

CENTRAL BANK OF SEYCHELLES (AMENDMENT) BILL, 2020*(Bill No. 12 of 2020)***OBJECTS AND REASONS**

This Bill seeks to amend sections 2, 41 and 40A (2) of the Central Bank of Seychelles Act, 2004 (Cap 26). The Bill also seeks to insert a new section viz., section 29A.

The purpose of the amendment is to give certain powers to the Central Bank of Seychelles so that in the event of a force majeure, the Central Bank of Seychelles may make loans, advances and rediscounts to banks and other financial institutions in Seychelles for periods not exceeding 3 years and to purchase or acquire treasury bills and other securities guaranteed by the Government.

Dated this 25th day of March, 2020.

**FRANK D.R. ALLY
ATTORNEY GENERAL**

**CENTRAL BANK OF SEYCHELLES (AMENDMENT)
BILL, 2020**

(Bill No. 12 of 2020)



A BILL

OF

**AN ACT to amend the Central Bank of Seychelles Act, 2004
(Cap 26).**

ENACTED by the President and the National Assembly.

1. This Act may be cited as the Central Bank of Seychelles (Amendment) Act, 2020. Short title

Amendment of
Cap 26

2. The Central Bank of Seychelles Act, 2004 is amended as follows —

(a) by inserting after the definition of “financial institution” the following definition —

““force majeure” includes —

- (a) an unforeseeable or unavoidable natural event, circumstance or cause;
- (b) a disaster as per the Disaster Risk Management Act, 2014 (*Act 15 of 2014*);
- (c) an external economic event, circumstance or cause;
- (d) a state of emergency declared under the Constitution;
- (e) a public health emergency declared under the Public Health Act, 2015 (*Act 13 of 2015*); or
- (f) a spread of an infectious disease affecting or likely to affect the majority of the population within a short period,

which substantially and materially disrupts or is likely to substantially and materially disrupt the stability of the economy and financial system;”;

(b) by inserting after section 29 the following section —

Power to
make loans,
advances and
rediscounts

“29A.(1) Notwithstanding section 29(b), the Bank may, in the event of a force majeure, make loans, advances and rediscounts to banks

and other financial institutions in Seychelles for periods not exceeding 3 years.

(2) For the purpose of section 29 and 29(A)(1) “financial institution” includes credit unions and the Development Bank of Seychelles.”

- (c) by repealing section 40A(2);
- (d) in section 41 —
 - (i) by renumbering section 41 as subsection (1) of that section;
 - (ii) by inserting after subsection (1) so renumbered the following subsections —

“(2) Notwithstanding subsection (1), in the event of a force majeure, the Bank may purchase or acquire treasury bills and other securities guaranteed by the Government.

(3) The treasury bills or Government securities purchased or acquired pursuant to subsection (2) shall not be taken into account for the purpose of determining the limit on advances to Government under section 40(2).

(4) The Bank may re-sell or hold, till the date of maturity, the treasury bills or Government securities purchased or acquired pursuant to subsection (2).”.