and sympathy be conveyed to his sorrowing widow, children and relatives.

The late Hukumchand, a/k Parag, was born in the county of Berbice at No. 72 Village Corentyne, on the 18th October, 1946 to his parents Maharajia and Mahase Parag. He spent all of his childhood days in Berbice. He would have left his parents' home at an early age and started to live with his uncle Reginald Parag, a Headmaster, who thought him the value and importance of education. Mr. Hukumchand attended the Skeldon Lutheran High School and after finishing high school, he enrolled at the Teachers Training College and graduated as a teacher. After graduation, he would have returned to Berbice and taught at Line Path Secondary School for a few years.

In a quest for higher education, Mr. Hukumchand moved to Georgetown where he served as a teacher at the Queen's College, teaching History and at the same time enrolled at the University of Guyana (UG), reading for a Degree in Social Work. After graduation, Mr. Hukumchand became a Probation and Welfare Officer.

In 1981, Mr. Hukumchand was posted to the Essequibo Coast. He moved to Essequibo with his family and would have remained in Region 2 for over 10 years, serving the people in different capacities.

The late Hukumchand was a member of the People's National Congress (PNC) and served the party for many years. In Region 2, the late Hukumchand first served as Probation and Welfare Officer and in the mid-1980s he served as a Deputy Regional Executive Officer of the region. In the late 1980s Mr. Hukumchand was appointed Regional Chairman of Region 8. In 1992, he was nominated as a candidate representing the People's National Congress going into the General Elections the same year.

The General Elections were held on the 5th October, 1992, and Mr. Hukumchand a/k Parag became a Member of Parliament of Guyana on the 24th October, 1992 and would serve in that

Parliament until it was dissolved on the 29th October, 1997. While serving as a Member of Parliament, Mr. Hukumchand, in 1994 enrolled at the University of Guyana in pursuit of a Degree in Law. After obtaining his degree, he attended the Hugh Wooding Law School in Trinidad and Tobago where he completed his legal education in the year 2000. Mr. Hukumchand returned to Guyana and established his legal chambers and began serving the people here. He had a passion for the criminal law and was very successful at the criminal assizes.

The late Hukumchand a/k Parag was a person with a wealth of experience who never hesitated to share his knowledge and experience with anyone. Mr. Hukumchand was a family man, a caring husband and loving father who instilled the value and importance of education in all his children.

The late Hukumchand was a true Guyanese and a patriot. He would have made contributions to the development of our country as a teacher, Probation and Welfare Officer, an Administrative Officer, Member of Parliament and an Attorney-at-Law; a multitalented individual who would have given his service in Berbice, Demerara and on the Essequibo Coast and in the interior of Guyana.

On the 24th January, 2016, after a brief period of illness, Hukumchand a/k Parag, the Teacher, Social Worker, former Member of Parliament and Attorney-at-Law, who would have served the people of Guyana for over 40 years, passed away at his home at Lot 126 'B' Laluni Street, Queenstown. He was 70 years old.

I would like to correct my earlier statement when I said he was appointed Regional Chairman. I have made a mistake; it was the Regional Executive Officer (REO) of Region 8.

The late Hukumchand a/k Parag is survived by his wife Edith Parag and eight of his nine children and his grandchildren.

I join with my fellow Colleagues of this honourable House to express our condolences to the widow, children and grandchildren and other relatives of the late Hukumchand a/k Parag.

May his soul rest in peace. [*Applause*]

3.18 p.m.

Mr. Ali: Today, we are here to celebrate and reflect on the life of a true Guyanese, one who has made tremendous contributions to the development of our country. We are here to pay tribute to the contributions he would have made, not only during his stint as a Parliamentarian, but as a teacher, public servant and a top official in the regional governance system of Guyana. Mr. Hukumchand or Hukumchand Parag, was born in Berbice on 18th October, 1946. He left this world on 24th January, 2017. He was the father of nine children. He was the grandfather of 14 and one of four siblings. Mr. Hukumchand taught at the Fryrish Primary School - during the period 1966 to 1977, Black Bush Primary, Kwakwani Primary, Line Path Secondary - in Skeldon and Queen's College in Georgetown.

His postings by themselves would tell us that this was an individual who worked in almost every corner of our country. During those times, and even now, we know how difficult it is sometimes to have persons posted at different locations. He would have sacrificed being away from his family and home in service of the people of this country. I think that we all owe it to his family and him to give a round of applause in his honour, in this National Assembly.

He joined the public service in 1977, as a Probation Officer, in the Probation and Welfare Services Department until 1985. Again, he served in Regions 2, 4 and 6. During this period, he completed a Diploma in Social Work from the University of Guyana. He then served as Deputy Regional Executive Officer (DREO) in Regions 2 and 8, showing the diversity of the man that we celebrate today.

At a ripe mature age, he went on to complete a Bachelor of Laws (LL.B). Afterwards, he went on to the Hugh Wooding Law School in the year 1998 and was awarded the Council of Legal Education Certificate. He was admitted to both the Guyana and Trinidad Bar in 2000 and 2006, respectively. He practiced, predominantly, Criminal Law. From the legal paternity, they would all conclude that Mr. Hukumchand was an effective lawyer who achieved tremendous results. As a matter of fact, as a Criminal Lawyer, when he back, in a very short period, he was able to make his name in that field being one of the most decorated Criminal Lawyers in a short period here in Guyana.

Mr. Hukumchand earns the respect that all of us here are paying to him and his family. All of Guyana should know that Mr. Hukumchand Parag, did his bid in the development and advancement of Guyana and Guyanese.

Thank you very much. [*Applause*]

Mr. Rajkumar: I thank the Hon. Member, Mr. Irfaan Ali, for supporting this motion and for recognising the contributions of the late Mr. Hukumchand Parag. I move that the motion standing in my name be conveyed to the sorrowing widow, children and grandchildren.

Question put and agreed to.

Motion carried.

BILLS – SECOND READING

FINANCIAL INSTITUTIONS (AMENDMENT) BILL 2018 – Bill No. 5/2018

A BILL intituled:

“AN ACT to amend the Financial Institutions Act.” [*Minister of Finance*]

Minister of Finance [Mr. Jordan]: Mr. Speaker, I rise to move that the Financial Institutions (Amendment) Bill 2018 – Bill No. 5/2018, published on 25th April, 2018, be now read a second time.

We are here today for a number of reasons, but principally to ensure that this Bill is passed. We are here because, in our last two Budget Speeches, we had signalled our intention to modernise and enhance the financial architecture of Guyana. Mr. Speaker, you would recall that it was in 2016 that we made amendments to the Credit Reporting Act to strengthen and to give full effectiveness to that Act, an Act that was a creature of the then Government that is now the Opposition. As a result of those amendments, I am told that, increasingly, credit reporting and risks, as measured by your credit, are being used by a number of institutions in Guyana. For such forward legislation, both of us in this House could take the credit.

Mr. Speaker, you would also recall that it was in 2016, I believe also, that we brought a substantive and substantial legislation to reform the Insurance Act. That legislation had been

debated on and was passed. Quite recently, the regulations – again, a very thick document - were also promulgated and that insurance is in effect. If time permits, and we go on to the second Bill before the end of today, we would be talking about the further amendments to be included in that legislation.

This Bill, together with another four that are on the Order Paper and others that would be coming to this House before the end of the life of this Parliament, including the Stock Exchange Bill and a Bill on Public Debt Management are... (including - the word means not unlimited, just a select few). These Bills, all in the financial sector, are designed to modernise our financial architecture and to anchor the financial stability of the country. Here, I am saying that financial stability is a condition in which the financial system as whole, consisting of the banks and other financial intermediaries - money, credit and capital markets and market infrastructures - is resilient and able to withstand any unexpected shocks or unwinding imbalances, thereby minimising the likelihood of disruptions, which are severe enough to jeopardise the efficient allocation of savings and the smooth flow of money and credit into the socially most beneficial users and activities.

It was the last Administration, during the last Financial Sector Assessment Programme (FSAP)... Let me digress a bit to indicate what FSAPs are. I appreciate that not all of us are that inclined. According to the International Monetary Fund (IMF), the Financial Sector Assessment Programme is a joint programme of the IMF and the World Bank. It was launched in 1999, in the wake of the Asian financial crisis. Financial Sector Assessment Programmes help countries reduce the likelihood and severity of financial sector crisis. The Financial Sector Assessment Programme follows a three-pronged approach, when looking at the country's financial sector. One - the soundness of a financial system versus its vulnerabilities and risks that increase the likelihood or potential severity of financial sector crisis; two - a country's development needs in terms of infrastructure, institutions and markets; and three - a country's compliance with the observance of selected financial sector standards and codes.

The last FSAP report resulted in a substantial amendment to the Financial Institutions (Amendment) Act 2004 - Act No.22/2004, which was signed into law by President Bharrat Jagdeo on the 30th November, 2004. **[Mr. Nandlall: Champion of the world.]** The Champion of dirt you said? Sorry. That Act, among other things, recognised some deficiencies in

the system, as identified in the FSAP report. For example, that Act limited financial institutions to making loans or extending credit to any parent company or subsidiary. It prescribed penalties to directors, officers and employees, *et cetera*, for giving false information. It has substituted section 30 of the Principal Act, to allow the Bank of Guyana to take charge of licenced financial institutions, which are in distress and so forth.

There were a number of insertions in the Act that effectively made the changes at the time to be, for want of another word, revolutionary, in that our Bank of Guyana was strengthened to deal with banks which would have been in crises.

3.33 p.m.

It was another decade before another FSAP was done, the last one being done in 2016. If I may just read some short snippets of what FSAP had stated. Essentially, it stated that the system was doing reasonably well, but that there were significant vulnerabilities which needed to be addressed and that in any case, to bring the Bank of Guyana's operations both on *par* with best practices and at least, as it relates to its counterparts in the region, to bring it up to standard.

In fact, in the Financial Safety Net Crisis Management Report, it was stated that since 2012, under the regime of the now Opposition, the bank had drafted an internal crisis management plan contingent on reforms of key legal issues and, also, it had drafted a deposit insurance scheme. I did not know that it was since 2012. That is on the Bill today, hopefully we will get around to it. However, Guyana's Crisis Management Framework needs improvement. The resolution regime should be able to achieve the orderly resolution of failing or about to fail institutions to preserve financial stability, while minimising the cost to taxpayers. In that regard, the Government shall first introduce an effective resolution regime, formalise the framework of emergency liquidity assistance and then launch the Deposit Insurance Scheme.

The mechanisms for all the remedial actions should be anticipatory. In other words, the bank should engage in proactive response and not wait until the crisis comes before it seeks remedial actions. To facilitate proactive responses, supervisory risk assessment should be strengthened and undertaken regularly by the Bank of Guyana. In addition, the recommendation was made that the Financial Institutions Act should be revised considerably to enhance the Bank of Guyana's ability to resolve failing institutions in an orderly manner. These are significant

observations and comments. Significant in the sense that, if we do recall, there was a failure of a financial institution in this country that has left a lot of depositors, today, bemoaning and losing confidence in the banking system. There was also a failure, not necessarily in the banking system, but in the insurance industry - Colonial Life Insurance Company (CLICO) and I will come to that. In terms of the Globe Trust and Investment Company Limited, this failure occurred in 2001. The lengthy process to resolve the failed institution reinforced the need for an adequate system to facilitate the orderly resolution of financial institutions in Guyana.

It was on the 9th June, 2015 that the Bank of Guyana was forced to revoke the licence of Globe Trust and Investment Company, following the company closing its doors on the 10th July, 2001. The 14-year period between closure and revocation was fraught with lengthy court proceedings which were contingent on the process prescribed by the Financial Institutions Act. This institution's failure marked the first test of the resolution elements of the Financial Institutions Act and revealed a number of inefficiencies in a process that negatively impacted all affected parties. Some of the underlying issues resulting in the protracted period of the resolution/liquidation included:

1. The right to a hearing – pursuant to section 42 of the Financial Institutions Act, which provides for an institution to be given the opportunity of being heard before being taken possession of by the Bank of Guyana. In July, 2001, the Bank of Guyana requested that the Globe Trust and Investment Company Limited's Board of Directors show cause why the Bank should not take possession of Globe Trust and Investment Company Limited. No response was received and the Bank of Guyana proceeded to take possession of the institution on the 21st September, 2001, more than two months after Globe Trust and Investment Company Limited closed its doors.
2. The Court's discretion to override and change the Bank of Guyana's decision - On the 27th November, 2001, the Bank of Guyana filed a petition for the compulsory liquidation of Globe Trust and Investment Company Limited, under section 49 of the Financial Institutions Act. The Court utilised its overriding powers and on the 25th July, 2002, it ordered a reorganisation of the institution. During that time, the faith of the depositors remained in limbo.

3. Unavailability of Investors - As ordered by the Court, an administrator was appointed on the 2nd December, 2002 to oversee the re-organisation of Globe Trust and Investment Company Limited. Between December, 2002 and November, 2005, several proposals for reorganisation were submitted by the administrator, but only a few investors showed interest and none were able to successfully acquire the institution. The last of these investors were informed by the Bank, on the 18th August, 2006. On the 24th November, 2006 the Administrator filed a reorganisation plan with the Court. Pivotal to the plan were the injection of capital, arrangement for new shareholders and the reconstitution of the Board of Directors. On the 7th February, 2007, the Chief Justice approved that reorganisation plan. All attempts to reorganise the operations of the Globe Trust and Investment Company Limited failed due to the administration's inability to acquire a suitable investor.

4. Liquidation and distribution of funds - As a result, on the 14th May, 2008, the Bank of Guyana filed an application to the Court for the liquidation of Globe Trust and Investment Company Limited. On the 14th October, 2008, the Court granted the order for compulsory liquidation and appointed the Bank of Guyana as the liquidator. Sections 52-57 of the Financial Institutions Act govern the process of liquidation and the distribution of funds in which the Bank of Guyana had to adhere. This period lasted for approximately six years, from October, 2008-June, 2014. So, one could see the long process, as envisaged by the existing law, that one has to go through, and even then it does not guarantee a satisfactory conclusion. Thus, following this last FSAP in 2016, it was recommended, among other things, that Part VIII of the Financial Institutions Act be amended to provide resolution powers to the Bank of Guyana and to the extent possible to limit the Courts' ability to reverse those decisions.

How do we compare with the rest of the Caribbean, lest we feel that we are putting in draconian legislation that is not seen elsewhere? The amendment to Part 8 of the Financial Institutions Act closely aligns with the 12 key attributes of effective resolution regimes for financial intuitions which have been issued by the Financial Stability Board in October, 2014. These are considered

to be best practices. The key attributes set out the core elements that the Financial Stability Board considers to be necessary for an effective resolution regime. Implementation of the key attributes should allow authorities to resolve financial institutions in an orderly manner without taxpayers' exposure to loss from solvency support, while maintaining continuity of their vital economic functions. These 12 attributes, which will be part of the resolution regime of any jurisdiction, relate to the following and these are attributes on which the Bill, today, has been structured:

1. Scope - This requires *inter alia* any financial institution that could be systematically, significant or critical if it fails it should be subject to a resolution regime which should be clear and transparent as to the financial institutions within its scope. Section 34 of the Bill provides for all licenced financial institutions to be subjected to the resolution regime.
2. Resolution authority - This key attribute lays out the requirements of the designated administrative authority or authorities responsible for exercising the resolution powers over firms within the scope of the resolution regime, as well as the need for operational independence of the same. Section 34 of this Bill designates Bank of Guyana as the resolution authority for licenced financial institutions.
3. Resolution powers - Broad and wide ranging resolution powers have been granted to the Bank of Guyana *via* clauses 39-57 of the Bill. These powers cover the elements of this attribute including:
 - (a) initiating resolution when a firm is no longer viable or is likely to be no longer viable and has no reasonable prospect of becoming viable.
 - (b) providing for timely and early entry into resolution before a bank is insolvent and before all equity is fully wiped out.
 - (c) transfer of assets and liabilities.
 - (d) establishing a bridged institution.

4. Set off netting collateralisation segregation of client assets - This key attribute requires *inter alia* that in the legal framework Government set off rights, contractor netting, collateralisation agreements and desegregation of client assets should be very clear, transparent and enforceable during a crisis or resolution of banks and should not hamper the effective implementation of resolution measures. Section 39 of the Bill details the powers and actions which the resolution authority, which is the Bank of Guyana or a provisional administrator so appointed, can take during the resolution process, including the imposition of a moratorium in payment for specified periods.
5. Safeguards - Clauses 58 and 58 (a) of the Bill detailed the safeguards to be exercised during the resolution and sets out the priority of claims. The rights of aggrieved parties to redress in Court are also recognised. In so doing, the crucial elements of key attribute five relating to:
 - (a) respect of creditors' hierarchy and the *no creditor worse off* principle; and
 - (b) legal remedies and judicial actions are fulfilled.
6. Funding of banks in resolution-The resolution tools in clause 45 of the Bill provides for resolution by the injection of private funds, recapitalisation, merger, acquisition and the transfer of assets and liabilities of the institution under resolution. Provisions are also in place *via* clause 8 of the Deposit Insurance System Bill for the Deposit Insurance Fund to contribute to the cost of revolving member institutions. Public funds and ownership are the last resorts.

The foregoing includes compliance with the elements of the key attribute, which requires that jurisdictions have statutory or other policies in place so that authorities are not constrained to rely on public ownership or bailout funds as a means of resolving banks.

3.48 p.m.

7. Legal framework conditions for cross border cooperation. Currently, the Bank of Guyana (BoG) is not prohibited from entering into cooperation agreements with cross-border supervisory authorities and it has already signed several Memoranda

of Understanding (MOUs) in this regard. This allows for the achievement of this key attribute which requires that the statutory mandate of a resolution authority should empower and strongly encourage the authority, wherever possible, to act to achieve a cooperative solution with foreign resolution authorities.

8. Crisis Management Groups – While these are not currently in operation regionally, the Bank of Guyana is not prohibited from entering into cooperation agreements with cross-border supervisory authorities and, as I said before, has already signed several memoranda of understanding in this regard. Hence, achieving the major elements which require home and key host authorities of all Global Systemically Important Financial Institutions to maintain crisis management groups with the objective of enhancing preparedness for and facilitating the management and resolution of the cross-border financial crisis affecting the Bank.
9. Institution Specific Cross-Border Cooperation Agreements – The main element of this attribute requires all Global Systemically Important Financial Institutions (GSIS)...At minimum, institution-specific cooperation agreements should be in place between the home and relevant host authorities which need to be involved in the planning and crisis resolution stages. The Bank of Guyana has signed both regional and international Memoranda of Understanding and is in the process of signing additional MOU with an international bank operating in Guyana.
10. Resolvability Assessments – To fulfil this key attribute, a new and very effective supervisory tool is introduced at clause 5 of the Bill, which is an amendment to Section 33B of the Principal Act. It requires that resolution authorities regularly undertake, at least for GSIS, resolvability assessments that evaluate the feasibility of resolution strategies and their credibility in light of the likely impact of the banks' failure on the financial system and the overall economy.
11. Recovery and Resolution Planning – As a result of the linkage between key attributes 11 and 12, the supervisory tool contained in clause 5 of the Bill will ensure compliance with the following major elements relating to: (a) recovery

plan – supervisory and resolution authorities should ensure that the firms for which a recovery and resolution plan is required maintain a recovery plan that identifies options to restore financial strength and viability when the firm comes under severe stress; (b) resolution plan – the resolution plan is intended to facilitate the effective use of resolution powers to protect systematically important functions with the aim of making the resolution of any firm feasible without severe disruption and without exposing taxpayers for loss; and (c) - regular updates and review.

12. The twelfth key attribute is access to information and information-sharing. This key attribute mandates that, at a minimum, jurisdictions should ensure that no legal regulatory or policy impediments exist that hinder the appropriate exchange of information, including firms’ bank-specific information between supervisory authorities, central banks, resolution authorities, finance ministries and the public authorities responsible for guarantee schemes.

Mechanisms are currently in place to facilitate the exchange of information and this will be enhanced with the enactment of the Deposit Insurance Bill and this Bill. In light of the foregoing, the amendment seeks to put in place a modernised bank resolution framework in keeping with established international principles. This will, in turn, remove all inadequacies of the current regime and provide for the orderly and systematic resolution of failing financial institutions.

The amendment also provides for triggers, quantitative and qualitative, which determine the appropriate resolution phase. When enacted, the resolution regime of the Bank of Guyana and Guyana will be on par with that of Jamaica whose resolution regime, under its Banking Services Act 2014, is the only other jurisdiction that has come close.

What are the benefits of these amendments? One: the Bill incorporates a modernised bank-resolution framework that addresses the deficiencies of the existing banking services regime since the current framework does not provide measures to adequately deal with the failures of banks. It also aligns with international best practices.

Two: the amendment grants the Bank of Guyana the resolution authority to exercise control in the event of an institution’s insolvency and to facilitate the timely and orderly resolution of

failing banks in a manner that protects all parties involved, since the procedures in the current Act are both cumbersome and protracted.

Three: the Bill empowers the Bank of Guyana to exercise its discretion in imposing sanctions where, in the opinion of the Bank, an institution or any of its members is/are in violation of any law or is/are operating in a manner that poses a threat to the financial system.

Four: in the event that there is a need for the Bank to initiate a resolution procedure, the Bill makes it pellucid that the insolvency process of banks should favour an orderly resolution regime. The Deposit Insurance Fund, which is under the Deposit Insurance Bill which is before this House, could be a source to finance and facilitate the resolution procedure.

Five: this set of amendments provides a methodical sequencing of resolution options for a troubled and financial institution.

The amendments to the Financial Institutions (Amendment) Bill, Bill No. 5 of 2018 are before the House for debate and subsequent passage. In so doing, as I indicated, it will lead to a modernised and strengthened financial system in Guyana. This is needed even more so with the coming of the proceeds from our oil wealth and, also, in recognition, even now, of the inadequacies that allowed non-performing loans, in particular, to be at the stage where they are.

Mr. Speaker, I commend this Bill to the House.

Mr. Speaker: Hon. Members, I see that we are a few minutes ahead of the 4 'o' clock hour. Perhaps, you may take the adjournment now and return at 5 'o' clock.

Sitting suspended at 3.56 p.m.

Sitting resumed at 5.07 p.m.

Mr. Speaker: The next speaker is the Hon. Member, Mr. Ali. You have the floor, sir.

Mr. Ali: Thank you very much, Mr. Speaker. First of all, let me say that we, on this side of the House, are in favour of the continuous modernisation of the financial architecture. As a matter of fact, it was under the People's Progressive Party/Civic (PPP/C) Government, as the Hon. Minister of Finance rightfully pointed out, that massive changes and modernisation of the

financial architectural framework of our country, the rules, legislations and laws were framed and brought to the National Assembly.

These laws are indeed in need of continuous review because the conditions are changing and financial situations are not static in nature. However, as the Minister of Finance rightfully pointed out, when we look at reviewing these laws and when we look at amending these laws, we have to look at it in context of what is happening in the country as a whole, in this instance, in the financial landscape and architecture of the country. We have to examine the existing conditions as they relate to the law that we are hoping to pass.

The Financial Institutions (Amendment) Bill seeks to do a number of things – establish financial stability, determine a process for liquidation and resolution powers to the Bank of Guyana. Very importantly, what the Minister of Finance did not point out is that it also limits the courts' ability to reverse Bank of Guyana's decisions.

The Minister of Finance, the Hon. Winston Jordan, pointed to the Globe Trust and Investments Company Limited scenario. I am happy that he has corrected something that has been peddled for a long time in the society, which was that Globe Trust and Investments Company Limited was because of a failure of the former President; it was when they wanted to look at it from a narrow race window. Today, the Hon. Minister of Finance stood up in the House and said that Globe Trust and Investments Company Limited was as a result of poor financial management and stewardship.

Let me say, that, while we cannot have a system that has severe delays in the way we handle matters of the process of liquidation, we cannot take away the Judiciary from such an important function or we cannot limit the Judiciary's powers. As you would recall, we have an example in the recent Guyana Bank for Trade and Industry (GBTI) scenario, Hon. Minister of Finance, when the Executive had direct orders in relation to Directors and stakeholders of the Bank. When there is a situation in which there can be a Government that exercises control and there could be abuse of powers, then this could be a serious breach of the banks' fundamental rights for justice. These rights are protected in the Constitution. We have to balance what we want to achieve with the constitutional protection and provisions also. Why can we not look at it from the perspective

of setting time limits and amending other laws, as it is in this Bill, to limit the courts' ability to reverse a Bank of Guyana decision?

It empowers the Bank of Guyana to exercise discretion in imposing sanctions when, in the opinion of the Bank, an institution or any of its members are in violation of any law or operating in a manner that poses a threat to the financial system.

5.13 p.m.

Again, the amendment would empower the Bank of Guyana to take action against a director or against someone who the Bank feels is acting in a way that could cause harm. For example, the question is: did the Directors of the Guyana Bank For Trade and Industry, in the most recent case, act in a way that the Bank of Guyana believe would cause harm? If the Bank of Guyana is convinced that is the case, then the Bank of Guyana could take action against that financial institution.

What is more frightening is that the Minister of Finance still has a hand in how the Bank of Guyana would operate because the Minister of Finance directs, in many cases, the Bank of Guyana. So, there would be political interference and, if political interference is there, then you could have decision based on political biases, political results and political outcomes.

The Minister of Finance rightfully said, as I said earlier, that these laws are needed to ensure that crises in the financial sector are avoided, to ensure that there is soundness of our financial architecture, to protect against failing institution and institution failures and to modernise and strengthen our financial system. Then, he gave an example of growing non-performing loans.

Let us examine what is taking place in relation to the financial architecture of our country as it is now. Hon. Minister of Finance, these numbers are just to give you an indication that things are not going right. The economy is not going in the right direction - the figures are from the Bank of Guyana - and we need to address this. We need to strike the balance. If we do not address these, then no law would be able to help us through the crisis we are going through now. Take, for example, the Bank of Guyana profit. The Bank of Guyana profit has declined from \$5.1 billion in 2014 to \$3.7 billion in 2018. The gold reserves have declined from \$25 billion in 2014 to \$3.2 billion as of June, 2018. The market securities moved from \$96.8 billion to \$85 billion as of

May, 2018. The international reserves moved from US\$652 million in 2015 to US\$485 million as of May, 2018. The Bank of Guyana deposits moved from \$21.4 billion in 2014 to -\$54 billion as of June, 2018.

If the Minister of Finance believes these are good figure, then we have a serious problem in our country. The Bank of Guyana profit reduced from \$5.1 billion to \$3.75 billion, which is a movement of 27.4%. The gold reserves reduced from \$27 billion to \$3.2 billion, which is movement of 87.2%. The international reserves moved from US\$652 million to US\$485 million, which is a movement of 25.6%. The Government's deposits moved from \$21.4 billion to -\$54.1 billion, which is a movement of -352%.

These are the issues we have to address. These are the issues that the Hon. Minister of Finance alluded to. He alluded to avoiding a finance sector crisis, but a finance sector crisis is already upon us. Our economy is not performing and so the Hon. Minister of Finance has an immediate problem on his hands.

Let us look at what is happening with the commercial banks and total non-performing loans. The Hon. Minister raised this. In 2014, it was \$18 billion; the total non-performing loans, in 2017, were \$29 billion. Non-performing loans, as percentage of total loans, has moved from 7.4% to 11%. Prime lending rates by commercial banks have moved up by a percentage point and total public sector deposit has moved from \$247 billion to \$268 billion only.

Overall, non-performing loans increased from \$18 billion to \$29 billion, an increase of 61% by the end of 2017. Non-performing loans, as a share of the total loans, will increase from 7.4% to 11% by the end of 2018. When compared to the average prime lending rates on average profit margin by our commercial banks, it fell by 5.4%. This is the reality. This is the financial architecture that this Bill is coming into.

Let us look at the returns on equity. In 2014, the Republic Bank Limited had a return of 22%; in 2017, the return was 4.6%. The GBTI, in 2014, had a return of 19.9% and, in 2017, the return was 4%. The Bank of Nova Scotia (BNS) had a return of 22.1% and, in 2017, it was 4%. The Demerara Bank Limited, in 2014, had a return of 33.8% and, in 2017, it was 5.5%. The Citizens Bank had a return, in 2014, of 17.5% and, in 2017, it was 1.4%. What about the Bank of Baroda?

The Bank of Baroda had equity of 18.6% return in 2014 and, in 2017, it was -1.6%. This is the reality.

So, when the Hon. Minister spoke about a sound financial architecture and a sound financial landscape, it is not sound. The Hon. Minister needs to address the issue frontally. The Hon. Minister should have come and said these are the problems we are facing right now: The economy is in distress; the economy is not performing; and the financial sector is heading into crisis; and, as a result of that, measures are needed. What are the measures that would address these situations? What are the measures that would reverse what is taking place in the financial sector?

The Hon. Minister needs to tell us whether, in forecasting, he is seeing any major crisis coming in relation to any bank and if it is a result of forecasting major crisis, he is trying to take preventative measures now to safeguard against those crises. But measures which could be put in place to address or avoid those crises in the future is lacking here and lacking throughout all the budget presentations that we would have examined.

Let us look at some other important statistics that would help us to examine the problem that we have here.

Mr. Speaker: Hon. Member, the Speaker has allowed a certain approach, but I believe that you should return to dealing with the Bill.

Mr. Ali: With full respect to you, Sir, I have not deviated from this Bill so far. The Bill speaks about developing a system to safeguard the financial framework of our economy. It seeks to protect the soundness of our macro-economic situation here in Guyana and we must address, definitively, how sound that system is now and then we would see whether the Bill addresses the situation at hand. We cannot avoid addressing the situation or addressing the circumstances under which the Bill has come to this House. If we cannot address the circumstances, we cannot understand the context of the Bill and why the Bill is here today.

Mr. Speaker: Hon. Member, this is a Bill that amends the Financial Institutions Act; that is the purpose of this Bill and this is the Bill that you must speak to now.

Mr. Ali: Mr. Speaker, as I said, the Hon. Minister, alluded to the fact that the Bill addresses some fundamental issues.

Mr. Speaker: Hon. Member, we are not going to do that. You will follow what the Speaker, right now, is recommending that you do.

Mr. Ali: Mr. Speaker, in following exactly what you have said, I would now deal with the Bill in the context of private consumption.

[Mr. Speaker hit the gavel]

Mr. Speaker: Hon. Member, let me interrupt you. Please have a seat. I say this to all Hon. Members. I do not know whether it is a blessing or a curse, but the Speaker has a fairly good hearing sometimes, and Hon. Members must be careful with the remarks they make in relation to pronouncements from the Chair. I say that to all Hon. Members. Please proceed, Mr. Ali.

Mr. Ali: Mr. Speaker, from 2014 to 2017, private consumption reduced by more than \$32 billion and growth in taxes has increased by more than 29%. Loans and advances to residences have declined by more than \$8.9 billion. It is evident that consumers now have less to spend and less confidence in the economy. These are the matters that we must address when we pass financial Bills. When we pass financial Bills, they must not just be to fulfil some conditionality; they must add meaning to the system. They must be able to point the private sector and the banks in the direction in which the Government is moving towards improving the system, creating wealth, ensuring that the rights of Guyanese are protected in the laws that we pass and ensuring that the laws are suited for the environment in which we operate. There is one thing to have archaic laws, but it is another thing to have laws that are not applicable to the condition that exists within one's country.

Let us use the aggregate consumption of key sectors; sugar...

Mr. Speaker: Hon. Member, what aspect of this Bill are you speaking about? What provision in these amendments are you speaking about? I have allowed enough of the presentation, which may be suitable for another occasion.

Mr. Jagdeo: He is speaking about the financial Bill. If you do not know *[inaudible]*

Hon. Member, Mr. Jagdeo, it is not helpful to the proceedings if you, as leader, present those comments. Now, Hon. Member Mr. Ali, focus on what we have here.

Mr. Ali: I have not deviated from the Bill up to now. In order for the population to understand the context of the Bill, we have to understand the financial architecture and the soundness of the system that exists. Unless one understands that, one would not understand how the Bill impacts the lives of people and the banking sector.

Mr. Speaker: Hon. Member Ali, that is why you were allowed so much leniency. I request that you now proceed to the provisions of this Bill. If you do not wish to do so or you cannot do so, then I would assume that you have nothing more to say on the Bill. Hon. Member, that is how you would proceed now.

Mr. Ali: Mr. Speaker, to say that I cannot do this is a misunderstanding of what we are discussing here, since what I am presenting here is allowing the population to understand, precisely and clearly, what the Bill is addressing and how it would operate in the economy.

5.28 p.m.

As I said earlier, we have a situation in the country where loans and advances to residents have declined by more than \$8.9 billion. Not only is the return on equity for the commercial banks declining, but loans and advances to residents are declining. Why is it that we have a decline in loans and advances? If the economy was performing and was creating opportunities, we would not have had a decline in loans and advances. What is more worrying is that 69% of the total non-performing loans are loans in the enterprise sector. Businesses are affected the most. The second level that is affected is the household level. So, businesses and households are affected the most in non-performing loans. As I said, from 2014 to 2016, non-performing loans grew by 67%. It means today, that, as we speak and look at modernising the financial architecture and financial system, 67% of the persons who took loans during that period are not in a position to repay or service those loans.

What does this mean? This means that the economy is heading into bankruptcy. Banks are already showing ...

Mr. Speaker: Hon. Member, stay within the confines...

Ms. Teixeira stood.

Hon. Ms. Teixeira, I have not given you the floor as yet. Please take your seat. Hon. Mr. Ali, you will stay within the confines of what we are doing. I have permitted you enough wanderings and so you will now stay within the confines. Ms. Teixeira, are you rising on a point of order?

Ms. Teixeira: Yes, Sir.

Mr. Speaker: Very well. Please proceed.

Ms. Teixeira: Could I ask the Speaker to please look at the Explanatory Memorandum on second page, third paragraph? It is the Explanatory Memorandum of the Bill and not what the Minister said. "The inadequacies of the existing bank ...

Mr. Speaker: Is this a point of order, Hon. Member?

Ms. Teixeira: Yes, Sir.

Mr. Speaker: What is the point of order?

Ms. Teixeira: It is in the explanatory memorandum that he talks about the inadequacy of the financial system. That is the context within which the Bill is located. The Explanatory Memorandum is what the Member on my side is trying to explain. Maybe, if you were familiar with it, you would understand what we are trying to do.

Mr. Speaker: I will say to Members that I have read the Explanatory Memorandum; I ask the Hon. Member Mr. Ali to return to the Bill.

Mr. Ali: As I was saying, we are not only going to make an assumption. I will now point the Hon Minister of Finance to some facts. Let us look at what is causing the belief that our economy is going into bankruptcy.

Mr. Speaker: What are you doing, Hon. Member?

Mr. Ali: Sugar has declined by 36.2%. Rice has declined ...

Mr. Speaker: Hon. Member, if you hear the voice of the Speaker, whether you wish to or not, you are to keep quiet. That is what we do, and that is what every Member should do.

Mr. Ali: Sorry, Mr. Speaker. I was engrossed in my presentation.

Mr. Speaker: You do not have to agree with the Speaker, but if you hear his voice, you stop what you are doing, you resume your seat and you wait. That is what we must all do. I will not speak over your voice nor can you speak over mine. I am saying to you that we have allowed a certain approach and we have had that approach. Now, let us hear about the weaknesses or the merits. Let us hear about those things.

Mr. Ali: To understand the weaknesses, we have to address the issue which was raised by the Hon. Minister of Finance, and that is the soundness of the financial architecture. Unless we address that, we cannot address anything else.

Rice has declined by 6.4%. Forestry has declined by 29.2%. Bauxite has declined by 29%. Our current account deficit has increased by 68.2%. Gold reserves have declined by 87.2%. Market security has declined by 5.8%. Government deposit has declined by 341.6%. Domestic credit to Central Government has declined by 271%. Domestic credit to the private sector ...

Mr. Speaker, we have a further problem. If you look at lending from the commercial banks, the Government is outstripping the private sector by leaps and bounds. The total lending to the private sector is 2%. The total borrowing by the Government is outstripping the private sector. Net deposits of public enterprises have declined by 41%. International reserves have declined by 22.4%. Domestic borrowing to finance budget deficit has increased by 200.9%. International reserves and gold reserves are declining. So, how is the Government financing the deficit? It is financing the deficit by borrowing. We are going back into a debt crisis, and, unfortunately, it is the People's Progressive Party/Civic (PPP/C) party that will have to return and clean it up once again.

The Bank of Guyana's profit has declined by 26.3%. This is the reality; this is the economic stewardship that the Hon. Minister of finance is talking about. As I said earlier, we are not going to argue against modernisation of the financial architecture. It is this Opposition, led by the then Minister of Finance, the Hon. Bharrat Jagdeo, that paved the way for the modernisation of the system. So, we are not going to speak against modernisation, but it must be done in the context of what is happening in the economy.

Before we look at these laws, we have to fix the problems. We have to fix the problems that currently exist in the economy, otherwise the economy is going to race into bankruptcy and the people of this country are going to suffer.

It is not one bank, but all of the banks - I have just read out the statistics - have tremendous reduction in terms of return on equity. Does the Hon. Minister of Finance not see this as a problem? All we are raising these issues for, today, for the Government to work on addressing them. We have laid a menu of measures in a motion to safeguard and protect the economy, but the Government is too proud to look at those measures. But we have presented those measures because we have the interest of the private sector and the people of this country at heart.

I want to conclude by saying that the objective of this Bill is clear. The A Partnership of National Unity/Alliance for Change (APNU/AFC) Government is on the verge of insolvency. Profits of the Bank of Guyana are declining rapidly when compared to 2014. Government deposits have shrunk by more than 341%. International reserves are plummeting. Import cover is below three months. The international standard is three months. We are talking about international legislation and coming into modern legislative framework, but we are having far more problems. Our import cover has fallen below the international level of three months to 2.3 months right now. We are not addressing those issues; those issues are not important for this Government.

Our commercial banks are indeed highly liquid. So, what is the agenda? We see a \$30 billion bond but no details. The Government is increasing its borrowing, not only internationally but now from commercial banks. One may want to question the agenda. What is this agenda? Is it a plan by the APNU/AFC Government to raid our citizens of their resources? Are their eyes set on the liquidity of the commercial banks? Is it the case that the liquidity of the commercial bank has excited the Government and they are now looking to finance Government operations from that liquidity? These are questions on the minds of Guyanese.

I close by saying that we will never oppose the improvement of the system, but we will not stand and see the system and our economy derailing into bankruptcy and stay quiet. We will not do that. We have a duty and a responsibility, and we are going to execute that every time and everywhere we are given the opportunity.

Thank you. [Applause]

Mr. Hamilton: To begin, we have a situation, this week, like we had sometime last week when a Bill was brought before the National Assembly by the Hon. Minister of Communities. We were debating the Bill and we, of the PPP, had indicated that we supported the Bill, but the Government had a difficulty with us critiquing the Bill. It is the same thing that is happening today. The Government is incapable of understanding that we can support a legislation, but in the debate, we can critique the legislation and outline that, while the legislation might be useful, the conditions do not permit the legislation to be efficient. I think that is what my Comrade was saying.

The legislation will not, and cannot, bring about efficiency; the legislation is to police the system. My Colleague was outlining and indicating to the Government that there is a lot to do to make the financial architecture efficient and sound before this legislation can really make sense. I think that is the sum total of all of it.

I heard the Minister of Business who wanted to know if we are supporting the Bill or not. My Colleague stood up and the first thing he indicated was that we would not stand in the way of any legislation that is to modernise this country of ours. We would not stand in the way of any legislation that is to modernise the financial infrastructure. But, at the same time, we use the opportunity to point out to the Government, who might not have noticed, and to indicate to the citizens that these are the prevailing conditions within which this Bill is being presented.

Now, the lawyers would say that when legislation is brought it is to correct some mischief. The question that the Minister must answer, when he stands, is to indicate to us and the people at large what the mischief is that he is attempting to correct by the legislation. He did not do that in the first round. The Hon. Minister spent half of an hour speaking to other matters before he got to this legislation, and I thought that was important to note. He spoke about the World Bank and all of these studies and he was not asked, urgently, to get to his own Bill. I just say that in passing.

5.43 p.m.

What is the mischief? Is it that the Government is aware that our banks and the banking system might be in distress? If that is it, the Minister must tell us this afternoon, frankly and pellucidly must make it clear to the nation. The Minister has great experience in these matters. He has been around for a long time and he must know symptoms of pains to come. Is it that the Minister

recognises also, as my colleague indicated, that the economy might be rushing headlong into bankruptcy, also known as (aka) the Hon. Carl Greenidge? It is important and useful when the Minister stands up to speak to us and to wind up his debate that he indicated those things to the nation and to the National Assembly.

Whilst I was going through this Bill I am reading, for whatever reasons, actually every section and every clause, Globe Trust and Investment Company Limited keeps jumping out at me. I do not know why. When I look at it, I am reading and saying, if all of these measures were in place then, as indicated by the Minister in 2001, maybe all the lamentation, weeping and gnashing of teeth, we had, would not have happened. All the ordinary people, the poor people, all of the students who had deposits in the Globe Trust and Investment Company and the ordinary people who had savings there for their children.

I recall Mr. Kenneth King, who had a Sunday programme and who was the man that batted for the Globe Trust and Investment Company Limited,...The African Cultural and Development Association (ACDA) had the students' savings loans, I think. He spoke to that issue and encouraged ordinary people to get involve and to deposit money into that institution. The Minister of Finance indicated the usefulness of this legislation, to ensure that another Globe Trust and Investment Company does not take us through, as he said, a 14-year sojourn. I think he said the conclusion of the matter was in 2015 and the problem started in 2001.

The question that the Minister must answer for these three matters: One, what will be the cost for the implementation of the provisions of this legislation, the cost to the financial institution, the cost to the banks and the cost to the citizens? We know that any new cost that the banks have to bear, via any legislation, those costs are passed on to the citizens who are the customers of those banks. The Minister must answer these questions. When this legislation comes into effect, would it be about additional cost for the banking sector to operate? Secondly, would it bring about additional cost for us as citizens who are depositors in those banks and who use the services of those banks and will the cost of those services go up?

Not so long ago, you could have deposited a Bank of Guyana's cheque and change one in any bank in Guyana. Now you have to pay a \$500 fee to change a Bank of Guyana cheque. The cheque could be \$500 and you have to pay a \$500 fee to change it. That has been so all the

decades. I have been working with the Government since 1972. You could have gone to any bank and cash your pay cheque or your Bank of Guyana's cheque free of cost. Now, there is a charge at the private banks to change a Bank of Guyana's cheque. The Minister must answer the new cost that would come along with this legislation.

The other issue is that the Minister must commit to us that these provisions would be supervised in full ways, in an objective way. That is what he must say to us about these new provisions because when you read them they are some very harsh provisions. The Minister must say to us, in the conversation he had with the banking institutions - I am told that there was a meeting between the banking institutions - as legislators, what were some of the concerns the banking institutions might have had, in the conversation with him, about some of the provisions that are there in this legislation. The statistical review was done by my colleague under great pressure.

As I started, I will end by asking the Minister to indicate to us, what is the mischief? I would ask him to indicate to us whether there are any indications that banking institution's in Guyana might be in distress and this Bill is attempting to put provisions in place to deal with those distresses when they arrive.

As I said, we on this side have no difficulty as my colleague who started indicated which the Government is attempting to pass a legislation to modernise our financial architecture. We hope that the critique and the issues raised by my colleague would be taken into consideration when the Minister is responding and winding up his debate.

Thank you very much. [*Applause*]

Mr. Dharamlall: I would like to join with my previous two colleagues, the Hon. Member Irfaan Ali and the Hon. Member Joseph Hamilton, in expressing that the Opposition - I prefer to say the People's Progressive Party - is all in favour of any framework, whether it is legislative, financial or whatever they are, that would build our country and any framework that would enhance the productivity of Government in service to its people that we will support. At the same time, I would also like to join with them in our critique of the Financial Institutions (Amendment) Bill that it needs to be put into perspective.

From a historical standpoint, what is taking place in our country today is reminiscent of what occurred more than two decades ago. I say this because in the 90s and even at the turn of the century, we have had tremendous challenges up to the point of 2015, for example. We have had a global financial crisis; we have had a housing bubble; we have had issues of global terrorism and we have had issues globally again of money laundering, drug trafficking, human trafficking. Our economy during the periods, especially from 2000 to around 2014, withstood those pressures and we were able to have continuous successive years of economic growth and of prosperity, to the extent that the middle class in Guyana became the most influential in our country. We did this because we have a genuine concern for poor people; we have a genuine concern for creating jobs; we have a genuine concern for fiscal management; we have a genuine concern for economic management of our country and we have a genuine concern for proper conduct of the financial affairs of Guyana.

Whist I do not want to repeat what the Hon. Members Irfaan Ali and the Hon. Joseph Hamilton said before me, I would like to emphasise, Mr. Speaker, that in researching to come before you this afternoon, you would recall that we have had immense successes, as I said, particularly between 1993 and 2014 when we reduced unemployment from the highs of the 1980s, 85% more to less than 35%. We have had years, almost a decade, of continuous positive upwards of nearly 4% economic growth whilst the Hon. Minister of Finance over the last three years has emphatically come to National Assembly and has stated, without any fear, that he continues to recalibrate the growth of our economy downwards - always downwards. That is why it is so important that the framework that the Hon. Member Irfaan Ali laid out we take cognisance of them because banks operate in a financial system. The economy of our country bears many consequences on the financial system of our country and the performance of our banks, especially when the Minister spoke about resolution of banks or resolving insolvency conditions of banks. I think the questions of the Hon. Member Joseph Hamilton are also important and relevant for us to ask.

I would like to echo the sentiments of my dear friend Hon. Member Anil Nandlall that if the Hon. Minister is not cognisant of the environment of the macroeconomic environment of our country and the genuine needs of the clients and customers of our banks then the amendments that he is seeking this afternoon are totally irrelevant.

5.58 p.m.

The Government recently sought a US\$35 million loan from the World Bank. The Hon. Minister spoke about it. The loan is titled “The International Development Association (IDA) Programme Document for Proposed Programmatic Development Policy Credit Series to the Cooperative Republic of Guyana.” The PDPC, that is the Programmatic Development Policy Credit, supports reformed efforts to reintroduce some financial sector development and to strengthen system management. In a two-series operation hinged on three pillars of policy reforms. One, support to Bank of Guyana’s ability to manage financial stress, including establishing a deposit insurance scheme. Secondly, support to regularity reforms for the insurance sector as well as domestic and international payment transactions. Three, support to stronger financial management through a Sovereign Wealth Fund (SWF) for intergenerational savings, better debt management and improved public investment management.

The conditionalities of this loan, these are some of the indicators: one, operational procedures in place to undertake resolution with modern tools, including purchase and assumption options. The target or the assumption here is that we will have a Government of Guyana (GoG) Resolution Committee. There is something else in one of the nine indicators that I would like to mention to you, Mr. Speaker. That is indicator six. It states that number of the Financial Intelligence Unit (FIU)’s reports refer to the policy of money laundering investigations should be at least 25 cases between June 2019 and June 2020. That is one of the benchmarks of this loan.

The loan also speaks about a Sovereign Wealth Fund to be established. We are three years into this Government and we are still yet to receive and to discuss and to deliberate upon a Sovereign Wealth Fund for the people of Guyana in the National Assembly here today.

I raise these because I think it is imperative for us to understand that I do not think there is genuine concern by this Government to reform and to enhance the financial infrastructure of our country. I think the Government is doing, as I have usually said ‘check-box’ management. The Government received the loan, the Government has to meet conditionality’s of only US35 million loans to support the institutional framework for the SWF and the Government is coming here to create the impression that it is serious about modernising our financial infrastructure. How are we going to modernise the financial infrastructure of our country when our economy is

in the nose dive? When in over the last three years, everything has practically and drastically, as my friend Harry Gill is saying, crashed. All the economic indicators have gone. They have been torpedoed; they have all gone downwards.

When the Minister highlighted this issue of insolvency that the central bank, that is the Bank of Guyana, has to be strengthened to deal with, what is the subtle message behind what the Hon. Minister is saying? Mr. Joseph Hamilton asked some of those questions. Before I reiterate those questions, I would like to also quote from one of Guyana's most distinguished leaders, foremost economists and financial wizards, the former President Bharrat Jagdeo.

On 2nd July, 2018 in the *Stabroek News* newspaper, the Hon. Member Bharrat Jagdeo said:

‘...an International Monetary Fund staff report which he obtained on Friday morning, Jagdeo said, “is ringing some bells about our future and the state of our economy.”

According to the report, he said, credit to the business sector in Guyana grew by 0.9 per cent in 2017, there is a high level of non-performing loans, and a large exposure as a percentage of capital.”

Some of the countries assessed, he said, have average exposure as a percentage of capital at about 20 per cent while Guyana's average is about 160 per cent of capital.

...the IMF... also noted Government's “expenditure increasing rapidly”...’

Mr. Irfaan Ali spoke about that, Hon. Member.

‘He said the most worrying thing is the overdraft from the Central Bank to fund Government's budget which the IMF said must be paid back urgently.

“We thought it was \$55 billion. From what we gather it is over \$100 billion Guyana dollars.” ’

It, therefore, brings into relevance the reasons why the Hon. Minister is here before us this evening. I would like to reiterate what the Government is trying to say when it says that the commercial insolvency model that we now have is ill-suited to deal with failure of banks. Hon. Member Irfaan Ali and Hon. Member Joseph Hamilton also questioned this and also emphasised

now that the Hon. Minister would like to see practical closure on the proceedings of insolvent banks using administrative proceedings. The Government needs to come clean to the citizens of Guyana, to the investors and to the financial institutions as to why there is a sudden fear in Guyana that banks will fail or that banks may become insolvent. It has not happened since independence. Why so suddenly are we facing with this nightmare? What is the subtle message behind these amendments? Our financial institutions, as others have said, are facing imminent dangers. Are they facing imminent distress? Is the Hon. Minister saying also that our economy is being so fearlessly driven downward that it is at a point of no return, therefore the worry about insolvency?

I would also like to join with the others to ask whether this mode of operation of the Government is to penalise financial institutions that do not kowtow, for want of a better term, with the directives and the admonitions of the Ministry of Finance and to the Bank of Guyana. For example, the triggers for entering the phase of resolution include both quantitative prudential indicators as well as other evidence that a subject bank is in an unsound condition. Such as its failure to meet standard financial obligations, legal certainties ensure, under the Part VIII of this amendment, by establishing that the breach of regulatory insolvency is grounds for progressive, corrective and interventionist actions. This was not a concern three years ago. It is a concern in 2018, a mere three years into this Government. The Government, again, is it saying that there is disarray in our financial system and that financial institutions are not productive and viable anymore and that whether the rapidly deteriorating economy is the cause for so much concern and stress in the financial sector?

I am of the view that the Government has caused this morass in the financial sector over the last three years. It is not right, and especially in cases of insolvency when the Bank of Guyana takes control, that our taxpayers would be used to frontload the excesses of this current coalition regime. The Government needs to focus, and I would like to recommend on creative ways of enabling business and to revitalise the economy rather than its popular penchant, misconduct in public office as is taking place with the myriad of procurement irregularities and unconstitutional actions.

I am also of the view, and I did mention it, that this Government has a fetish with consultancy reports which often times have tied down our economy as a result of illogical and ill-thought out

recommendations that do not take account of local circumstances, especially the welfare of and socio-economic conditions of the working people of our country. We must be wary that these additional burdens can increase transaction cost, can increase cost of credit which inevitably will be borne by unsuspecting clients and unsuspecting customers and borrowers. When that is done, especially on the cost of credit being increased, the ramifications for the cost of living, particularly for food and public infrastructure, will be far reaching and destructive.

Whilst the Hon. Minister will forge ahead with his amendments, in concluding, I would like to join with Hon. Members Irfaan Ali and Joseph Hamilton to reassure the Hon. Minister and to reassure the people of Guyana that we stand behind a modern economy, but we cannot allow the modern economy, which we all look forward to and that we all would like to build, to be held back by mismanagement through the efforts and apparently it has become the sterling efforts of the Hon. Minister of Finance.

I would like to encourage the Hon. Minister of Finance to take account of what we are saying this afternoon and in his response to ensure that whatever has been shared with the Hon. Minister of Finance that those things are taken into consideration as these amendments move forward.

Thank you very much. [*Applause*]

Minister of Business [Mr. Gaskin]: I rise to give my support of Bill No. 5 of 2018, the Financial Institutions (Amendment) Bill 2018. I do so in the hope that the strengthened provision contained in this Act will not become necessary to invoke anytime in the near future or even in my own lifetime. Fortunately, institutions do not collapse very often in our country. However, when financial institutions do collapse or fail, the consequences are severe and many innocent persons end up losing significant deposits and even their life savings simply because they had faith in a system which did not offer them proper protection.

I thought at first that this Bill would not have been contentious given its importance and given the strengthened regularity and protective regime it seeks to introduce into this critical sector of our economy.

6.13 p.m.

I was coming to this House at our last sitting on the 25th June prepared to speak in support of this Bill and honestly believing that it would have got the support of both sides of this House, but when I open the daily edition of the *Stabroek News*, of that particular day 25th June edition I was genuinely taken aback by a report, on page 2, about the concerns expressed by former President Ramotar about this Bill, and specifically his conclusions.

“The amendments are designed to in the future close down banks that are not in support of the Government of the day’s posture”

I have the newspaper here, in case there is any doubt as to the accuracy of the court. I could not have figured out what within the pages of this Bill could have led to such a misconceived notion.

Then I went on to the letters column of the same newspaper edition and I have noticed a letter by the Hon. Member Mr. Nandlall concerning the same matter and in his second paragraph he referred to the Bills that were up for discussion on that day as, “a slew of very technical pieces of legislation.” I ought to thank him for that assessment because it helped me to understand the problem that the Opposition was having with this particular Bill and why they might have been drawing conclusions that were not supportive by the contents of the Bill. In his letter the Hon. Member complained that the new Bills provide additional grounds on which the licence under which financial institutions operate can be revoked.

If I could refer to the Bill itself and to section 2, where it amends the section that deals with the revocation of licences, There are eight conditions under which a bank or the central bank may revoke a licence issued under section 6 to carry on banking business or financial business. Of these eight subsections, two are new. The rest were there in the principal legislation. I want to read the two new ones for this House.

“The Bank may revoke a licence issued under section 6 to carry on banking business if the bank or other financial institution -

- (a) has not fulfilled, is unlikely to fulfil or no longer fulfills the minimum criteria under section 6(1) for licensing under this Act;”

The other one is:

“(b) has provided to the Bank false, misleading or inaccurate information in connection with an application for licence;”

I fail to understand what is in either of these two provisions that were disqualified or would lead to the revocation of a licence could possibly be objected to. Those are key grounds to the revocation of any licence. You provide false information or you no longer fulfil the minimum conditions, you should not be in receipt of a licence. There are some additional provisions because the first set that I read were that the bank may revoke a licence.

There are three additional provisions under which the bank shall revoke the licence and of these three, two are new. The first one is:

“(a) the bank or any financial institution has been successfully resolved in accordance with section 45 and the licence is no longer required;”

This provision allows for the revocation of a licence or prescribes the revocation of a licence that is no longer required because the bank has been resolved. Again, I cannot see how many sane person can object to such a provision.

The second one is the final new provision for revocation of licence to which the Hon. Members who strongly objected.

“(b) the Bank after having exhausted to resolution tools set out in section 45(1)(a) to (c) or having determine their inadequacy for the licensed financial institution decides to initiate compulsory liquidation;”

Mr. Speaker, you are talking about having exhausted all the options and then going on to compulsory liquidation before the licence is revoked. Again, I cannot see how this even clashes with common sense. There is nothing here to object to.

We would continue with the letter. The Hon. Member contended that the amendments will limit the recourses to which these financial institutions can resort if agreed by a decision by the central bank. This is not evident in the Bill itself, the amended section 11, subsections(6),(7) and (8) which deal with the appeal are very similar to the provisions in the Principal Act. There is no great difference between them, and I read them.

“Where a bank or other financial institution is aggrieved by a decision of the Bank to revoke its licence under subsection (4) the bank or other financial institution may appeal to the Court within fourteen days of the date of the receipt of the notice of revocation setting out the grounds of such appeal and the appeal shall be heard by a Judge in Chambers who may confirm or set aside the notice of revocation of the licence, and the court’s decision shall be final.”

This applies specifically to the revocation of a licence and there is also a similar provision in the Principal Act, subsection (7) states as follows:

“An appeal made under subsection (6) shall not act to state any of the measures taken by the Bank in accordance with this section and the bank or other financial institutions shall cease carrying on the business as from the day notified to it as the date on which the revocation shall take effect.”

Again, there is a similar provision in the Principal Act. I am not sure that I completely understand the letter from the Hon. Member or what he was trying to get at. I know that he is speaking on this Bill this afternoon, so I would appreciate some clarification for him. I do have a copy of his letter in case he needs to refer to it.

The letter also goes on to complain about the draconian powers to take over financial institutions that are conferred on the bank, but if I looks at the Principal Act, there are already provisions in it for the appointment of an administrator or liquidator by the central bank:

“...such legal rights and protection in law as if he were appointed by the court”

As I said, I would be very grateful if the Hon. Member can clarify to this House what are the additional provisions in this Bill that he finds so draconian.

We have heard a lot this afternoon. A lot of which was repeated but one of the things that came up from the Hon. Member Irfaan Ali, was that of political interference. Something that jumped out at me when I looked at the amendment. The first amendment to section 11(1), it states here:

“The Bank may revoke a licence issued under section 6 to carry on banking business or financial business if the bank or other financial institution;”

Then it lists a series of infractions which would lead to the revocation of licence but what is important here is, it states, “The Bank...” the central bank, “...may revoke a licence...”

I want to contrast that with what is in the same section of the Principal Act and the slight difference in wording if notable. That one states:

“The Bank may, after consultation with the Minister, issue to any licensed financial institution a notice of intention to revoke its licence.”

It is clear that prior to this Bill the Minister was involved in the decision making to revoke a licence of a financial institution. With the passage of this Bill, the Minister will no longer have a role in that particular exercise.

While the Principal Act does provide for the resolution of failed financial institutions, the question is whether it does so in a way that guarantees a timely, orderly, transparent and well-structured resolution. These amendments that are before this House today seek to bring these elements into the resolution process so as to ensure an acceptable degree of certainty in the resolution of financial institutions.

We are not without examples of failed financial institutions in Guyana. A lot was said about the Globe Trust & Investment Company Limited and this is, therefore, not an academic discussion for Guyanese people. Guyanese understand the risk associated with failed banks and the risks associated with holding their money in banks. Our Government also understands the importance of stability in the financial system and the need for legislation to offer the best possible protection for depositors and for taxpayers and creditors that do business with our financial institutions while ensuring the viability of those financial institutions.

Many Guyanese can still recall that Globe Trust & Investment Company Limited issue and we know that it took almost 14 years for the eventual liquidation and the disbursement of funds. That was largely due to the inefficiencies in the process that led to that stage of the resolution process.

I cannot over emphasise the importance of properly regulated industries to the economic well-being of countries and also the development and advancement of the industries themselves. In order to have properly regulated industries, we need to empower our regulatory institutions with

the appropriate tools, to not only being about compliance, but to act decisively in the event of a failure or advent of a failure of any critical service provider. Our Government has been consistent in this regard in bringing to this House legislation and amendments to legislation to improve the regulation of critical industries such as telecommunications, insurance and food safety, to name a few. This is because we recognised that some industries and some businesses are simply too big to fail and, therefore, there must be an effective regulatory framework to reduce the probability of failure and also to reduce the impact of failure should it occur.

In the context of today's discussion, this is not new thinking, at least not internationally. The term "systemically important financial institutions" or SIFIs is used to describe financial institutions that because of their size, complexity and systemic interconnectedness would cause significant disruption to the wider financial system and economic activity should they be allowed to fail without an appropriate resolution regime in place. What is important to note when it comes to this Bill is that it does not stray far or deviate from international best practice for the effective resolution of financial institutions.

6.28 p.m.

The Hon. Minister of Finance did explain to us that the amendments in this Bill are aligned with the key attributes of effective resolution regimes for financial institutions issued by the Financial Stability Board (FSB) and these are considered best practices internationally.

The Financial Stability Board is an international body established as a successor to an earlier discussion forum known as the Financial Stability Forum. It currently monitors the global financial system and makes recommendations for its improvement. Its establishment arose out of a G20 London Summit in 2009 and the Board is currently based in Basel, Switzerland. While we do not have to slavishly follow what the rest of the world is doing or what certain international organisations are prescribing, we should also not ignore international best practices, especially where our own systems are found to be deficient. I would not go into the 12 key attributes recommended by the FSB because our Minister of Finance did a very good job in bringing those to our attention and explaining those for us.

I wish to just touch on some of the other comments that were made by the Hon. Members on that side of the House. The Hon. Member Ali gave what sounded more like a midterm economic

report. [Ms. Hughes: Screaming at nothing.] Yes, *en voz alta*. He spoke of his desire to support the modernisation of the financial architecture of Guyana. In speaking of the financial architecture, I am not sure how he connected the relevance of that to his later outbursts. He started to give his economic report and he was speaking more of economic performance and it was a bit like saying that this building has bad architecture or that there is no need for architecture because, maybe, the coffee in the lounge is too hot. I mean a total disconnect between the contents of the Bill and what he was trying to say.

Also, he seemed to just be waiting for an opportunity to create some sort of economic hysteria in the House. I think the Hon. Member understood very clearly that the media is present and I believe he did his best to make it sound as if Guyana was in some sort of economic crisis. [Interruption]

[Mr. Speaker hit the gavel]

I am not an economist, but I recognise an economic crisis when I am in one and when I see one. An economic crisis is preceded by a number of stages. First, there is a recession. A recession is a decline in the economy over a period of time. Our economy is still growing. It has never declined. It is still growing and it continues to grow. [Interruption]

[Mr. Speaker hit the gavel]

The problem is that the Hon. Member would like us to react to his declared crisis so that we can become distracted and lose focus of our long term plans. I know his Government was very good at dealing with short-term problems, which was what led us to the particular problem that we faced, for instance, with the Guyana Sugar Corporation (GuySuCo), but I do not want to deviate too much from the Bill. I just wanted to address a few of the comments that we heard.

The Hon. Member, Mr. Hamilton, who entertained us with some of his witty comments, said that the legislation or legislation in general is normally designed to prevent a mischief. He wanted to know what the mischief was that this particular Bill was seeking to prevent. [Mr. Hamilton: Sir, you said prevent.] I scribbled down what I thought you said and what I heard. Anyhow, he asked what the mischief was. I listened very carefully to the Hon. Minister of Finance and I did hear him say, he spoke about Globe Trust and Investment Company Limited

and the mischief. He did not use the word ‘mischief’, but the problem was the lengthy process to resolve a failed financial institution. That is the mischief this Bill is seeking to correct.

I noted, also, the comments of the Hon. Mr. Dharamlall, who claimed that his party had a genuine concern for poor people and a number of other things, including the proper conduct of the financial affairs of Guyana. Anyone with a genuine concern for poor people would be more vocal in their support for this piece of legislation, as well as the upcoming Deposit Insurance Bill, which I hope we would receive the support of the Opposition for. What almost floored me was his statistical review of the 1990s and his statement that there was an 85% rate of unemployment in 1993. [Mr. Hamilton: Is it the ...*[Inaudible]*] No. We all sat here and we all heard 85% unemployment. I do not think that any of us here can conceive realistically what an 85% rate of unemployment looks like, but that certainly would qualify as what is called a howler.

He also went on to speak about the World Bank loan and the conditions that needed to be in place and that one of the indicators was the number of the Financial Intelligence Unit (FIU) reports moving from 20 to 25 reports per year. I am wondering why he is so concern about an increase in the FIU reports. [Mr. G. Persaud: Keep wondering.] I will keep

wondering. I have noticed also that, in doing so, he is repeating comments made by the Leader of the Opposition. [Mr. Damon: Which he?] The Hon. Member, Mr. Nigel

Dharamlall. The point I am making is that his comments seemed very much a repetition of comments made by the Hon. Leader of the Opposition in a recent press conference, one of the one-man show press conferences. He was also very much concerned about the Financial Intelligence Unit reports moving from 20 to 25 per year, that being one of the indicators listed in the World Bank contract. I am not sure why there is such a concern about that. It is good that the Opposition is speaking in tandem because a lot of what was said by the Hon. Member Dharamlall was exactly what was said by the Hon. Leader of the Opposition during his press conference about two weeks ago. So, he is obviously on ... [Ms. Teixeira: Is that a

problem with you?] No. It is not a problem at all. *[Interruption]*

[Mr. Speaker hit the gavel]

I just want to refer to one of the remarks he made which was on the International Monetary Fund Staff Report.

Mr. Speaker: Hon. Member, I would suggest that you try to stay close to the point for which you were given the floor.

Mr. Gaskin: Thank you very much Mr. Speaker. I am merely trying to address some of the comments that were made on the Bill. A lot time was spent trying to detract from the economic performance during the period of our Government.

[**Mr. Hamilton:** Are you wrapping up?] Yes. I am wrapping up. I would not detain this House for very long.

I note the reference to the IMF Staff Report...

Mr. Speaker: Hon. Member, you have four minutes more.

Mr. Gaskin: Thank you Mr. Speaker. I did not read the entire report, but I did read the concluding statement of the report and something jumped out at me and that is that the medium term prospects are favourable. I would also say that nothing bad jumped out at me and anyone who reads - and it is available online - the concluding statement of that report, will realise that it is a very favourable report. To just extract a few obscured paragraphs from the middle of the report and then bring them to this House as if they are some commentary on the Bill that we are discussing today, I think it is a bit disingenuous.

In closing, I see nothing contentious about this Bill. It streamlines the resolution process and it allows for the early detection of potential failure and for recovery measures to be put in place. It avoids depositors and creditors facing the full brunt of failed financial institutions. Very importantly, it compliments and enables the implementation of the deposit insurance scheme, which is a key component of another Bill, which I hope we will be debating in this House very soon.

I commend this Bill for passage in this House.

Thank you. [*Applause*]

Bishop Edghill: Mr. Speaker, when we began this debate this afternoon, I listened to the Minister of Finance very carefully, both his tone and content. I am sure that he would have

recognised that whether it was the People's Progressive Party/Civic (PPP/C) that was in Government or the A Partnership for National Unity/Alliance For Change (APNU/AFC) that is currently in Government, this Bill and the four accompanying Bills, would have been necessary. I am sure that there is that acknowledgment.

The truth about it is our financial architecture needs to be modernised. When we look at this Bill that is under consideration right now, Bill No. 5 of 2018, which is the Financial Institutions (Amendment) Bill, along with the four others taken together, it is to bring us into that updated, modernised architecture of how we do business in Guyana. We have also learnt from the Minister of Finance that this Bill, along with the others, is largely driven by the reports and the studies that have been done over time and it is now necessary, more so as we prepare for the expanding of our economy with the possibilities of oil and gas. I would like to say that, we on this side of the House accept and have high regard for international help and for international consultants that come to Guyana for help, but one of the things that we must never do is seed out our sovereignty. We must never ever seed out our sovereignty.

6.43 p.m.

That is important because we must never be slavish - that we have to do whatever is being told to us. As a nation, in this National Assembly, we must decide what is best for Guyana and that is what we were doing here this afternoon. I would like to give the Minister of Finance and all of his Colleagues the assurance, like my other Colleagues, we agree that our financial architecture must be modernised. Like the Hon. Speaker said a little earlier, he would like to hear the critique of the Bill, its strengths or its weaknesses. That is all we are seeking to do this afternoon, and we will continue to do so.

I would have been more impressed and at ease if these five Bills, this one and the four to come, were being presented in an environment where our economy was inspiring confidence and where we had foreign direct investments outside of oil coming in. Maybe, the Hon. Member would like to have a single stream economy. I do not think that he understands what the *Dutch Disease* is. I would have been happy if we were having these discussions in an environment where people were having more disposable incomes, so that they could actually engage financial institutions and not run away or hide from them because of non-performing loans, like we are hearing. I will

come to that in a moment. Largely, while the mischief, as identified by the Hon. Member, Mr. Gaskin, seems to suggest that we must have a shorter time for the resolution of crisis in a financial institution, which we agree with, I would like to say that it must be rules-based and it must follow natural justice. I will point that out to you in a moment.

It has been a long journey. We had the first Financial Institutions (Amendment) Act in 1995. We have had amendments, now we are here 23 years later and we must acknowledge that what obtained 23 years ago, in terms of the financial architecture, was totally different to what obtains today. One of the things that I hope that none of us are being plagued by - when I came to the National Assembly in the Tenth Parliament and attended my first Parliamentary Training Session, the distinguished presenter, who I think was from London, spoke about how Parliamentarians do not read. Probably, those of us who read are being chastised for reading. If because you read, understand the issues, raise the concerns and you are being chastised, then we are really having a problem in this National Assembly.

We have to understand. Just two days ago, we attended a Guyana Manufacturers and Services Association's Limited (GMSA) luncheon, where the Ambassador of the United States of America to Guyana made a presentation. He was talking about the issue of crime from serving in various parts of the world. Minister, he made the point that oil and gas would not necessarily increase crime, but it is the fact that you would have more money and people that you would have crime. One of the things that is necessary, when I read this Bill, and is of concern to me, is that Minister – and I would hope that you would address it - how do we deal with the envy that would come from other nations about our own economic prosperity that is possible if the State is properly managed, when other countries and institutions in other countries are seeking to destabilise our internal financial institutions? That is lacking. I would hope that we would deal with that.

Let us go to some specific clauses in the Financial Institutions (Amendment) Bill 2018. I have noticed that the Hon. Colleague, who spoke before me, spoke about the revocation of licences. It would appear that a number of things were lost in him because he probably did not read all the clauses. Clause 35, speaks to the resolution of licensed financial institutions shall be conducted with specific objectives listed from (a) to (d). At clause (36) it reads:

“36. The Bank shall seek to minimize the cost of resolution and avoid destruction of value and the Bank shall implement the resolution option, including liquidation of a licensed financial institution that is least costly to the Bank, the financial system or the deposit insurance system.”

I would think for the operators of financial institutions, as well as the citizens who participate with those financial institutions, we should have some clarity or some more explanations on what you are deeming as the least cost principle. I have noticed from the original Principle Act to this Bill - largely for this Bill for those of you who would have read it, it is an expansion, further explanations and additions to some specific sections in the Principle Act. This is to make it clearer so that, when the lawyers end up in Court and all the rest of it, there is no grey area that anybody could hide under. Great! What are we talking about with the least cost option? At clause 37 (1):

“37. (1) The Bank shall initiate the resolution of a licensed financial institution...”

This is where I have a concern.

“...when it determines at its sole discretion...”

Sole discretion means, whoever is that person, they have the legal ability to be the only one who has the deciding power. This is of concern and I will show you why. Let me make sure that I get the section. At clause 37 (2)(i), “the bank shall take specific action...” and here is what it states:

“the Bank has reasonable cause to believe that the licensed financial institution or its executive officers have engaged or are engaging in criminal activities punishable by imprisonment of six months or more, in such a manner as to threaten the interests of depositors;”

It did not say if these people are convicted. It means that the person exercising the sole discretion only has to believe that these persons are involved in criminal activities or are likely to be involved in criminal activity. You could take specific action to close this institution down.

[Interruption]

[Mr. Speaker hit the gavel]

What is worse, at clause 38 (1):

“When the Bank has made a determination under section 37 it shall serve on the licensed financial institution a notice of its decision to initiate resolution of the licensed financial institution, indicating the grounds for the action and may specify the effective date and time in the notice.”

That is excellent, due process. Then we destroy all of our due process when we go to clause 38 (3):

“The decision of the Bank to initiate the resolution of licensed financial institutions shall be immediately enforceable.”

If the bank considers it necessary that the notice under sub-section (1) would provide that the resolution decision shall take effect immediately. So you give the man notice and move into resolution. He has notice, which is due process. He has time and all the rest of it, but then you take away that by saying, if the bank deems that the action must be taken immediately, forget about the notice and it, “shall be immediately enforceable.” There is no stay that could stop it. I believe there needs to be a balance to safeguard consumers, depositors and other citizens. We also need to have a balance to safeguard the operators of banks and financial institutions. That is what we are pointing out here; that we have some concerns tonight. *[Interruption]*

[Mr. Speaker hit the gavel]

I did not anticipate that my simple contribution would have aroused any noises in the House tonight. I would like to recommend Minister that you may want to review this or give us some assurance of how the two things would work. Maybe, I do not understand it correctly. I know we could take snipes at each other, but I am expressing a concern, as a lawmaker, having read this because it is conflicting.

When we look at the fact that this Bill is to ensure that we have a crisis management framework; that we do not wait until something is at the last wit’s end and nothing could be reversed before we act. In our crisis management operation, what my Hon. Friend and Colleague, Mr. Irfaan Ali, spoke a little about and it seem to have had some difficulty earlier is, if we are going to talk about safeguarding the consumers, the depositors and citizens from a failing bank, we also got to

safeguard our citizens from a failing economy. We have to ensure that that framework is there to engender confidence. The truth about it is, if you talk to all operators, a financial institution is useless, impotent and incapable of doing real business if the economy is not booming.

6.58 p.m.

He pointed out to us the figures of what is really taking place and that is a matter of concern.

[**Mr. Jordan:** So what are you saying that a booming economy cannot... *[Inaudible]?*]

Well, you are going to have an opportunity to respond.

The Bill addresses what could be considered as commendable, which is the developing of credible recovery plans and in the context of developing credible recovery plans they could be reviewed within short timeframes and then there could be extensions, I think up to twice and then action is to be taken. I believe this is a commendable approach, but I have not heard whether there would be accompanying regulations with this Bill. Maybe the Minister may wish to say if, along with this Bill, there would be some accompanying regulations which would put us in a rules-base, clearly spelt out and non-subjective environment to ensure that the same treatment that is going to one bank is being meted out to other banks and financial institutions. This is because the worst thing that could happen in our country right now is, if the operators of financial institutions lose confidence, not just in the state of the economy, but in the management of the institutions that they operate through their supervisory authority, we could end up having serious situations. I thought that I would bring these few observations to the Minister of Finance and to simply say that, while we see that there is a genuine effort, I use the term 'genuine effort' carefully, to get legislation through the House, the views that are expressed, even though some of us believe that they are unnecessary, it is *two hands that clap*. This is because sooner or later, we do not want to be coming back to this House to make amendments, after we would have made amendments. When we could take the time and discuss these aspects and, perhaps, do better.

Mr. Speaker, I want to thank you for allowing me the opportunity to make my contribution to this Bill. *[Applause]*

Mr. Speaker: I thank the Hon. Member for his statement. Hon. Members, we are at the 7 o'clock hour. I suggest that we take the half of an hour recess and return at 7.30 pm.

Sitting suspended at 7.02 p.m.

Sitting resumed at 7.55 p.m.

Mr. Nandlall: The Bill that is before the House is one of a series of financial Bills that are very complex and have deep and far reaching ramifications. About four months ago, these Bills were laid in this House and since then I have been wondering what inspired this sudden slew of Bills to be laid before this House. I even wrote a letter in the *Stabroek News* newspaper, in which I observed that law making is not an abstract exercise but that law making is driven always by a reason. In that some identified deficiency must exist somewhere and there is now an attempt to rectify that deficiency.

Nothing has changed drastically in our fiscal and financial sectors to have precipitated the sudden emergence of these Bills. Then the Hon. Minister of Finance disclosed, sometime thereafter, that we were fortunate or we are going to be fortunate to be the beneficiary of a \$35 million loan from the World Bank. Right away, my interest was titillated because, having regard to the generic nature of the Bills, the style of the structure of them and the language used, I knew, immediately, that there were not products originating from the Attorney General's Drafting Department - no disrespect meant. I knew that there were driven by an external source. Therefore, when the Minister made that announcement I got a clue and so I went to the World Bank website. When I examined the conditions of the loan, I realised that the Hon. Minister had already committed to the World Bank that the Ministry of Finance will bring these Bills to the National Assembly in satisfaction of certain requirements identified by the World Bank. I listened carefully to the Hon. Minister in his presentation here earlier this evening and I did not hear him admit to that reality.

We have to be full and frank in our disclosures in this House because the people are entitled to that kind of information. Loans taken by a Government are not to be repaid by individual Ministers, but are to be repaid by the people of this country. Therefore, it is incumbent and it is the duty of every Government, when it borrows money which shall become the liability of the people of this country, that Government owes a responsibility to the people to explain in great details the *conditionalities*, requirements and the details regarding those loans. I daresay that the Hon. Minister has abysmally failed to inform us, frankly and candidly, that these Bills are to

satisfy *conditionalities*, which must be met within a certain timeframe before there can be disbursement. Sir, why do you think that we are suddenly sitting two days in a stretch after months of interregnums in sittings? This is no coincidence. We are sitting here tonight and tomorrow night because the Hon. Minister has given undertakings that these Bills must be passed. I say this so that I could illustrate to the people of this country that the lofty ideals that the Minister used as premise for this Bill, about the improvement of our financial structure and how good these Bills are and they are to improve our safety net, but those are not the reasons. Those are smoke screens and are not the reasons. The true reasons are because we have to satisfy those international requirements.

The other question is why do we need the \$35 million? Why this sudden haste to access the \$35 million? Through valiant struggle, my Hon. Colleague, Mr. Irfaan Ali, was able to disclose to us some staggering and worrying statistics extracted from the Central Bank, not concocted at Freedom House, which paints a gloomy, but accurate picture of the economy. The picture that was painted by my Hon. Colleague is the reality of what exists today.

So, Minister of Finance, these Bills are not about the bailing out of the commercial banks in problems, it is about the bailing out of the economy as a result of the management of the Government. Which commercial bank in Guyana has problems? Which commercial bank, today or for the past five years, have shown any evidence that they have the problems that these Bills, we are told, are designed to meet. [Lt. Col. (Ret'd) Harmon: Mr. Irfaan Ali just said that. He read all of the banks'... *Inaudible*]] Which commercial bank? Other than Globe Trust and Investment Company Limited, which was an isolated instance recognised by the Hon. Minister of Business and the Hon. Minister of Finance, a bank whose financial state was as a result of its own corporate problems. The Directors of the Bank devoured the bank - that is the reality of the Globe Trust and Investment Company Limited. I sat during many hearings in the Court and my heart pained for the depositors who were there. Poor people lined up by the dozens, and when one looked at the liabilities on the balance sheet, one would have seen Directors. The main borrowers of the depositors' funds were the Directors.

Then we had the Colonial Life Insurance Company (CLICO), which was as a result of what had happened externally. There was a domino effect. CLICO did not originate in Guyana. CLICO had problem with CLICO International in Trinidad and other jurisdictions. Guyana was its

smallest of operations naturally. We do not have the situation now existing to meet the situation that the Minister is telling us. The reason is that we need to get the \$35 million. Sir, do you know what the loan is described as? On the World Bank documents, it is described as a development policy credit. It is not a loan for an identified project, for example, the building of a hospital or anything. It is for balance of payment support, which is to prop up the economy.

8.05 p.m.

We were told by the Hon. Minister that this loan was to prepare the economy and the financial sector for this great influx of revenue from the oil sector. That is what the Hon. Minister has reported in our presence here, that it is to prepare us for the great amount of revenue that we will get from the oil sector. He did not tell us that it was a bailout. It is to shore up the dwindling reserves at the Central Bank, which the Hon. Member, Mr. Ali, spoke about.

Once that is understood and once the Bill is seen from that perspective, then the picture becomes a little clearer. It is now public knowledge that we have had rapid decline in the country's foreign reserve. Not so long ago, the exchange rate slipped to nearly \$220 for US\$1. Then, we heard that it was *Nancy stories*. When the cambios and the markets were changing the US dollar at \$220 for US\$1.00, they were saying exactly the same thing – that it was *Nancy stories*. That is after the US dollar was fixed and stable at about \$200 for US\$1 for nearly 15 years. After about 1 ½ years in Government, they took it to \$220 for US\$1.

It is also public knowledge that commercial banks and cambios were threatened, which is in violation of the Foreign Exchange Act. They were threatened on how to buy and sell foreign exchange. Cambio dealers came to me to file legal proceedings because it was a violation of the Act. [Mr. Jordan: You did not.] They were afraid that their licences would have been revoked or not renewed. When we bring these kinds of regulations, we must bring them in an objective environment and not in an environment which is toxic with political interference. That is the problem with all of these Bills. They are intended to operate in a perfect society but we have a society where the entire Board of Directors of a bank were dragged off before a court. What was it for? An entire Board of Directors for a bank is before a criminal court. That is the reality of the society in which we live.

I saw the Governor of the Central Bank sitting next to the Minister of Finance taking instructions and answering at a press conference. That is like the Executive President and the Chancellor of the Judiciary holding a press conference. That is what it means. There is no independence of the Central Bank. All the powers that you are giving to the Central Bank, Mr. Minister, are very worrying. That is why I do not think it is coincidence that the Minister did not put a big photograph of himself consulting the banking sector. Why do you think he did not do that? The banking sector cannot be comfortable with these legislations. They are not insane people. The Minister, if he wants to be truthful, when he stands to speak, will tell us exactly what the banking sector said to him in relation to these Bills. They will never support this legislation. If you had owned a bank, you would never have supported this. Wait until I get to the part about the Central Bank Act and you will know why we cannot support it.

There was no real consultation. It was only after the Leader of the Opposition raised it in his press conference and we wrote letters to the press that a perfunctory attempt at consultation was made. I remember that, when we were in Government, that side of the House, when they were on this side, used to regale us with article 13 of the Constitution. Do you remember that? I have not heard that article quoted in this House since May, 2015. That article has been removed completely from the lexicon of the Government. They stood up here and said that they pledged themselves to consultative governance. All of that has gone through the window. Consultation is now an obstacle. It is a humbug.

Minister Bulkan told us the other day that he consulted in relation to the demarcation for the new Neighbourhood Democratic Councils (NDCs). With whom did he consult? We are getting new flags. He said that he consulted about that. It is a joke. The people of this country must know that the Government has no regard for them and that is why there is a continuous lack of consultation. On that note, permit me to refer to a beautiful article of great journalism in the *Stabroek News*' newspaper dated Monday, 9th July, 2018. It is an Editorial titled "Presidential press conferences."

The example is set from the very top. The *Stabroek News* Editorial states that the President should go in the Guinness World Records as the only Head of State who has not held a press conference in three years.

Where is the Hon. Prime Minister, my favourite Member of the Government? This is what the article states about the Prime Minister:

“Why the Prime Minister himself has not held press conferences may be directly linked to the fact that he does not have much of a portfolio...”

Where is the Hon. Prime Minister? It continues:

“...and whereas as PM he should be the principal assistant to the President this honour has fallen upon the Minister of State, Mr. Harmon who is the de facto Prime Minister.”

It is right here. **[Lt. Col. (Ret'd) Harmon: I think you wrote that editorial yourself.]**
It is the *Stabroek News*.

I said that to say that the lack of consultation and the failure to consult come from the very top. It is an institutional problem that we have.

There could be no doubt that these Bills, and in particular this one, will have some serious consequences for the wider private sector and the banking sector. We have not yet heard about, and my Hon. Colleague, Mr. Hamilton spoke about it, the cost of implementation. This cost will trickle down to the consumers. No bank will absorb the cost by itself.

The huge concentration of power in these receptacles which are identified in this Bill, the liquidator and the Central Bank, is going to be problematic because, as I said, we do not have the kind of autonomy that regulatory institutions are supposed to have.

This Bill – and I will deal with it a little more elaborately – has removed judicial scrutiny or has miniaturised judicial scrutiny. What we there is a dangerous combination – a preponderance and concentration of power in the Central Bank and the removal of judicial scrutiny from the Central Bank at the same time. That is the kind of authoritarianism which exists in the Government that is now being injected into the financial sector. You are increasing power, on the one hand, and reducing scrutiny on the other hand. Why do you want to do such a thing, Mr. Minister? If he wants to strengthen the financial sector, as the Minister told us, one would expect that the Bill would strengthen each commercial bank. If each constituent element of the whole is strengthened, the whole becomes stronger.

This is intended to weaken the whole. Instead of strengthening commercial banks to prevent licences from being revoked, this Bill makes licences more susceptible to revocation. What kind of strengthening is that, Mr. Minister? Rather than making it more difficult for commercial banks' licences to be revoked, you are making it easier for those banks to lose their licences. It is followed with a plenitude of draconian powers which would reside in the Central Bank when it takes over. I do not think that this Bill can even withstand constitutional scrutiny. [Mr.

Jordan: Test it.] The banks have a lot of money. They will test it. I do not have to test it because I will now read a few sections to illustrate my point.

The Hon. Member, Bishop Edghill, has already alluded to a most disturbing section; I think it is section 35. This Bank is not comprised of persons trained in the law. Dr. Gobind Ganga, the Hon. Gentleman, has no legal training but he is now being empowered to look at the conduct of directors of a commercial bank and determine whether or not they are involved in or are likely to be involved in criminal activities and he could shut down the bank on that basis. What kind of lunacy is this? This is *Django* town law; it is jungle law. There is no due process. This is a Bank. You are not dealing with a *logie*; you are dealing with a commercial bank. Could you walk into a commercial bank, which has billions of dollars of deposited moneys and assets, and look at the Board of Directors and say, "in my opinion, it looks as though you are going to commit a criminal offence" and shut down the whole bank? The Attorney General is not here, but I do not think that he would have contributed anyhow. I do not understand what kind of law that is. There are five lawyers on that side. Mr. Harmon, you would like to be Chairman of your party, I know, but you cannot tolerate these things. This is not about politics. We are speaking about the interest of our country. How could you reside such - draconian is not even the word anymore - savage power?

Even when the banks go to court, they are met with this:

"Legal actions against decisions of the Bank that exercise resolution powers shall not have suspensory effect or otherwise constrain the implementation of, or result in a reversal of, such decisions taken by the Bank."

8.20 p.m.

So, when the Bank of Guyana goes to the court, the Bank of Guyana could tell the Judge that he or she cannot reverse its decision. I am in *la la land* here. Are you restricting the inherent power of a High Court Judge as to what kind of remedy he could grant in a given case? The Constitution has assigned to the Judiciary the exclusive function to hear and determine case in accordance with law; that is the function of the Judiciary under the doctrine of separation of powers. You cannot alter that constitutional mandate by ordinary law. You cannot restrict a Judge's power by ordinary law. Section 53 (2) states:

“The reparation of justified grievances of parties affected by a decision of the Bank infringing any law shall be restricted to financial compensation.”

So, you could take over the Guyana Bank for Trade and Industry (GBTI) tomorrow. They cannot get an order to re-convey the property. They cannot get any order, other than an order of compensation.

The High Court is a court of unlimited jurisdiction. Do you know what that means? It could grant any remedy and any law that takes away that ability of the High Court would run afoul of the doctrine of separation of powers. They tried it in Jamaica. They created a gun court in Jamaica, by an ordinary law, and they said, in that law, that gun offences are going to be tried by a Magistrate and when the Magistrate makes the conviction, the sentencing is to be done by another tribunal that would be comprised of persons appointed by the social ministry. They wanted probation officers, *et cetera*, to perform the sentencing function.

Mr. Speaker: Hon. Member, you have two minutes remaining.

Mr. Nandlall: That case went to the Privy Council. Do you know what the Privy Council ruled? It ruled that, by ordinary law, a judicial function cannot be taken away and put anywhere else.

The entire section of this Bill, from 50 to the end of it, take away, *en bloc*, judicial remedy. The Bill appoints a liquidator, who, like a conquistador, seizes everything and one could only go to the court, you cannot reverse his decision, to be entitled to the remedy of compensation. The banks would never allow this. This is a private person; this is not an official of the State. The banks would never allow this to stand.

I have fundamental difficulties with this Bill. It is pity I cannot speak longer on it or else I would have gone into the other clauses to show that this Bill...Well, the Hon. Minister of Finance does not have good intentions with the Bill because he is trying to cover up the loan thing. So, I cannot even ascribe good intentions to you; you are not being frank.

The protection that the Bill seeks to offer are okay, I suppose, but not in the current formulation and the Bill is not intended to achieve the purpose that the Hon. Minister said. It is to satisfy a loan agreement to get a bailout of US\$35 billion to shore up the economy. We have an obligation. We all did resection of laws. When you receive laws, you have a duty to go through them to ensure that they are adaptable to the situation on the ground.

This Bill came from the United State of America (USA) which has different constitutional structure. They have a Federal Government and everything else. This is not suitable for Guyana. This would not fly in any Commonwealth Caribbean country. The Hon. Minister cited Jamaica as having legislation. I am sure, I could *bet my bottom dollar*, that the Jamaica legislation is structured differently. It has to be structured differently. With those few remarks, we cannot support this Bill. Thank you. [*Applause*]

Mr. Jordan (replying): I think the debate was going reasonably well until the last speaker. The very last sentence that he made confused me because it ran contrary to the grain of contention of the previous speakers, who did not object to legislation that modernises and improves the financial architecture of the country, although they had their little problems here and there. The last speaker is suggesting that, now, he cannot support the Bill. Is this the general trend of the Opposition? Do we have a new Leader of the Opposition?

Let me thank the speakers on both sides for their contributions. I was not quite sure, for much of the debate, whether we were debating this Bill or whether we were prepping for our budget 2019 presentation and rebuttals. But for what it is worth, and in terms of the contributions that I could distill, I want to say that this Bill did not fall from the sky. It did not fall like Manna.

This Bill, as I indicated earlier, is really a continuation of work that was started by the now Opposition, who was then in Government. I do not know why we have gone down the path that they seem to have gone down. I have here, for example, documentation as far back as 1995. There is a Development Credit Agreement that was signed on 11th January, 1995. By the way, it

is call the Financial Sector and Business Environment Project. It is a development credit and I would come back to the development credit that my Hon. Friend was talking about, the US\$35 million, because I did not mention any US\$35 million throughout the entire debate. I do not know where it came from, but since they raised it, we would talk about it too.

In this Credit Agreement, as far back as 1995, it talks about strengthening the Bank of Guyana and it reads, in part, that the objectives of the project were to assist the borrower, who was the Government of Guyana, in the implementation of policy reforms in the financial and commercial sectors in order to foster private sector investment and so on. Specially:

“1. Strengthening of BOG’s banking supervisory functions through:(a) the drafting and issuance of banking prudential regulations; (b) the training of BOG’s staff in the analysis and monitoring of the activities of financial institutions (including the acquisition and utilization of the equipment required therefor); (c) the drafting and issuance of directives for the carrying out of the supervisory and analytical functions and responsibilities of BOG; (d) the design and implementation of a credit risk qualification system for financial institutions in order to avoid concentration of credits in one or more borrowers (including the acquisition and utilization of the equivalent required therefor)”.

The trend continued through the 1990s when various development credits...the World Bank calls them development credits when they are coming from the soft window of the World Bank. It is called the International Development Association. They are called credits, but they are actually loans. They are soft loans - 1% pay back for 40 years and so on, which is no different from the one that we have just gotten anyhow.

There is another piece of documentation titled “Private Sector Development Credit, dated the 21st June 1995. This one is for \$10 million Special Drawing Rights (SDR), which is roughly about US\$12 or US\$13 million. The previous one, by the way, was for \$2.4 million SDR, which is about US\$4 million. Then, there is another here: First Amending Agreement Private Sector Development Credit, dated 21st June, for \$2 million more. [Mr. Nandlall: Please speak to the Bill.] We are speaking to the Bill, indeed. The argument is being made about where these Bills came from, whether the sky is falling and where the economy is going. I am saying to

you, Mr. Speaker, these Bills did not fall out of the sky. They have a history. I am coming to the history right up to where we are today. It is the history that you do not like, but it is all here.

There is another one, dated 9th June, 1997, for \$1.5 million SDRs, and so on we continue right up to 2004, the last time the Financial Sector Assessment Programme was done. This is called a Fiscal and Financial Management Programme Policy Base Component. That means it is Balance of Payment (BoP) support. Some US\$15 million was borrowed and among the activities that this money was going to be used for...By the way, it was a drawdown; US\$15 million went straight to the Bank of Guyana, just as how the US\$35 million would be going. We did not complain. There were conditions attached to the US\$15 million in 2004, when the last of it was used, such as tax policy and administration, financial management, audit and fiduciary oversight and so on. It talks about treasury memorandum. All those things were done not because the Government liked doing but because they were pushed to do it. It is right here.

We come now to the FSAP that was done in 2004 in which recommendations were made for the exact legislation that are being laid before the House today. Recommendations were made to improve the resolution and prudential oversight of the Bank and recommendations were made in respect of deposit insurance. All of these recommendations were made way back in that FSAP. Fourteen years passed and nothing was done. We come, today, to do the work that should have been done 14 years ago.

Now, Mr. Speaker, if you catch a cold and you do nothing about it, six months after when it turns pneumonia, you cannot drink Phensic. You would have to have stronger medicine; 14 years afterwards, you expect Phensic at a time when the world has gone pass...when there has been the Asian crisis, different housing bubbles and everything else. Do you expect us to not strengthen the regulations and not take opportunities of best practices in the world?

8.35 *p.m.*

We are not ashamed to admit that we got assistance in drafting the Bills. There is no shame. I might be the oldest person around in the Ministry of Finance and I can tell you that, since then, we have always had problems in drafting complex financial Bills. We have always had assistance. I can tell you that the present day Procurement Act was drafted by a foreign person. The Fiscal Management and Accountability Act (FMAA) was drafted by a foreign person. There

are a number of other Bills that were drafted by foreign persons. This is no shame. We do not have the skill set to do all of this drafting - no disrespect to the Attorney General's Chambers. In fact, they are doing a magnificent job in terms of what they have to do right now, but there are tremendous areas of the economy where there have to be new Bills, amendments to existing regulations and so on. All of this cannot be done by an overburdened Attorney General's Chambers. If we have to get help, especially with modern legislation ... right now, we are getting help with the Sovereign Wealth Fund legislation; we are getting help with the Petroleum Commission Bill and we are getting help with the Local Content Bill. What is wrong with that? There is no shame in this game. If we need help, we ask for help.

If we are going to get some money for what we are doing at highly concessional rates, the 1% repayment, 40 years' repayment and 10 years' grace period, it is money that we would take any day. It is the cheap money that even the Leader of the Opposition was talking about a couple of weeks ago – the kind of money that he said the Government should be borrowing. Now that we have borrowed it at 1% repayment rate, we hear some story being made up as to why the money was borrowed and whether it was borrowed for balance of payment support and so on. We had moneys from the International Monetary Fund (IMF) at one time that pumped up our reserves. We had a number of credit loans that pumped up the reserves. So, what is the problem? I do not see why that has to be an issue today. It is simply the way how the Government does business; it is the way how business gets done. **[Mr. Nandlall: Let us talk frankly.]** Frank or not, the US\$35 million is there.

Let me make it very clear today. We do not have to pass these Bills, today, to get the \$35 million; we have already gotten it. It has already been approved. We do not have to pass these Bills today. I do not quite understand anything about the Sovereign Wealth Fund being a precondition to getting \$35 million. The loan has already been approved. It is on the website and you could go there and read it. It has already been approved and everything else. What is the story? We do not have a Sovereign Wealth Fund Bill before this House, but yet we have gotten the \$35 million. When they come, they must come with the facts and stop peddling propaganda. Our Bills, today, are not satisfying any conditionality of getting \$35 million. We have already gotten the money. We do not have to worry about that.

Mr. Speaker, you heard today that there was no consultation and that it was only after some statement by the Hon. Leader of the Opposition and by the Hon. Mr. Nandlall that we rushed and did some consultation with the banking sector and so on. Again, I do not know where this propaganda is coming from. I can tell you, Mr. Speaker, that there appeared to be an orchestrated attempt, possibly originating in the Opposition, to get certain private sector organisations to put pressure on the Government. I say this because there was a flurry of letters from certain private sector organisations. All came to my office on the same day and on the very next day, in the newspapers, there appeared the Hon. Mr. Nandlall's letter. At his press conference, there was the Leader of the Opposition raising this issue.

I can tell you that the banking sector, in all of these matters, was represented by Mr. Morris John, Hand-in-Hand Trust Corporation Inc; Ms. Simone Clifton, Hand-in-Hand Trust Corporation Inc.; Mr. Anil Kishun, New Building Society (NBS); Mr. Jadoonauth Persaud, Republic Bank; Ms. Juanita Allen, Scotiabank Guyana; Mr. Arun Gupta, Bank of Baroda; Mr. Richard Isaba, Guyana Bank of Trade and Industry (GBTI); Mr. Shawn Gurcharran, GBTI; Mrs. R. Benjamin-Noble, Citizens Bank of Guyana; Ms. Frances S. Parris, Citizens Bank of Guyana; Mr. Eton Chester, Citizens Bank of Guyana; and Mr. Pravinchandra Dave, Demerara Bank. They were all there.

On Wednesday, 27th June, 2018, a letter was written to the Hon. Basil Williams and was copied to the Governor of the Bank of Guyana and the Hon. Winston Jordan, Minister of Finance. It stated:

“Dear Sir,

Re: The Financial Institutions (Amendment) Bill 2018

The Guyana Association of Bankers is seeking your kind consideration in granting the Association fourteen days to review the captioned Bill.

We thank you in advance for a favourable response.”

On Friday, 29th June, 2018, a letter was sent to the Hon. Basil Williams and was copied to the Governor of the Bank of Guyana and the Hon. Winston Jordan, Minister of Finance. It stated:

“Dear Sir,

Re: The Financial Institutions (Amendment) Bill 2018

Our letter of June 27th, 2018, in connection with the subject matter referred, we have since spoken with the Governor of the Bank of Guyana, Dr. Gobind Ganga, who assuaged the issues we intended to highlight. As such, we now advise that there is no need for us to comment further on the Bill. Our earlier request for 14 days to provide our comments and our recommendations is hereby rescinded.

We sincerely apologize for the inconvenience.”

We forgave them, but we recognise that it was an orchestrated attempt to frustrate the laying of and the debate and passage of the Bills. It was not the first time that the attempt was made. But on every occasion that these attempts are made, they are going to be foiled because we follow the consultative approach. We follow due process. So before they put you *up a gum tree* next time, without a ladder, be careful what you are climbing.

I have indicated why these Bills are here today. A couple Fridays ago, I was at the annual general meeting of the Guyana Oil Company Limited (GuyOil). It was held in Alexander Street, Public Road, Kitty. At around 7.00 p.m., when we were leaving the premises, someone approached me and said, “Mr. Minister, I just want to speak to you for a second. I know you are a busy man.” He asked when he was going to get back his money that he lost in the Colonial Life Insurance Company (CLICO). It struck me as a question, so I asked him, “What is the problem?” He said that they have not paid him. He said that he had a list of other people, which he is going to send to me, who have not been paid their moneys from CLICO. I do not know the issues so I suggested to him that he sends me the list.

But that is not the issue I want to raise. The issue that I want to raise brings me back to why we are here today trying to pass this Bill. It is not that a bank is about to fail tomorrow. We are not waiting for a bank to fail tomorrow; we are putting legislation in place to deal with eventualities. We are not going to wait for a bank to fail. Our system is increasingly being integrated into the world system - the global system and, with that, comes systemic and other risks, including cross-border risks. This is a reality that we have to take into consideration.

Anti-money laundering legislation and legislation required under the Foreign Accounts Tax Compliance Act (FATCA) are all matters that are intended to put more and more pressures on the commercial bank and put even more pressure on the Bank of Guyana to make certain that they have a command of the whole financial system. Those that are outside the system have to be brought into the system, because acts like money laundering can take place in a number of institutions, whether it is credit unions, cooperatives or whatever, and all of them lie outside of the existing financial system. So, Bills like this are intended to strengthen, modernise and give strengthened powers to the Bank of Guyana to (a) move swiftly and (b) restore confidence. If there is a run on the poor little banking system that we have there, it could destroy the entire economic system that we have. We cannot afford to wait until it happens to then put a strong system in place.

I hear the lament about us trying to curtail powers of the judiciary and so on. I am not a lawyer, but I do not know that we will bring legislation here attempting to do such things. The legislation was drafted by the Attorney General's Chambers. They assured me that the legislation is consistent with our laws and our Constitution and, therefore, I am taking their assurance that there is nothing in the Bill that limits the powers of the Judiciary.

I just want to assure the Hon. Bishop Edghill that getting help from the World Bank, the International Monetary Fund, or another consultant, does not mean that a country has ceded its sovereignty. We certainly, in this case, have not. Again, as I indicated, if we are going to get some help in doing some difficult Bills, as we have done in the past under all different Governments, then we will do that. I do not see where in this Bill we have ceded one ounce of our sovereignty. Sometimes, we see in draft legislation things that are not there or are not necessarily how we interpret them to be.

Our least-cost option, Mr. Hamilton, is really the effective resolution of a financial institution, either by purchase, assumption of debt, transfer of asset or legislation aimed to ensure that the maximum value is realised. Essentially, there are a number of options and the one that is going to allow the least cost is the one that we will choose. There are various options and we are not legislating one. So, I will not be too caught up over this. All legislation has some cost and some benefit. If the substantial benefits outweigh the minimal costs, then I suggest that it is one of the bases of implementing legislation.

8.50 p.m.

It is true that I do not know whether it is \$500 or not to change a Bank of Guyana cheque. I do not know whether it true at all, but let us say it is true. It is the price you would pay for modernity. It is the price for modernity. [Ms. Teixeira: That is the point he was making.]

Well, that is the price you would pay for modernity. There are automatic teller machines (ATMs), in which there were no ATMs 20 years ago. The bank may have to pay for the infrastructure that they put in. There are the internet and different things that they did not have 20 or 30 years ago. [Mr. Nandlall: Who will bear the cost?] My brother, competition will drive cost down. Do not kill yourself. This is not the era of socialism. That has died a long time ago.

In respect of regulations to the Bill, someone asked whether the regulations to the Bill will be put in place. I can indicate to you that there is already in place supervisory guidelines. And the intent would be to update these supervisory guidelines, to address the changes that we are making to Part VIII and to clarify and update the steps towards a rule based intervention. Again, the Bank of Guyana has a number of circulars and directives that it can issue over time, as I had indicated. The Directive Inspector Base exists, but it is going to be updated to take account of the changes that we are trying to put in today.

In conclusion, I want to thank the Opposition for what I interpret to be the support for the measures and ultimately the support for the Bill, notwithstanding reservations that might be announced. The Bill is good for Guyana. The Bill brings us in line with modern practices and it will also help to bring further confidence to our banking and financial systems.

Thank you very much Mr. Speaker.

Question put and carried.

Bill read a second time.

Assembly in Committee.

Clauses 1 to 6 agreed to and ordered to stand part of the Bill.

Clause 7

Mr. Chairman: Clause 7 is an amendment of Part VIII of the Principal Act by substituting for it the new Part VIII which is provided in this draft Bill. There is also added Part VIII (a). Clause 7 will be an amendment of Part VIII of the Principal Act and there is a Part VIII (a) which is entitled “Voluntary Winding up” which is also added to the amended Part VIII (a).

If you look at the Bill, we will see section 38 (5), in fourth line of subsection (5) there are the words “without delay so that”. Those words are replaced by “as soon as practicable provided”. I propose that those words form part of the subsection (5)(a) as read. It is in fact a correction to the text.

Amendment put and agreed to.

Clause 7, as amended, agreed to and ordered to stand part of the Bill.

Assembly resumed.

Bill reported with amendments, read the third time and passed as amended.

9.05 p.m.

INSURANCE (AMENDMENT) BILL 2018 – Bill No. 3/2018

A Bill intituled:

“AN ACT to amend the Insurance Act 2016.” [*Minister of Finance*]

Mr. Jordan: Mr. Speaker, I rise to move that the Insurance (Amendment) Bill 2018 – Bill No. 3/2018 be now read a second time.

This is just a quick amendment to the very comprehensive insurance legislation that was promulgated in 2016. The Insurance Act of 2016 provided a consolidated legal framework for the potential supervision of insurers. It gives effect to important Government policy objectives by enhancing:

- (i) the regularity framework;
- (ii) the financial soundness of insurers and the protection of policy holders through a new Solvency Assessment & Management (SAM) regime;

- (iii) introduce an introductory framework for insurance group supervision;
- (iv) it is aligned with international standards and best practices, custom made to emerging Guyanese circumstances in the post-Colonial Life Insurance Company (CLICO) debacle period.

The Act, drafted as framework legislation, contains the fundamental policy or underlying principles of legislation that are likely to remain unchanged well into the future. It addresses the basic or minimum issues, contains powers necessary to regulate insurers and delegates the power to make subsidiary legislation to the Minister of Finance.

This Bill seeks to amend the aforementioned Act and is in the main supportive of the protection of beneficiaries of life insurance. It was inadvertently omitted from the substantive legislation because it was intended that its provisions would have been incorporated as regulations to be made under the authority of the said Act. However, based on technical advice on grounds that because the issue had not been adequately addressed in the body of the previous substantive legislation, it could not be introduced in the regulations. There is, therefore, now need for it to be included by way of amendment to the substantive legislation.

I know the issue of consultation usually comes up. Here, no consultations were held since these provisions were already enforced under the previous Insurance Act of 1998. The provisions to be inserted existed as Part XX, Part XXI and Part XXII of the 1998 Act. At that time, it was brought before the House on the 30th November, 1998 after extensive consultations with the insurance industry, and passed on the 28th December, 1998.

The provisions relate, in the main, to the status and rights of beneficiaries of life insurance contracts. These life insurance contracts are very often affected by the insured with the intention of providing a capital sum for a specific purpose on his or her demise. It was thus quite common for the insured to designate an individual to whom policy proceeds should be payable upon his or her death. Such an individual is usually called the beneficiary. The right of such a person to recover the proceeds under the policy together constitutes one of the most important areas of life insurance law. It deals with a comprehensive way of the two categories of beneficiaries in the insurance law. One, beneficiaries who are subjected to the law of privity of contract and had no right to sue to enforce the policy effective for their benefit and, two, beneficiaries for whom a

statutory trust was created under the Married Persons (Property) Act legislation, that is the spouse and or children of the insured.

Ordinarily, where the deceased has a life insurance policy, upon his death, the insurance company will normally pay the sum insured to the deceased's personal representatives. This will then form part of his or her estate and will be distributed by the personal representatives in accordance with the deceased's will or the rules of intestacy.

However, by making use of section 11 of the Married Persons (Property) Act or by expressly assigning or writing the policy in trust for a person, the insured could guarantee that the proceeds of the policy are paid directly to the intended beneficiary, without first becoming vested in the personal representatives. Under section 11 of the Married Persons (Property) Act, where the insured expressly provides that the policy is for the benefit of his or her spouse and children, this affects a trust in favour of the spouse and the children. On the death of the insured, the proceeds of the insurance policy are then payable directly to the trustees of the policy for the benefit of the named beneficiaries.

If the insured wishes to benefit someone other than the spouse and children, the same effect could be achieved if the policy is expressly written in trust for the intended beneficiary or otherwise expressly assigned to him or her.

Several problems arose from this, including:

- (i) Where the policy was for the benefit of a named wife or child, an immediate vested interest in the policy was thereby created. However, if the named wife should predecease her husband, he was not free thereafter to treat the policy as his own, because the trust created by the policy did not come to an end upon the death of the named wife, but remained to be performed in favour of the wife's personal representatives.
- (ii) Where the insured effected a policy on his life for the benefit of his wife without naming her and the said wife that he is married to at the time he dies and he subsequently remarries, it became unclear whether the proper beneficiary was the

wife living at the time when the policy was executed or the new wife who survived him at the date of death.

- (iii) Divorce did not automatically bring an end to the trust created by the policy. In the absence of an agreement between the parties as to the disposition of that interest, it was left to the courts to determine how it was to be disposed. These problems surrounding beneficiary designations were dealt with under the previous Insurance Act 1998, as I said, before as Parts XX, XXI and XXII of the 1998 Act.

The Bill before the House today provides for the reinstatement of these parts in the substantive 2016 Act, wherein a policyholder will be able to designate either his or her personal representative or a named person to be his or her beneficiary under the life policy and to alter or revoke such a designation at any time by a declaration in writing, save and except where a designation is irrevocable. That designation may be made either at the time of affecting the policy or at any time thereafter. This is an important departure from the legal position that exists under the Married Persons (Property) Act which required contemporarily that the designation should be made at the time when the policy was effected, if the statutory trust was to be affected.

Insurance companies still observe these rules in practice today, since, at the time of consultation of the 2016 Act, they were promised that these provisions would be adopted as regulations. Similar provisions exist in Barbados, St. Lucia and Jamaica and were introduced as part of a model insurance legislation designed to be adopted by Caribbean countries, in an attempt to harmonise the regulatory law and other significant areas of the substantive law of life insurance. These modifications were influenced by both Australian and Canadian provisions.

Additionally, a beneficiary, under a will, does not affect a designation made under the policy. The Bill before the House today grants a statutory right to a named beneficiary to enforce payment of a policy affected for his or her benefit, even though there is no privity of contract. The role of the English common law that applied in past cases in the Commonwealth Caribbean, that the third party to a contract made in his favour cannot sue on it, will no longer apply in the field of life insurance. Insurance companies are prohibited from inserting into a policy an exception clause which will allow the insurer to avoid a life policy, if the policyholder is diagnosed with a disease he or she did not have or was not aware he or she had when he or she

entered into the policy. However, the bank may waive this provision if it causes hardship to the insurer.

Essentially this is the reasoning behind this Bill. It is nothing new. It is just an attempt to put in provisions that were in the 1998 Act but which for reasons now made clear, could not be put into the regulations and we are now seeking to amend the 2016 Insurance Act to provide for these four parts that existed previously and which, for all practical purposes, still continues to exist since they are observed technically in the breach by insurance companies.

Thank you Mr. Speaker. [*Applause*]

Mr. Nandlall: Sir, I rise to support the Bill that is before the House. As the Hon. Minister of Finance explained by omission, when we transitioned from the 1998 Act to the 2016 Act, somewhere along the past, these sections of the law were removed from the 1998 Act and not put back in the 2016 Act. The Minister explained that someone felt that that that person could have been made the subject of regulations. I do not know how that person could have come to that view.

These are substantive provisions, and they do not appear in the main Act, cannot from part of the regulations. Rightfully, we are seeking to correct a lacuna which now exists in our statutory structure and it is important that the Hon. Minister explained the important deficiencies which have been created or the unfortunate deficiencies which have been created because of this omission. It put husbands and wives as beneficiaries of an insurance policy in a precarious position, having regard to certain sections of the Married Persons Property (Amendment) Act, which has a provision that states where either spouse is the beneficiary of an insurance policy, then, for the purpose of matrimonial property, a trust is created and the property goes into that trust.

9.20 p.m.

This Bill, subsequently to avoid that trust, because that trust created a host of problems, in 1998 intervened the Married Persons Property (Amendment) Act, which was in 1991. In 1998 we started to cure that deficiency by allowing the proceeds of the policy to flow directly to the beneficiary and to make it unaffected by a will, the rules of intestacy or the Married Person

Property (Amendment) Act. When this was omitted that gap came back and that problem, which we experienced under the Married Persons Property (Amendment) Act, section 11, resurrected itself, so this is a timely intervention.

What the Minister has omitted to say, and I would hope that he would say it in wrapping up, is why we have deferred the coming into operation of the 2016 Act. No reason has been given for two years. The 2016 Act was assented to on 18th July, 2016 - I do not know whether Your Honour would permit me - by President David Granger and was not brought into force. The Act, itself, states that it would be brought into force by the Minister, two years passed and then the Act is being brought into force. That is something that we ought to avoid as legislators because if in the National Assembly, either by majority vote or unanimously, we pass a Bill here, it is our expectation that the Bill must be brought into force with every convenience speed. Unless, of course, the President, when it is presented to him for assent, exercises certain powers which he has under the Constitution, save and except in those circumstances, it is improper for a singular Member of this Assembly, in an executive capacity or as a Member of executive Government, to stay the operation of a law passed by this entire legislation. The court had to rule on that narrow legal issue recently in a matter filed in the High Court where a Minister did the same thing.

We have to cease this practice, because I see this Bill again. This one has retroactive effect. I presume that that is so because some regulations have been brought into force in April, but that is not the point that I want to make. The point that I want to make is that, first of all, there must be very good reasons for us, as a collective, delegating our collective power to a Member of the executive to bring an Act into operation which we passed here because it is subject to abuse. We have had that experience. We must avoid that and if it has to be done in special circumstances, then we have to ensure that it is brought into operation with every convenient speed.

The other observation that I want to make is that as a National Assembly, and as a Parliament, we have to be consistent in our law making. We cannot pass inconsistent statutes. Just now, the previous Bill that we debated in a very generic way sort to remove from the jurisdiction of the court a host of matters that ordinarily would have been dealt with by the court and resided those matters within the administrative jurisdiction of a liquidator. We just did that here and now we have the 2016 Insurance Bill that dedicates an entire part, Part XVI, Judicial Management and Winding up, an entire section of the Insurance Act, properly, because it deals with judicial

matters, legal matters we are bringing in the court which is the dually authorised and qualified state agency ascribed through the constitutional responsibility of treating with such matters. We are putting those matters within the purview of that institution and that is how it should be done. It is being done in this Act but just now, we went the other way so

We need to be consistent in our messages, in our laws and the signal that we are sending as a country. Do we want to send the signals to all investors that we hear will come? I see the American Chamber of Commerce has signalled an intention to be here and when the oil starts to flow, I presume a lot more agencies are going to come. We are going to be the subject of international limelight and, therefore, we need to send particular signals of the type of governmental structure which exists in the state. Are we a rule of law based society or are we a society that tries to use executive power in areas where executive authority is not required? Are we a society that is going to recognise the compartmentalisation of powers in the constitutional structure which we have, as prescribed by the doctrine of judicial of separation of powers or are we going to contaminate that doctrine? Sir, these are important concepts that we need to inculcate into our legislative architecture to avoid the inconsistent signals that these Bills may be sending.

With those few remarks, Sir, I wish to tender my support for this Bill. It took two years to come but it is finally here to fill a gap which must have been caused by the inadvertence of the Hon. Minister.

Thank you very much Sir. [*Applause*]

Mr. Hamilton: As my colleague, I rise to support the Bill that is before us, the Insurance Amendment Bill 2018 and to indicate to the National Assembly that for us any legislation that seems to make life better for citizens, we on this side of the House will support.

The Minister of Finance indicated that the amendments are to protect beneficiaries; the amendments are to harmonise the insurance frame work and the amendments are to ensure that the status and the right of beneficiaries, spouses, children and all the other people that the consideration is taking in mind in the presentation of the amendment. The important thing is that the Minister indicated that this amendment that is coming for some reason or the other, he did not indicate, got lost in translation in 2016. Maybe, my good friend will indicate to us who lost it

and how it was lost in translation that he has to come two years after to bring it to the National Assembly.

As I said, I do not plan to be long here, just to indicate that we support the amendment that is before us and any legislation that seeks to make life better for citizens of this country of ours. We will wholeheartedly support in the National Assembly.

Thank you. [*Applause*]

Mr. Ali: As my two colleagues would have said that we are in support of this Bill, however, there are a few things that I wish to draw to the Minister's attention. I think that these Bills are subject to some review at the level of Cabinet and the Hon. Minister of Social Protection should have picked this up, that the Bill refers to children born out of wedlock. You would recall that we dealt with this matter previous, a long time ago, and under the child protection laws of 2006, there is nothing as a child born out of wedlock. Hon. Minister, under section 271 (4):

“An irrevocable designation may only be made by a policy-holder in favour of a spouse, common law spouse or to a child, including a child, born out of wedlock.”

We should put a full stop at the word “child” and take out the words “including a child, born out of wedlock.” We would like to recommend that.

Secondly, my colleague, the Hon. Anil Nandlall, spoke about the Act being retroactive. When this Bill first came we had advised that we should take it to a Special Select Committee or the very type of reasons that we would have gone from the time the Bill was passed here to the commencement. For example, this Bill was read the first time on 26th April, 2018. It was gazetted on 11th April, 2018 and a Commencement Order was issued on 16th April, 2018 and we are now debating the Bill on the 12th July 2018.

Notwithstanding this, I would like the Hon. Minister of Finance to address in the gazetted Order. Certain sections will come into force one year after the 16th April, 2018, so that will be in 2019. Could the Hon. Minister say to us whether there will be any attempt by the Ministry in developing an education programme for the population, in relation to the Bill and compliance with this Bill? It is whether the Ministry will be going out on an outreach in terms of educating people about this Bill, especially the amendments.

9.35 p.m.

Then Hon. Minister, there is a clarification on Part XXI and if you look at the Explanatory Memorandum, I wish to read from it:

“Part XXI seeks to provide for the protection of policies, in particular the application of policies to debts. The Bill provides that the property and interest, of any person in a policy effected upon his own life, is not liable to be applied or made available in payment of his debts by any process of any Court. Part XXI also provides that a pro rata condition of average in an insurance contract is of no effect unless the insurer informs the policyholder of the nature and effect of the condition before the contract is entered into or before the policy-holder can cancel the policy without penalty.”

There are a few questions that I have on this. Now, in my understanding here, section 281 of the proposed Insurance (Amendment) Bill will prevent banking institutions from using the life insurance of borrowers to clear their debts. There are some implications here, Hon. Minister: (1) It would increase bad debt on nonperforming loans of banks since the loan will not be cleared by the life insurance and may become unserviceable; (2) the commercial banks will have to increase provisions for loans to cater for the death of borrowers. This would translate into a higher cost of borrowing; (3) the deceased borrower’s family will be burden with the debt rather than benefitting from the asset and it could also reduce the utility of life insurance by borrowers. While the economic implications cannot be established now, it could impact on the revenue premium of insurance companies.

In summary, the proposed change will increase the risk of lending and push-up the cost for borrowing. I think the Hon. Minister should address how we are going to deal with this – the issue of life insurance – and in the event of death, this Bill, when it comes into effect, would not allow proceeds from that life insurance to be used to clear off the debt of the policy-holder.

These are some of the issues that we have. We also have some issues – I would not say issues – we need some clarifications on these matters, Hon. Minister.

Also, the issue of will, if a beneficiary is named in a will we are accustomed to that beneficiary named in the will receiving the benefit out of the will. This amendment also takes away that type

of thinking. I would like the Hon. Minister to address these issues, especially the one in dealing with the life insurance policy and how it would affect borrowing and take up the cost.

With those few words, as we said, we are supporting this Bill, but we would like clarifications on those issues.

Thank you very much. [*Applause*]

Mr. Jordan (replying): I think, perhaps, I do not want to put it on the time of the day, but I do compliment the speakers from the Opposition for unanimously supporting the amendments to the Insurance Act 2016. I daresay, as I had indicated, that these amendments were there in the 1998 Act and were inadvertently omitted because of the thinking that they could have been put in regulations. But, with the benefit of hindsight, it could not be done because they were not in the Principal Act. *To err is human* and I guess the drafters will not *pick too much of a bone* over your assertion as to why it was excluded or not.

As to why the Bill took two years to be implemented, I think that is generally known. There was no attempt to pass legislation and not enact it. I think that the reality is - and if you check a couple of our budget speeches and other statements - the regulations to the Bill had to be drafted and completed. These were very extensive and complex regulations and they took quite a while to be drafted. As you are aware, we had to ensure the highest degree of accuracy, as well as consultations with the various stakeholders. There was no attempt to delay the early implementation of the Bill. The two years were just to make certain that we got the regulations in place.

There again, many things can go as quickly as they could, subject to the availability of human resources. For the regulations, we had to get external support to help us draft those regulations and to recruit such support depends on the availability of persons, finding financing to get such persons and so on. Look, the long and short is, finally the commencement date has been announced and the Bill and the regulations are in force. I think that is what we need to concentrate on right now.

With the point as it related to asking for the Bill to go to a Select Committee, this Bill is as easy as they come and I am not sure why that intent would have been... [Ms. Teixeira: It is a 2016 Bill.] Well the 2016 Bill is two years old.

There were a number of questions asked by the Hon. Member, Mr. Irfaan Ali. Again, I believe that, if the Bill is read in its entirety, all of his questions are answered in the Bill itself. I really do not think it needs my further elucidation because I myself went through those sections and I think the answers are there, including the fact that we need to keep “children born out of wedlock” if only because we are talking about common-law spouse and so on.

I do not want to go any further and change the mood. I am very happy for the unanimous passage of this Bill.

Thank you very much, Mr. Speaker.

Question put and carried.

Bill read a second time.

Assembly in Committee.

Mr. Chairman: Hon. Members, there are two clauses to the Bill.

Clause 1

Clause 1 agreed to and ordered to stand part of the Bill.

Clause 2

Mr. Chairman: The Principal Act is amended by the insertion immediately after section 262 of the Principal Act. The parts that are detailed: Part XX, Part XXI and Part XXII.

Ms. Teixeira: There is an amendment I wish to make to clause 271. I was not sure if I was on clause 2 or 3. It is in clause 2, sorry. So, I am right. Would you allow me to just ask for an amendment to delete a phrase to do with “children”?

Mr. Chairman: Please proceed.

Ms. Teixeira: Thank you.

In clause 2 that is presented in the Bill, clause 271, sub-clause 4, I am asking for the words “including a child born out of wedlock”, to be deleted in accordance with the Constitution of Guyana and the child protection laws of Guyana.

If my proposal is accepted, the sentence would read:

“An irrevocable designation may only be made by a policy-holder in favour of a spouse, a common law spouse or to a child.”

Please remember that the common-law unions in Guyana are also legal or the civil unions are also legal. I am asking for the deletion of the words “including a child, born out of wedlock”.

Mr. Chairman: I have permitted an amendment. Hon. Members, you have heard the amendment.

[Interruption]

[Mr. Chairman hit the gavel]

Hon. Members, you have heard the amendment being proposed. Hon. Members, I thought I heard answers from both sides to my first question. Then if it is “no”...

Ms. Teixeira: Article 149E. (1):

“All persons, whether born in or out of wedlock, and whether born prior to the enactment of this article or not, are born equal, have equal status and are entitled to equal rights.”

This is the Equality of Status 10 of 2003, Constitution of Guyana; Article 149E. (1) – all children are created equal.

9.50 p.m.

Mr. Ali: You cannot differentiate. Why do you want to differentiate? It is a simple thing.

Ms. Teixeira: Uphold the Constitution.

Mr. Jordan: Mr. Chairman, I think the Bill is in my name and after consultation, I agree to the amendment. *[Interruption]*

[Mr. Chairman hit the gavel]

Mr. Chairman: I thank the Hon. Minister for his agreement to the amendment. I take it that we are all on the same page that the provision be amended. We would see the deletion of the words:

“...including, a child born out of wedlock.”

I thank you.

Ms. Teixeira: The Hon. Member has supported my amendment, could the matter be put to a vote, Sir?

Mr. Chairman: Hon. Member, Ms. Teixeira, I have not given you the floor.

Ms. Teixeira: I beg your pardon?

Mr. Chairman: I have not given you the floor.

Ms. Teixeira: I am sorry you could not hear me over the dim. There was a big dim in here.

Mr. Chairman: I still have not given you the floor.

Ms. Teixeira: I will wait for that.

Mr. Chairman: Is it the case that we would have all agreed with the support for the amendment. Thank you. Ms. Teixeira, do you wish to have the floor?

Ms. Teixeira: I was not sure that there was a vote taken after the Hon. Member supported the amendment, which I wish to thank him very much for.

Mr. Chairman: I thank you. Hon. Members, I read what appears to be the unanimous view of the House that the amendment be taken. Is there a need for a vote on this? Hon. Members, we would seek to conclude this.

Amendment put and agreed to.

Clause 2, as amended, agreed to and ordered to stand part of the Bill.

Assembly resumed.

Bill reported with amendments, read the third time and passed as amended.

Mr. Speaker: Hon. Members, the Insurance (Amendment) Bill 2018 - Bill No.3/2018, we have concluded our consideration of that. Thank you. Hon. Member, this would conclude our work for today, I see we are almost bracing the 10 o'clock hour.

ADJOURNMENT

First Vice-President and Prime Minister [Mr. Nagamootoo]: Mr. Speaker, I move that this House be adjourned until tomorrow, 13th July at 2.00p.m.

Mr. Speaker: I thank the Hon. Prime Minister. The House stands adjourn until Friday 13th at 2.00p.m., thank you.

Adjourned accordingly at 9.56 p.m.