

## GIBRALTAR SAVINGS BANK ACT

### Principal Act

<b>Act. 1935-11</b>	<i>Commencement</i>	29.6.1935
	<i>Assent</i>	29.6.1935

	Amending enactment	Relevant current provisions	Commencement date
Acts.	1960-01	s. 9(1)	
	1968-33	ss. 11A and 11B	
	1971/020	ss. 9(3), 12 and 13(3)	
	1976-26	ss. 11A and 11B	
	1979-08	s. 14(2)	
	1981-01	s. 11A(1)	
	1984-09	s. 14(2)	8.11.1984
	1988-28	ss. 2, 4, 7(1) to (3), 7A, 9(1)(3), 9A(1) to (3), 11(1)(2), 11C, 12, 13(2)(3) and 17	19.12.1988
	1990-50	s. 14(2)(m)	15.11.1990
	1991-25	ss. 7A(1) and (2)	18.7.1991
	1992-06	ss. 1, 2, 3, 4, 5, 11A(1)(b), 11C(a), 12, 14(1), (1A), (2)(l)(m), (n), (3), 15 and 16	16.7.1992
	1997-36	s.13(2)(c)	13.11.1997
	1999-19	s. 14(2)(1)	26.8.1999
	2008-15	ss. 2, 4, 5, 6, 7, 7A, 8, 9, 9A, 11, 11A(1), 11C, 12, 13(2) & (2)(b), (c), & (3), 14, 14(1A)(b) & (c), 14(2)(p)	24.7.2008
	2012-03	ss. 11D, 13(3) & 13A	29.3.2012
	2016-05	ss. 2, 7(1), 9B, 11A(1),(1)(a), 11B, 13, 13A(3)	10.3.2016
	2019-17	ss. 2, 9(2), (2A)-(2B), (3), 9C, 12(a)	1.4.2019

### English sources:

Savings Bank Act 1887 (50 & 51 Vict. c.40)

Savings Bank Act 1920 (10 & 11 Geo. 5 c.12)

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AN ACT RELATING TO THE GIBRALTAR SAVINGS BANK.

**Short title.**

1. This Act may be cited as the Gibraltar Savings Bank Act.

**Interpretation.**

2. In this Act, unless the context otherwise requires –

“Deposits in the Savings Bank” means moneys placed in ordinary, safe keeping and investment deposits under section 7 and all moneys received by the Savings Bank from the issue of bonds and debentures under section 7A;

“Director” means a public officer designated by the Government from time to time to be the Director of the Gibraltar Savings Bank;

“end of day balance” means the balance in an ordinary account at the end of the working day;

“expenses incurred in the execution of this Act” means the cost of any work or service done by or in connection with the Gibraltar Savings Bank, including such sum on account of administrative or other overhead expenses as may, with the approval of the Financial Secretary, be reasonably assigned to that work or service;

“investment account” means an account into which an investment deposit is made;

“Minister” means the Minister with responsibility for the Gibraltar Savings Bank;

“ordinary account” means an account into which an ordinary deposit is made;

“revenue” when used in relation to the Gibraltar Savings Bank does not include monies received on deposit;

“safe keeping account” means an account in respect of which the account holder expects the deposits to be held for safekeeping and not for reinvestment;

“Savings Bank” means the Gibraltar Savings Bank constituted under section 3.

**Appointment of Savings Bank.**

3. The Gibraltar Savings Bank and all offices thereof subsisting at the time when this Act comes into operation shall be deemed to be constituted and appointed under this Act as a body corporate resident in Gibraltar.

**Management and control.**

4. The Savings Bank shall be under the management and control of the Director who may, subject to the provisions of this Act and any rules or regulations made thereunder, take such steps as may be desirable for the encouragement of thrift, for the proper management of the Savings Bank, and otherwise for the promotion of the social and economic development of the community.

**Establishment and closure of branch savings bank.**

5. The Minister may, by notice in the Gazette—

- (a) determine the location of branches of the Gibraltar Savings Bank and in such notice, shall specify the date on which such branches shall commence operation;
- (b) specify the date on which a branch of the Gibraltar Savings Bank shall cease operation.

**Employment of officers.**

6. The Director may, with the approval of the Minister, engage such officers as may be necessary for the execution of this Act, and for that purpose may employ for part of their time officers in the service of the Government.

**Ordinary, investment and safe keeping deposits.**

7.(1) Deposits in the Savings Bank may be made as ordinary deposits, safe keeping deposits or investment deposits.

(2) The Minister may by regulations make different provisions with respect to ordinary deposits and with respect to investment deposits of different descriptions.

(3) Regulations made under this section may provide—

- (a) for a minimum balance of an investment account,
- (b) for converting into a different description of investment account any account into which investments deposits of any

description are made if the balance of that account falls below the minimum balance prescribed for an account of that description,

- (c) for the acceptance of investment accounts in a currency other than sterling, and
- (d) for matters incidental to the foregoing.

## **Bonds and debentures.**

7A.(1) Subject to the approval of the Minister, the Director may enter into agreements for the issue of bonds and debentures on such conditions and at such rates of interest as shall be determined in any such agreement.

(2) Notwithstanding any other law, the Minister may, in respect of any bond or debenture to which this section applies, make regulations providing for the exemption wholly or partly of such bond or debenture or any income derived by all persons under such bond or debenture from tax, duty, charge or fee payable by law in respect of any such bond, debenture or income.

## **Security of Government.**

8. The repayment of all moneys deposited in the Savings Bank together with interest thereon is guaranteed by the Government, and accordingly if at any time or times the assets of the Savings Bank shall be insufficient to pay the lawful claims of every depositor, the Minister shall cause such deficiency to be met out of the Consolidated Fund, and the Financial Secretary shall certify such deficiency to the Minister without delay.

## **Interest on ordinary deposits.**

9.(1) Interest on ordinary deposits shall be payable at such rates as the Minister may determine by notice in the Gazette;

Provided that a reduction of the rate of interest may not take effect before the expiry of one month from the date of the publication of the notice.

(2) Subject to subsection (2A), such interest shall commence to accrue on the day of deposit, and shall cease on the day that such deposit shall be withdrawn.

(2A) Interest on ordinary deposits made by cheque shall not commence to accrue until 7 days following the day of deposit.

(2B) The calculation of interest on ordinary deposits under this section shall be based on the end of day balance of accounts.

(3) Interest on ordinary deposits shall, subject to the provisions of subsection (2), (2A), (2B) and section 9C, be calculated to the 31st day of March in every year and shall then be added to and become part of any principal money remaining on deposit.

**Interest on investment deposits.**

9A.(1) Interest on investment deposits shall be payable at such rates as the Minister may determine by notice in the Gazette and different rates may be so determined in relation to different descriptions of investment deposits and different periods of notice of withdrawal.

(2) Without prejudice to the generality of subsection (1), the Minister may determine, in relation to an account into which investment deposits of any description are made, different rates of interest by reference to any one or more of the following factors, namely–

- (a) the balance of that account at any time or over any period or the aggregate balance of the account and the depositor's other accounts of the same description, or the depositor's other investment accounts of any description, over any period; and
- (b) the number of withdrawals from that account over any period or the number of withdrawals from that account and the depositor's other accounts of the same description, or the depositor's other investment accounts of any description, over any period; and
- (c) the currency of the account.

(3) Any alteration in a rate of interest payable on investment deposits may affect deposits received at or before, as well as after the alteration is made.

**Safe keeping deposit fee.**

9B.(1) No interest shall be payable on the safe keeping deposits. A fee levied at the rate of 0.04% per month, or such other rate as may be established by notice in the Gazette shall be arrived at by applying this rate to the maximum level held in the account during the course of that month. The resulting fee will be deducted from the balance outstanding on the 1<sup>st</sup> day of the following month.

(2) Any sum or part thereof held in the account may be withdrawn on one days' notice or such other term as may be provided for by notice in the Gazette

**Interest payable upon closure of ordinary account.**

9C. Upon closure of an ordinary account, interest will be—

- (a) calculated based on the end of day balance; and
- (b) added to and become part of the principal money standing to the account holder's credit,

on the date of closure.

**Expenses**

10. All expenses incurred in the execution of this Act shall be met from the moneys in the Savings Bank.

**Investment of moneys in ordinary accounts.**

11.(1) Except so far as any sums may be prescribed to be kept in hand for the general purposes of the Savings Bank, moneys in the ordinary accounts shall be deposited in the Treasury and shall, as far as practicable, be invested on behalf of the Savings Bank, under the direction of the Financial Secretary in such securities or be employed at interest in such manner as shall be approved from time to time by the Governor.

(2) Any sums of money that may from time to time be required for the repayment of any deposit or deposits under the authority of this Act, or for the payment of interest thereon or expenses incurred in the execution of this Act, may be raised by the sale of the whole or part of such securities:

Provided that any sums of money which may be required for such purposes, may, be advanced to the Savings Bank by the Financial Secretary out of the Consolidated Fund until they can be raised by the sale of such securities.

**Unclaimed deposits.**

11A.(1) Where the amount standing to the credit of a depositor's account is less than £100 and for a period of seven years, or such other sum or period of time as maybe provided for by notice in the Gazette, no money is or has been deposited therein or withdrawn therefrom, the Director shall—

- (a) cause to be published in the Gazette a notice to the effect that unless a claim to such amount is established to the satisfaction of the Director on or before a specified day (which day shall not be less than six months after the publication of the said

notice) the said amount shall be retained within the Savings Bank;

- (b) at the time of the publication of such notice, and in addition thereto, cause copies of it to be exhibited at the Head Office of the Savings Bank and at every office open for the transaction of Savings Bank business with the public; and
- (c) not later than seven days after the publication of the notice, send to the depositor at the address shown in the record of the Director relating to such depositor (where the record contains adequate details of the address) notice in writing of the action he is proposing to take.

(2) If no claim is established as aforesaid, the Director shall at any time after the day specified in the notice, transfer to the Consolidated Fund the amount standing to the credit of such account.

(3) Any amount transferred to the Consolidated Fund under subsection (2) shall cease to earn interest from the date of the transfer.

#### **Payments from lapsed deposits.**

11B.(1) If at any time after an amount standing to the credit of a depositor has been retained within the Savings Bank under section 11A, any claimant establishes to the satisfaction of the Director a claim to the whole or any part thereof, the Director shall certify in writing the sum to which such claimant appears to be entitled.

(2) The Accountant General on production of such certificate from the Director shall cause the sum certified thereon to be paid to the claimant from the Savings Bank.

#### **Investment of moneys in Investment Accounts.**

11C. The moneys in the investment accounts shall, as far as practicable, be invested on behalf of the Savings Bank, under the direction of the Financial Secretary, in such securities or be employed at interest in such manner as shall be approved from time to time by the Government.

#### **Investment of moneys from the issue of bonds and debentures**

11D. The moneys from the issue of bonds and debentures, shall, as far as practicable, be invested on behalf of the Savings Bank, under the direction of the Financial Secretary, in such securities or be employed at interest in such manner as shall be approved from time to time by the Government.



**Accounts.**

12. Annual accounts of the revenue and expenditure of the Savings Bank and of deposits received and repaid and interest credited to depositors during the year ended on the 31st day of March together with a statement of the assets and liabilities of the Savings Bank, shall, after being audited and certified by the Principal Auditor, in compliance with any relevant and applicable standards,—

- (a) be laid before the Minister not later than the 31<sup>st</sup> day of October ensuing in every year;
- (b) be published in the Gazette.

**Surpluses and deficits.**

13.(1) If in any year the revenue of the Savings Bank shall be insufficient to defray the interest due to depositors and all expenses incurred in the execution of this Act, such deficiency shall be met out of the Consolidated Fund.

(2) If in any year the revenue of the Savings Bank shall be more than sufficient to defray the interest due to depositors and all expenses incurred in the execution of this Act, the Financial Secretary may with the approval of the Minister direct that the surplus, or such part thereof as he shall determine,—

- (a) shall be retained within the Savings Bank, or
  - (b) shall be advanced or paid into the Consolidated Fund or into a Special Fund established by or in pursuance of the Public Finance (Control and Audit) Act: provided that no such payment shall be made unless the assets of the Savings Bank will thereafter be at least equivalent to the liabilities to depositors as represented by the deposits in the Savings Bank.
- (3) *Deleted.*

**Investments of deposits in cash or in longer-term securities.**

13A.(1) Notwithstanding any other provision of this Act, the deposits in the Savings Bank and other moneys of the Savings Bank may be held in cash or cash deposits.

(2) In directing the investment of the Deposits in the Savings Bank, the Financial Secretary shall take account of the maturity profile of such

Deposits in the Savings Bank and, where considered appropriate, match the maturity dates of investments against the maturity dates of such deposits.

(3) In directing investments of the deposits in the Savings Bank in accordance with section 13A(2) preference shall be given to investments that will maximise the social and economic development of the community in furtherance of the objectives provided for in Section 4.

**Power to make regulations and rules.**

14.(1) The Minister may make regulations and rules for the management and regulation of the Savings Bank.

(1A) In particular and without prejudice to the generality of the foregoing powers, such regulations may—

- (a) prescribe any matter required by this Act to be prescribed;
- (b) make such provision for any other matter necessary to the operation or administration of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may –

- (a) prescribe limits of deposits;
- (b) prescribe the modes of making deposits;
- (c) prescribe the modes of withdrawing deposits and interest;
- (d) prescribe the times at which deposit books shall be returned to the Savings Bank by depositors;
- (e) regulate deposits by minors, guardians, trustees, married women, friendly societies and other charitable bodies;
- (f) prescribe conditions for the withdrawal of moneys by minors, guardians, trustees, married women, friendly societies and other charitable bodies;
- (g) prescribe the modes of dealing with the deposits of deceased persons or persons suffering from mental disorder;
- (h) provide for the nomination by a depositor not being under sixteen years of age of any person or persons to whom any sum or sums payable to such depositor at his decease is or are to be paid at such decease notwithstanding the production of any will

of the deceased nominator or letters of administration to his estate;

- (i) provide for the manner in which any such nomination may be revoked by the depositor, and for the circumstances in which it is to be treated as having ceased to be operative, and for the payment of the specified amount to any nominee so nominated;
- (j) direct that any person acting as witness to a nomination shall be disqualified from taking thereunder;
- (k) authorise the Director to treat as a depositor in the Savings Bank any person named as nominee in any nomination who dies after the death of the nominator but before receiving payment of the sum to be paid to him under the nomination;
- (l) provide that where any person to whom any sum being the whole or any part of the deposit of a deceased depositor, is payable is unable by reason of any incapacity whatsoever to give a legal discharge therefor the sum may be paid to any person undertaking to maintain the incapacitated person;

Provided that where there is no nomination and a deposit of a deceased person does not exceed £5,000, or such other figure as may be specified by the Minister by notice in the Gazette for this purpose, such deposit may be paid or distributed among such persons as may be prescribed without the production of probate of the will of the depositor or letters of administration to his estate;

- (m) *Revoked.*
- (n) prescribe penalties not exceeding a fine at level 5 on the standard scale for the breach of any regulation or rule made under the provisions of this section;
- (o) provide for the forfeiture of deposits made in wilful contravention of this Act.

(3) Regulations and rules made in pursuance of this section shall be of the same effect as if they were contained in this Act.

**Names of depositors, etc., not to be disclosed.**

15.(1) No person appointed to carry this Act into effect shall disclose the name of any depositor or the amount which may have been deposited or withdrawn by any depositor except in due course of law, or to such person or persons as may be appointed to assist in carrying this Act into operation.

(2) A person who contravenes the provisions of this section is guilty of an offence and is liable on summary conviction to a fine at level 5 on the standard scale.

16. *Revoked.*

**Non-liability of Government.**

17. When any payment is made or act done by the Director or any person acting under his authority in accordance with this Act and the rules or regulations for the time being made thereunder, the Government, the Director and such person shall not be liable in respect of any claim on the part of any person in connection with such payment or act, but any person may nevertheless recover any sum lawfully due to him from the person to whom the Director has paid the same.

18. *Omitted.*