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**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
Act. 1960-01	s. 9(1)	
1968-33	ss. 11A-11B	
LN. 1971/020	ss. 9(3), 12, 13(3)	
Act. 1976-26	ss. 11A-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)-(3), 7A, 9(1), (3), 9A(1)-(3), 11(1), (2), 11C, 12, 13(2), (3), 17	19.12.1988
1990-50	s. 14(2)(m)	15.11.1990
1991-25	s. 7A(1)-(2)	18.7.1991
1992-06	ss. 1-5, 11A(1)(b), 11C(a), 12, 14(1), (1A), (2)(l)-(n), (3), 15-16	16.7.1992
1997-36	s. 13(2)(c)	13.11.1997
1999-19	s. 14(2)(1)	26.8.1999

## English sources:

Savings Bank Act 1887 (50 & 51 Vict. c.40)  
Savings Bank Act 1920 (10 & 11 Geo. 5 c.12)

## ARRANGEMENT OF SECTIONS

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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 –

“Director” means a person appointed by the Governor from time to time to be the Director of the Gibraltar Savings Bank;

“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 and Development Secretary, be reasonably assigned to that work or service;

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

“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;

“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. Subject to the provisions of and made under this Act and any other Act in operation in Gibraltar with the purpose of regulating credit institutions in accordance with the laws of the European Community, 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 Governor 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 Government, 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 and investment deposits.**

7.(1) A deposit with the Savings Bank may be made either as an ordinary deposit or as an investment deposit.

(2) The Governor 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 Financial and Development Secretary, 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 Governor 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 Governor shall cause such deficiency to be met out of the Consolidated Fund, and the Financial and Development Secretary shall certify such deficiency to the Governor without delay.

## **Interest on ordinary deposits.**

9.(1) Interest on ordinary deposits shall be payable at such rates as the Government 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) Such interest shall not be payable on any amount less than £1 or on any fraction of £1 and shall not commence to accrue until the first day of the month next following the day of deposit, and shall cease on the last day of the month preceding that in which such deposit shall be withdrawn.

(3) Interest on ordinary deposits shall, subject to the provisions of subsection (2), 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 Governor 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 Governor 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.

### **Expenses**

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

### **Disposal 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 and Development 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 and Development 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 £25 and for a period of seven years 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 transferred to the Consolidated Fund;
- (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) where the amount standing to the credit of the depositor's account is more than £1 but less than £25, 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 transferred to the Consolidated Fund 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 Consolidated Fund.

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

11C. The moneys in the investment accounts may, -

- (a) be advanced at the discretion of the Financial and Development Secretary to—
  - (i) the Consolidated Fund in aid of the general expenditure of the Government;
  - (ii) the Improvement and Development Fund for the purposes of that Fund;
  - (iii) the Gibraltar Investment Fund for the purposes of that Fund;
- (b) be invested on behalf of the Savings Bank in such securities or be employed at interest in such manner, as shall be approved from time to time by the Governor.

**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 and after being audited, in compliance with any other statutory requirements operating in relation to the auditing of the accounts of a credit institution,—

- (a) be laid before the Governor not later than the 31<sup>st</sup> day of August ensuing in every year;
- (b) be published in the Gazette;
- (c) be furnished to the Secretary of State.

**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 and Development Secretary may direct that the surplus, or such part thereof as he shall determine,—

- (a) shall be retained within the Savings Bank, or

- (b) shall be 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 exceed the liabilities by not less than 10% of the liabilities to depositors or such other percentage as the Governor may decide from time to time;
- (c) for the purpose of subsection 2(b) of this Section, the liabilities to depositors shall exclude any liabilities in respect of deposits in the Gibraltar Savings Bank by any Government of Gibraltar wholly-owned Company or Corporation; any Government Special Fund; or any other Government of Gibraltar Deposits.

**Power to make regulations and rules.**

14.(1) The Governor 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 as may be necessary to apply to the Savings Bank legislation in effect in Gibraltar which has as its object the regulation of credit institutions in accordance with the laws of the European Community and such regulations may make such amendment to this Act as is necessary to comply with that legislation;
- (c) make 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 Governor 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;
- (p) authorize the Director to enter into an arrangement with the Post Office Savings Bank of the United Kingdom of Great Britain and Northern Ireland or with a government savings bank of any British possession, or any Foreign country, for the transfer of any sums standing to the credit of depositors from such savings bank to the Savings Bank, and vice versa, and prescribe conditions for such transfer.

(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.*