

# Banking Newsletter

Number 1 Year 1997



**Financial Services  
Commission**

## Banking (Amendment) Ordinance 1996

On 5<sup>th</sup> December 1996 the Governor gave his assent to the Banking (Amendment) Ordinance 1996, which had been enacted by the House of Assembly on 2<sup>nd</sup> December 1996.

This Ordinance amended the Banking Ordinance 1992 in two main respects.

First, it introduced into the criteria for licensing under the Banking Ordinance a requirement for a bank to maintain:

- adequate accounting and other records of its business; and
- adequate systems of control of its business and records.

Secondly, the Commissioner of Banking will henceforward be able to license branches of banks which have their head offices outside the European Economic Area. He may regard himself as satisfied that certain of the criteria for licensing are fulfilled if the relevant supervisory authority in the country in which the bank has its head office informs him that it is satisfied with respect to the bank's prudent management and overall financial soundness. He must, however, also be satisfied as to the nature and scope of the supervision exercised by that supervisory authority.

The Handbook of Banking Supervision will be updated in due course to reflect this Ordinance. Copies of the latter may be purchased at 6 Convent Place (price 40p).

Published by the

Financial Services Commission,  
Suite 943,  
Europort,  
PO Box 940,  
Gibraltar.

February 1997