

Seychelles

Financial Institutions Act

Financial Institutions (Local Asset Ratio) Regulations Statutory Instrument 25 of 2006

Legislation as at 1 December 2014

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Financial Institutions (Local Asset Ratio) Regulations
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Financial Institutions (Local Asset Ratio) Regulations Statutory Instrument 25 of 2006

Commenced on 1 August 2006

[This is the version of this document at 1 December 2014.]

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1.

These Regulations may be cited as the Financial Institutions (Local Asset Ratio) Regulations.

2.

- (1) All banks shall, from and after 1st July 2009, maintain in accordance with these Regulations, local assets equivalent to not less than 35 per cent of their deposit liabilities payable in Seychelles.
- (2) For the purpose of this regulation, “deposit liabilities” include demand deposits, savings deposits and time deposits including deposits held for the Development Bank of Seychelles but do not include inter-bank, foreign currency and pipeline deposits.
- (3) The liabilities should be calculated gross without offsetting overdrafts.
- (4) The local assets to be maintained under this regulation are—
 - (a) securities, which include Government Stocks, Treasury Bills and Treasury Bonds;
 - (b) other claims on Government payable in Seychelles, restructured loans and advances previously made to public entities and the private sector for which Government has assumed liability;
 - (c) balance outstanding from the Government home ownership finance scheme.

3.

The securities held as local assets shall not be held as investments of the Paid Up/Assigned Capital and Reserve Fund of a bank and shall be free from any encumbrances having been pledged against Central Bank advances and inter bank advances. The securities shall be computed at their nominal value.

4.

In computing the local assets ratio, all offices of a bank in Seychelles shall be treated as one unit.

5.

For the computation of local assets ratio, the average holdings of Government securities and other claims on Government during the reporting week shall be applied to the average deposit liabilities of the preceding week, as indicated in the form of the weekly return FSS/LAR/MR/16(b) issued by the Central Bank of Seychelles.

6.

(1)

*

Any bank which incurs any deficiency in the local assets ratio shall be liable to the penalty specified in section 26(2) of the Financial Institutions Act, 2004.

7.

All circulars previously issued relating to the minimum requirement of local assets are hereby revoked.

*

Note: There is no subrule 6(2).