

JAMAICA

No. 3-1998

I assent,

[L.S.]

H. F. COOKE,
Governor-General.

5th day of May, 1998.

AN ACT to Establish a scheme for the protection of depositors through the establishment and management of a deposit insurance fund and to establish a body to be known as the Jamaica Deposit Insurance Corporation to be charged with responsibility for the management of the scheme and for connected matters.

[The date notified by the Minister
bringing the Act into operation]

BE IT ENACTED by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

PART I. Preliminary

1. This Act may be cited as the Deposit Insurance Act, 1998 and shall come into operation on a day to be appointed by the Minister by notice published in the *Gazette*.

Short title
and com-
mencement.

Interpreta-
tion

2.—(1) In this Act, unless the context otherwise requires—

“Bank” means the Bank of Jamaica established under the Bank of Jamaica Act;

Schedule.

“Board” means the Board of Directors of the Corporation appointed under the Schedule;

“Corporation” means the Jamaica Deposit Insurance Corporation established under section 3;

“deposit” means—

(a) a sum of money paid on terms—

(i) under which the sum will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and

(ii) which are not referable to the provision of property or services or to the giving of security, and for the purposes of this paragraph, money is paid on terms which are referable to the provision of property or services or to the giving of security if, and only if—

(A) it is paid by way of advance or part payment for the sale, hire or other provision of property or services of any kind and is repayable only in the event that the property or services is or are not in fact sold, hired or otherwise provided; or

(B) it is paid by way of security for payment for the provision of property or services of any kind provided or to be provided by the

person by whom or on whose behalf the money is accepted; or

- (C) it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise;

and includes any interest payable in respect of the sum of money;

- (b) a share in a building society, other than a capital share, a deferred share or a preference share;
- (c) such other liabilities as may be determined by the Minister, on the advice of the Board,

and for the purposes of this definition the terms "capital share" and "deferred share" shall have the meanings assigned to them respectively under the Bank of Jamaica (Building Societies) Regulations, 1995.

"financial institution" means—

- (a) a bank licensed under the Banking Act or a financial institution licensed under the Financial Institutions Act;
- (b) a building society licensed under the Building Societies Act; or
- (c) subject to subsection (3), any other person or undertaking whose business includes the accepting of deposits and who has been declared by the Minister under section 2 of the Bank of Jamaica Act to be a specified financial institution;

"functions" includes powers and duties;

"Fund" means the Deposit Insurance Fund established under this Act;

“government company” means a company registered under the Companies Act, being a company in which the Government or an agency of the Government, by the holding of shares, is in a position to direct the policy of that Company;

“insurable deposit” means a deposit received or held by a policyholder from or on behalf of a depositor other than—

- (a) a deposit from another policyholder;
- (b) a deposit from a statutory body or authority or government company;

“insured deposit” means that portion of an insurable deposit which is covered by insurance under this Act;

“policyholder” means a financial institution to which a policy of deposit insurance has been issued pursuant to section 14.

(2) For the purposes of this Act a financial institution is in a state of financial distress if—

- (a) it becomes insolvent that is to say, a winding up order has been made by a court against that institution or a resolution for a creditor’s voluntary winding up has been passed;
- (b) there exists in relation to the institution any condition precedent to the exercise of the powers of the Minister in the interest of and for the protection of depositors, to take such steps or apply such sanctions as authorized under the Banking Act, Bank of Jamaica Act, Building Societies Act, or Financial Institutions Act, as the case may require;
- (c) the institution has failed to satisfy prudential criteria and minimum solvency standards prescribed by or under the Banking Act, Bank of Jamaica Act, Building Societies Act or Financial Institutions Act, as the case may be; or

(d) it is unable to pay its debts.

(3) The Minister may, by order, exempt from the application of this Act a person or undertaking referred to in paragraph (c) of the definition of "financial institution" in subsection (1).

PART II. *The Jamaica Deposit Insurance Corporation*

3.—(1) There is hereby established for the purposes of this Act, a body to be called the Jamaica Deposit Insurance Corporation which shall be a body corporate to which section 28 of the Interpretation Act shall apply. Establishment of the Corporation.

(2) The provisions of the Schedule shall have effect as to the constitution of the Corporation and otherwise in relation thereto. Schedule.

4.—(1) The principal objects of the Corporation are to establish and manage a scheme for the insurance of deposits or parts thereof against the risk of loss. Principal objects of Corporation.

(2) In carrying out the objects referred to in subsection (1) the Corporation shall take all such measures as may be necessary to ensure that there is the least possible exposure of the Corporation to loss.

5.—(1) The functions of the Corporation shall be to carry out such activities as may be necessary to give effect to the objects specified in section 4, and without limiting the generality of the foregoing such functions shall include the duty— Functions of Corporation.

- (a) to provide, in accordance with the provisions of this Act, insurance against the loss of deposits;
- (b) to manage and administer the Fund or any other income of the Corporation;
- (c) to levy premiums for the Fund and fees or other amounts payable in accordance with the provisions of this Act.

(2) For the purpose of the performance of its functions under this Act, and subject to the provisions of this Act, the Corporation may do anything and enter into any transaction which, in the opinion of the Corporation, is necessary or incidental to its functions, and in particular, and without limiting the generality of the foregoing the Corporation may—

- (a) make such enquiries of a policyholder as to the conduct of its affairs as may be prescribed;
- (b) make recommendations to the Minister for action to be taken in accordance with the Banking Act, Bank of Jamaica Act, Building Societies Act or Financial Institutions Act, as the case may require, in respect of any policyholder which appears to the Corporation to be in financial distress;
- (c) in accordance with such rules as may be prescribed, act as receiver, liquidator, or judicial manager of any policyholder, or of its holding company or subsidiary which becomes insolvent, or appoint any person to act as such; and in acting in any such capacity may arrange for the restructuring of a policyholder whether by merger with or acquisition by another financial institution or otherwise;
- (d) deduct from payments made to a depositor out of the Fund in respect of an insured deposit, arrears in respect of any credit facilities, deposits pledged as collateral, called-in guarantees and unsecured overdrafts due from the depositor to the policyholder in question.

Report by
Corporation.

6. The Corporation shall—

- (a) furnish to the Minister, such operating plans and forecasts, returns, accounts and other information as the Minister may require with respect to the property and activities of the Corporation; and

- (b) afford to the Minister facilities for verifying such information in such manner and at such times as he may reasonably require.

7.—(1) In carrying out its functions under paragraph (a) or (c) of subsection (1) of section 5, the Corporation shall act after consultation with the Bank. Relationship with the Bank of Jamaica.

(2) For the purposes of the performance of its functions—

- (a) the Corporation shall be entitled to receive from the Bank upon request, copies of its on-site examination reports on policyholders which fall under its purview and all material information relating to the safety and financial soundness of policyholders, including reports and returns submitted by them and directions issued by the Bank to them; and

- (b) the Corporation shall make available to the Bank any report or information which may be utilized by the Bank to enhance the development of sound financial practice in Jamaica.

(3) An appointment by the Corporation of a receiver, liquidator, or judicial manager under paragraph (c) of subsection (2) of section 5 shall not be made except with the approval of the Minister.

8. The Insurance Act shall not apply to the Corporation.

Insurance Act not applicable to Corporation.

PART III. *Financial*

9.—(1) Subject to the provisions of this section, the authorized capital of the Corporation shall be the sum of one million dollars which shall be subscribed by the Government.

Capital of Corporation.

(2) The Minister may, after consultation with the Corporation, from time to time by order subject to negative resolution, increase the amount of the authorized capital of the Corporation, notification whereof shall be published in the *Gazette*.

**Accounts
and Audit.**

10.—(1) The Corporation shall keep proper accounts and other records in relation to its business and shall prepare annually a statement of accounts in a form satisfactory to the Minister, being a form which shall conform with established accounting principles.

(2) Transactions relating to the administration of the Fund under this Act shall be distinguished from transactions relating to other activities of the Corporation and shall be recorded and dealt with separately in the annual accounts and reports of the Corporation.

(3) The accounts of the Corporation shall be audited by an auditor or auditors appointed annually by the Corporation and approved by the Minister.

(4) So soon as the accounts of the Corporation have been audited, the Corporation shall send the statement of its accounts referred to in subsection (1) to the Minister together with a copy of any report made by the auditors on that statement or on the accounts of the Corporation.

(5) The auditors' fees and any expenses of the audit shall be paid by the Corporation.

(6) The Auditor-General shall be entitled at all reasonable times to examine the accounts and other records in relation to the business of the Corporation.

**Annual
report.**

11.—(1) The Corporation shall, not later than three months after the end of each financial year, cause to be made and transmitted to the Minister, a report dealing generally with the activities of the Corporation during the preceding financial year.

(2) The Minister shall cause a copy of the report together with the annual statement of accounts and the auditors' report thereon to be laid on the Table of the House of Representatives and of the Senate.

(3) Copies of the Corporation's report together with its annual statement of accounts and the auditors' report on that statement or on the accounts of the Corporation shall be published in such manner as the Minister may direct.

PART IV. *Deposit Insurance*

12.—(1) Every financial institution shall apply in writing in the prescribed form and manner to the Corporation for deposit insurance.

Application by financial institutions for deposit insurance.

(2) A policy of deposit insurance shall be issued by the Corporation to a financial institution which is duly licensed to carry on the business of accepting deposits and which has made an application under subsection (1) and has paid the initial premium pursuant to section 14.

13. The Corporation shall insure the insurable deposits of a depositor with a policyholder on the basis of the provisions set out in this Part and in section 18.

Insurance of deposits.

14.—(1) Where a financial institution is notified that its application for deposit insurance has been approved it shall pay an initial premium of the amount prescribed under subsection (3).

Insurance of policy and certificate.

(2) On receipt of the initial premium the Corporation shall issue to the relevant financial institution a policy of deposit insurance and a certificate to that effect, a copy of which certificate shall be displayed in a prominent place in each place of business of the financial institution.

(3) The initial premium to be paid by a policyholder shall be—

- (a) where the policyholder was carrying on the business of taking deposits during the calendar year immediately preceding the commencement of this Act, such percentage, as may be prescribed by the Corporation with the approval of the Minister, of the total value of the insurable deposits held by the institution on the 31st December of that year;
- (b) in all other cases, an amount prescribed by the Corporation with the approval of the Minister.

(4) Subject to satisfactory compliance with the requirements of this Act and of the enactment under which the policyholder is licensed, a policy issued under subsection (2) shall be renewable annually on or before the anniversary of its issue (in this Act called the “policy due date”) on payment of an annual premium by a policyholder which shall be a percentage of the total value of insurable deposits held at the 31st December of the year immediately preceding and may be paid in such instalments as the Corporation may prescribe.

(5) Where any premium or part thereof payable by a policyholder remains unpaid after the policy due date, the policyholder shall be liable to pay to the Corporation a penalty in respect of such unpaid amount at a rate equivalent to the rate applicable to overdraft facilities extended to financial institutions by the Bank.

(6) The Corporation, with the approval of the Minister, may prescribe different percentages of insurable deposits and different methods of payment for different categories of financial institution.

Cancellation of policy.

15.—(1) Subject to the provisions of this section, the Corporation may, by notice in writing to a policyholder,

cancel a policy issued under section 14 in any of the following circumstances—

- (a) when the Corporation and the Bank are of the opinion that the policyholder is or is about to become insolvent:

Provided that where on any occasion there is no concurrence between the Corporation and the Bank, the Minister shall make a determination as to the action to be followed and the Corporation shall act in accordance with such determination;

- (b) when the policyholder's licence to carry on its business operations has been revoked by the Minister;
- (c) when the Bank confirms in writing that by reason of insolvency, the policyholder has ceased to accept deposits.

(2) The Corporation shall notify the Minister of the action it is proposing to take under subsection (1) and shall not take such action if it is advised by the Minister that taking the action proposed would not be in the public interest.

(3) Before taking action under subsection (1) the Corporation shall—

- (a) not later than twenty-one days before it intends to take such action, notify the policyholder in writing of the intention, stating the reasons therefor;
- (b) afford to the policyholder an opportunity at a date and time specified in the notice (being not less than seven days after the date thereof) to show cause why the policy should not be cancelled.

(4) If a policyholder who is notified under subsection (3) fails to show cause why the policy should not be cancelled the Corporation shall—

- (a) notify the policyholder in writing of—
 - (i) its intention to cancel the policy as from a date specified in the notice; and
 - (ii) the right of appeal conferred by section 16;
- (b) send a copy of the notice referred to in paragraph (a) to the Minister and to the Bank.

(5) Subject to the provisions of subsection (2), the Corporation shall cancel a policy if no appeal is made by a policyholder under section 16 or if an appeal by a policyholder under that section is dismissed.

(6) Where a policy issued under section 14 is cancelled, the Corporation forthwith shall notify the depositors in writing of the fact and make public notification of the cancellation of the policy in such news media as it may consider appropriate.

(7) Notwithstanding the cancellation of a policy, the amount of any insured deposit on the date of cancellation less any subsequent withdrawals therefrom, shall continue to be so insured for a period of eighteen months from the date of such cancellation.

Appeal
against can-
cellation.

16.—(1) A policyholder notified under section 15 of the intention of the Corporation to cancel its policy may, within three days of the date of receipt of the notice, appeal in writing to the Minister against the decision of the Corporation.

(2) The Minister shall hear an appeal within seven days after it is lodged and on hearing such appeal the Minister may—

- (a) dismiss the appeal; or
- (b) direct the Corporation to withdraw the notice of the intention to cancel the policy.

PART V. *The Deposit Insurance Fund*

17.—(1) There is hereby established a fund to be known as the Deposit Insurance Fund—

Deposit
Insurance
Fund.

- (a) into which shall be paid—
 - (i) initial, annual and other premiums paid by policyholders pursuant to this Act or any regulations made hereunder;
 - (ii) such contributions by way of advances which may be made by the Government from time to time;
 - (iii) any amounts representing the proceeds of investments made out of the Fund;
 - (iv) any amounts borrowed by the Corporation for the Fund;
 - (v) amounts realized from the liquidation of assets of policyholders;
- (b) upon which shall be charged—
 - (i) payments to depositors made pursuant to section 19;
 - (ii) the payment of principal and interest in respect of monies borrowed by the Corporation for the purposes of the Fund and paid into the Fund;
 - (iii) any other payments legally due to a policyholder or third party arising out of the administration of the Fund;
 - (iv) the payment of expenses incurred by the Corporation in the exercise of its functions under this Act.

(2) The Corporation may invest any part of the Fund in securities of the Government or in such foreign securities as may from time to time be approved by the Board.

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(3) Moneys comprising the Fund (not invested as aforesaid) may be held in the Bank or in such bank or banks as the Corporation may, from time to time determine.

(4) The Corporation shall, from time to time, but in any event not less often than once in each year review the size of the Fund having regard to its liabilities and potential liabilities and taking into account the advice of duly qualified professionals and, as necessary, make such recommendation to the Minister as it deems appropriate.

PART VI. *Payments Out of Fund*

Payments
out of
Fund.

18.—(1) Subject to the provisions of this Part, the Corporation shall make a payment out of the Fund in respect of an insured deposit up to a maximum of \$200,000 in Jamaican currency to every depositor of a policyholder in the following circumstances—

- (a) the policyholder's licence to carry on its business operations has been revoked by the Minister;
- (b) a winding up order has been made by a court against the policyholder or a resolution for a creditors' voluntary winding up has been passed;
- (c) the policyholder is unable, by reason of an order of a court or of any action taken by the Minister or the Bank to make any payment in respect of the deposit;
- (d) the policy of deposit insurance issued to the policyholder has been cancelled subsequent to the making of the insurable deposit.

(2) Where the Corporation is obliged to make payments out of the Fund on the occurrence of any event specified in paragraph (a), (b), (c) or (d) of subsection (1), such payments shall commence not later than three months after

the occurrence of that event (hereinafter referred to as the specified date).

(3) If payments are not commenced by the specified date, the Corporation shall be liable to pay interest thereon, in respect of the period commencing on the specified date and ending on the date of payment, at a rate equivalent to the average rate of interest payable by commercial banks on savings accounts at the date on which the obligation to make the payments arose.

(4) Where a deposit is held in the names of two or more persons, each such person shall, for the purposes of subsection (1), be deemed to be entitled to payment out of the Fund of an amount arrived at by dividing the insured deposit by the number of persons as aforesaid.

(5) Where a depositor holds more than one deposit in a policyholder—

(a) in different capacities and with different rights in relation thereto, each such deposit shall be treated as a separate deposit for the purposes of subsection (1);

(b) in the same capacity and with the same rights, all such deposits shall be treated as a single deposit for the purposes of subsection (1).

(6) The Corporation shall be discharged from all liability to the extent of the amount of any payment made by it in respect of any insured deposit.

(7) Where the Corporation makes a payment under this section to a depositor, the Corporation—

(a) is subrogated, to the extent of the amount of that payment, to all the rights and interests of the depositor as against the policyholder; and

(b) may maintain an action in respect of those rights and interests in the name of the depositor or in the name of the Corporation.

(8) Where the Corporation makes a payment under this section in respect of any depositor with a policyholder that is being or has been wound up, the Corporation ranks *pari passu* with other unsecured creditors.

(9) The Minister may by order published in the *Gazette*, and subject to negative resolution amend subsection (1) so as to increase the maximum amount specified therein.

Persons
entitled to
payment.

19.—(1) Payments out of the Fund shall be made—

- (a) to persons in whose names deposits are listed in the records of the policyholder concerned on production of evidence of deposit ownership satisfactory to the Corporation;
- (b) to persons having a right to receive deposits or part thereof, as have been notified to the policyholder by the depositor concerned;
- (c) to such other persons who establish to the satisfaction of the Corporation, or failing that, to the satisfaction of a court of competent jurisdiction that they are either depositors of the policyholder concerned or have a right to receive deposits or part thereof,

and claims for payment may be made by depositors or such other persons, either in person or in writing supported by affidavit.

(2) Depositors who have deposits with a policyholder in excess of the insured deposit shall upon receiving payment of the insured deposit be issued with a certificate by the Corporation for the amount in excess of the insured deposit.

(3) Persons entitled to payment pursuant to subsection (1) may submit claims for payment out of the Fund up to eighteen months after the date on which the Corpora-

tion becomes obliged to make a payment under subsection (1) of section 18 in respect of the policyholders with which the deposit was made.

(4) Claims for payment out of the Fund which are made after the time specified in subsection (3) shall be made against the assets of the policyholder and shall be paid *pro rata* as the assets of the policyholder are collected and sold.

(5) Persons who have credit facilities outstanding to policyholders in respect of which the Corporation is obliged to make a payment under subsection (1) of section 18 shall make payments to the Corporation in respect of such credit facilities on the same terms as were agreed with the policyholders.

20.—(1) Where the Corporation is satisfied that a depositor has been a party to or has benefited from the circumstances which gave rise to the insolvency of a policyholder, the Corporation shall not make any payment out of the Fund to that depositor.

No payment to depositor who profited from insolvency of institution.

(2) Subsection (1) shall not apply to a depositor who acted solely in his capacity as a professional adviser to the policyholder and whose *bona fides* are not in question.

PART VII. *General*

21.—(1) The income of the Corporation and the earnings of the Fund shall be exempt from income tax.

Exemptions from tax, stamp duty, etc.

(2) Any instrument relating to the administration of this Act and executed by or on behalf of the Corporation shall be exempt from stamp duty and recording and registration fees.

(3) There shall be exempt from taxation under the Transfer Tax Act any transfer by the Corporation of property belonging to it or of any right or interest created in, over or otherwise with respect to any such property.

Carrying on
business,
without in-
surance.

22. Any financial institution that carries on the business of accepting deposits without being the holder of a valid policy of deposit insurance commits an offence and is liable on summary conviction in a Resident Magistrate's Court to a fine not exceeding three million dollars and in the case of a continuing offence to a further penalty not exceeding one hundred thousand dollars for each day during which the offence continues after conviction.

Offences by
corporate
officers.

23.—(1) Where an offence under this Act committed by a body corporate is proved—

(a) to have been committed with the consent or connivance of any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in that capacity; or

(b) to be attributable to the failure of any such director, manager, secretary or other officer or person to exercise all such reasonable diligence as he ought in the circumstances to have exercised to prevent the offence, having regard to the nature of his functions and all the circumstances,

such director, manager, secretary or other officer or person as aforesaid, as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(2) For the purposes of this section, a person shall be deemed to be a director of a body corporate if he occupies in relation thereto the position of a director, by whatever name called, or is a person in accordance with whose directions or instructions (not being directions or instructions in a professional capacity only) the directors and the body corporate or any of them act.

Obligation
for secrecy.

24.—(1) Every person having any official duty or being employed in the administration of this Act shall regard and

deal with as secret and confidential all documents, information and records relating to—

- (a) any matter being dealt with by the Corporation;
- (b) any policyholder,

and shall upon assuming such duty or employment make and subscribe a declaration to that effect before a Justice of the Peace.

(2) Every such person as is referred to in subsection (1) having possession or control over any such documents, information or records, who at any time communicates or attempts to communicate such information or anything contained in such documents or records to any person—

- (a) other than a person to whom he is authorized by the Corporation or the Minister to communicate it; or
- (b) otherwise than for the purposes of this Act,

shall be guilty of an offence and shall be liable on summary conviction before a Resident Magistrate to a fine not exceeding five hundred thousand dollars or to imprisonment for a term not exceeding eighteen months or to both such fine and imprisonment.

25.—(1) The Minister may, on the recommendation of the Corporation, make regulations generally for giving effect to the provisions of this Act, and in particular regulations may be made—

Regulations.

- (a) prescribing the percentage basis to be used for the calculation of initial and annual premiums payable into the Fund;
- (b) with respect to the circumstances in which different premiums may be prescribed based on the assessment of the degree of risk to the Fund.

(2) Regulations made under subsection (1) shall be subject to negative resolution.

Applications
by existing
institutions.

26.—(1) A financial institution which immediately before the date of commencement of this Act, was duly carrying on the business of accepting deposits shall within thirty days after that date, apply for a policy of deposit insurance under this Act.

(2) An institution which has made an application in accordance with subsection (1) shall be entitled to continue to carry on such business until the application for a policy has been granted or refused, as the case may be, or the application is withdrawn.

SCHEDULE

(Sections 2 and 3)

BOARD OF DIRECTORS

Establishment and constitution of Board.

1. There shall be a Board of Directors of the Corporation which, subject to the provisions of this Act, shall be responsible for the policy and general administration of the Corporation and the management of the Fund and shall consist of the following—

- (a) three *ex-officio* directors, namely the Governor of the Bank, the Financial Secretary and the chief executive officer of the Corporation;
- (b) four other directors appointed by the Minister by instrument in writing (hereinafter referred to as appointed directors) as follows—
 - (i) one of whom the Minister shall appoint to be Chairman for a period not exceeding three years;
 - (ii) the other three directors shall be appointed for a period not exceeding two years.

Chairman.

2. The Chairman and the other appointed directors shall be eligible for reappointment for two consecutive periods.

Qualifying criteria.

3. A person may not be appointed or remain a director who—

- (a) is a member of either House of Parliament;
- (b) is or has during the three years preceding such appointment been a director, officer, employee or auditor of a policyholder;

- (c) is a shareholder holding more than 10% of the voting shares of a policyholder.

Resignation. 4.—(1) A director, other than the Chairman, may resign his office by instrument in writing addressed to the Minister and transmitted through the Chairman, and from the date of receipt by the Minister of such instrument, that director shall cease to hold office.

(2) The Chairman may at any time resign his office by instrument in writing addressed to the Minister, and such resignation shall take effect as from the date of receipt by the Minister of such instrument.

Termination of appointment. 5. The Minister may terminate the appointment of any director who—

- (a) becomes of unsound mind or becomes permanently unable to perform his functions by reason of ill health;
- (b) becomes bankrupt or compounds with or suspends payment to his creditors;
- (c) is convicted and sentenced, to a term of imprisonment or to death;
- (d) is convicted of any offence involving dishonesty;
- (e) is reported to the Minister by a majority of the Board as failing to carry out the functions imposed or conferred on him under this Act;
- (f) becomes disqualified to hold office by virtue of paragraph 3.

Meetings. 6.—(1) The Board shall meet as often as it considers necessary and at such times and places as it determines, provided that it shall meet at least six times in every calendar year.

(2) Four directors shall constitute a quorum.

(3) The Chairman, or in the event of his absence or inability to act, such director as the other directors elect, shall preside at the meetings of the Board.

(4) The decision of the Board shall be by a majority of votes and the Chairman (or other person presiding over the meetings) shall have both an original and a casting vote.

Validity of proceedings. 7. The validity of any proceedings of the Board shall not be affected by any vacancy amongst the directors or by any defect in the appointment of a director.

Publication of membership. 8. The names of all members of the Board as first constituted and any change in the membership thereof shall be published in the *Gazette*.

Regulating proceedings. 9. Subject to the provisions of this Schedule the Board may regulate its own proceedings.

Seal. 10.—(1) The seal of the Corporation shall be authenticated by the signatures of the Chairman or one director of the Corporation authorized to act in that behalf and the secretary of the Board.

(2) All documents, other than those required by law to be under seal, made by, and all decisions of, the Board may be signified under the hand of the chairman or any director authorized to act in that behalf or the secretary of the Board.

Remuneration. 11. The Chairman and other directors shall be paid such remuneration whether by way of honorarium, salary or fees, and such allowances, and on such conditions, as the Board may decide subject to the approval of the Minister.

Office not public office. 12. The office of Chairman or of a director of the Board shall not be a public office for the purpose of Chapter V of the Constitution.

Indemnity against suit. 13. No action, suit, prosecution or other proceedings shall be brought or instituted against the Corporation or against any director, officer, employee or any person acting on behalf of the Corporation in respect of any act done *bona fide* in pursuance or execution or intended execution of this Act.

STAFF

Chief executive officer and other staff. 14.—(1) The Corporation may appoint and employ at such remuneration and on such terms and conditions as it thinks fit, a chief executive officer, a secretary and such other officers, agents and employees as it deems necessary for the proper carrying out of its functions under this Act.

(2) The chief executive officer shall be responsible to the Board for the day-to-day administration of the business of the Corporation and for the execution of the policy of the Corporation.

(3) The Governor-General may, subject to such conditions as he may impose, approve of the appointment of any public officer in the service of the Government to any office with the Corporation and any public

officer so appointed shall, in relation to any pension, gratuity or other allowance, and to other rights as a public officer, be treated as continuing in the service of the Government.

(4) It shall be lawful for the Corporation, with the approval of the Minister—

- (a) to enter into arrangements respecting schemes whether by way of insurance policies or not;
- (b) to make regulations,

for pensions, gratuities and other retiring or disability or death benefits relating to employees of the Corporation and such arrangements or regulations may include provisions for the grant of benefits to the dependants or legal personal representatives of such employees.

JAMAICA

No. 36—1999

I assent,

[L.S.]

H. F. COOKE,
Governor-General.

15th day of December, 1999.

AN ACT to Amend the Deposit Insurance Act.

[16th December, 1999]

BE IT ENACTED by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

1. This Act may be cited as the Deposit Insurance (Amendment) Act, 1999 and shall be read and construed as one with the Deposit Insurance Act, 1998 (hereinafter referred to as the principal Act) and all amendments thereto.

Short title
and con-
struction.

2. Paragraph 1 (a) of the Schedule to the principal Act is amended by inserting next after the words "Bank", "Secretary" and "Corporation" in each case, the words "or his nominee".

Amendment
of Schedule
to principal
Act.