

CENTRAL BANK OF SEYCHELLES (AMENDMENT) BILL, 2021

(Bill No. 23 of 2021)

OBJECTS AND REASONS

This Bill seeks to amend sections 29A and 41 of the Central Bank of Seychelles Act, 2004 (Cap 26).

The purpose of the amendments are to extend the period of loans, advances and rediscount made by the Central Bank to Financial Institutions from 3 years to 8 Years and to clear the ambiguities that exist in section 41.

Dated this 7th day of June, 2021.

**FRANK D.R. ALLY
ATTORNEY-GENERAL**

CENTRAL BANK OF SEYCHELLES (AMENDMENT) BILL, 2021

(Bill No. 23 of 2021)



A BILL

FOR

AN ACT to amend the Central Bank of Seychelles Act, 2004 (Cap 26).

ENACTED by the President and the National Assembly.

Short title

1. This Act may be cited as the Central Bank of Seychelles (Amendment) Act, 2021.

Amendment of Cap 26

2. The Central Bank of Seychelles Act, 2004 is amended as follows —
- (a) by repealing in section 29A the words “not exceeding 3 years” and substituting therefor the words “not exceeding 8 years”;
 - (b) by repealing section 41 and substituting therefor the following section —

Purchase of Treasury Bills etc..

41.(1) The Bank may purchase or otherwise acquire treasury bills or other securities issued or guaranteed by the Government.

(2) The purchases or other acquisitions by the Bank under subsection (1) shall be made —

- (a) for monetary policy or capital maintenance purposes; and
- (b) on the secondary market at market interest rates.

(3) Notwithstanding subsection (2), in the event of a force majeure, the Bank may purchase or acquire treasury bills or other securities issued or guaranteed by the Government.

(4) The securities purchased or acquired pursuant to subsection (3) shall not be taken into account for the purpose of determining the limit on advances to Government under section 40(2).

(5) The aggregate value of the securities purchased or acquired pursuant to subsection (3) shall not exceed a limit to be prescribed by the Bank in consultation with the Ministry of Finance and published by notice in the Gazette.

(6) The Bank may re-sell or hold, until their date of maturity, the securities purchased or acquired pursuant to subsection (3).”