

ANTIGUA AND BARBUDA



**EASTERN CARIBBEAN DEPOSIT INSURANCE CORPORATION AGREEMENT BILL
2025**

No. of 2025

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ANTIGUA AND BARBUDA

**EASTERN CARIBBEAN DEPOSIT INSURANCE CORPORATION AGREEMENT BILL
2025**

No. of 2025

AN ACT to provide for the implementation of the Agreement establishing the Eastern Caribbean Deposit Insurance Corporation and for related matters.

ENACTED by the Parliament of Antigua and Barbuda as follows—

1. Short title and commencement

- (1) This Act may be cited as the Eastern Caribbean Deposit Insurance Corporation Agreement Act, 2025.
- (2) This Act shall come into force on a date to be fixed by the Minister by Order published in the Gazette.

2. Interpretation

In this Act –

“**Agreement**” means the Agreement establishing the Eastern Caribbean Deposit Insurance Corporation, made the day of 20[], the text of which is set out in the Schedule;

“**Article**” means an Article of the Agreement;

“**Board**” means the Board of Directors under Article 7;

“**Central Bank**” means the Eastern Caribbean Central Bank established under Article 3 of the Eastern Caribbean Central Bank Agreement;

“**Corporation**” means the Eastern Caribbean Deposit Insurance Corporation established under Article 3;

“**Eastern Caribbean Central Bank Agreement**” means the Agreement Establishing the Eastern Caribbean Central Bank done at Port-of-Spain on the 5th day of July, 1983;

“**Fund**” means the Deposit Insurance Fund established under Article 14;

“**Minister**” means the Minister responsible for finance;

“**Monetary Council**” means the Monetary Council established under Article 7 of the Eastern Caribbean Central Bank Agreement; and

“**premium**” means a premium assessed under Article 18.

3. Agreement to have the force of law

The Agreement shall have the force of law in Antigua and Barbuda.

4. Premium

Th shall assess a premium payable by a policyholder under Article 18.

5. Fees

In performing its functions under Article 6, the Corporation may impose and collect fees.

6. Annual audit report to be laid in Parliament

The Minister shall lay the annual audit report of the Corporation before Parliament as soon as practicable after the report is presented to the Monetary Council pursuant to Article 28(6).

7. Non-application of legislation to the Corporation

The following Acts do not apply to the Corporation:

- (a) The Stamp Duty Act, Cap.
- (b) The Insurance Act 2007

8. Central Bank relations with the Corporation

- (1) The Central Bank may open accounts and hold the funds of the Corporation on such terms and conditions, including the payment of interest and charges, as the Baord determines.
- (2) The Central Bank may hold the monies of the Fund established under Article 14 on such terms and conditions, including the payment of interest and charges, as the Board determines.
- (3) The Central Bank m ay lend money to the Corporation on such terms and conditions as the Central Bank determines.

9. Penalty

- (1) Subject to subsection (3), a financial institution that fails to comply with Article 18 is liable to, in addition to the payment of the outstanding premium –
 - (a) a penalty of \$500,000 dollars; and

- (b) a penalty of \$20,000 dollars, in the case of a continuous failure to comply, for each day or part of a day that the failure continues, from the date immediately following the period specified in subsection (3)(d).
- (2) A penalty for which a financial institution is liable under subsection (1)(b) shall not apply in respect of a period of more than thirty days.
- (3) Before imposing a penalty under subsection (1), the Corporation shall serve a written notice on a financial institution that states –
 - (a) that the financial institution has failed to comply with Article 18;
 - (b) that the financial institution is liable to pay the amount of the outstanding premium;
 - (c) the amount of the penalty for which the institution is liable under subsection (1)(a) or (b).
 - (d) the period within which the outstanding premium under paragraph (b) and penalty under paragraph (c) must be paid;
 - (e) that the penalty is payable to the Government;
 - (f) that the financial institution, may, in writing, accept or decline liability for the payment of the penalty under paragraph; and
 - (g) that failure to pay the penalty under paragraph (c) may result in prosecution.
- (4) On being served with a notice under subsection (3), and within the period specified in the notice, a financial institution may, in writing, accept or decline liability for the payment of the penalty specified in the notice.
- (5) A financial institution that accepts liability for the payment of a penalty under subsection (4) must pay the premium and the amount of the penalty specified in the notice under subsection (3)(c).
- (6) If a financial institution declines liability for the payment of a penalty under subsection (4), proceedings shall be brought against the financial institution for the recovery of the premium and penalty outstanding premium and the amount of the penalty specified in the notice under subsection (3)(c).
- (7) The Corporation may, whether or not the outstanding premium and penalty have been paid, withdraw a notice under subsection (3).
- (8) Where a notice is withdrawn under subsection (7) and the outstanding premium and penalty have been paid under subsection (5), the amount of the penalty must be refunded to the financial institution.
- (9) Proceedings shall not be brought against a financial institution where the financial institution –

- (a) has paid the outstanding premium under subsection (3)(b) and the penalty specified in the notice under subsection (3)(c) in the period specified in subsection (3)(d); or
- (b) has been found liable and is penalised by a court for the failure specified in the notice under subsection (3).

10. Offence

- (1) A person who contravenes Article 31(1) commits an offence and is liable, on conviction on indictment –
 - (a) in the case of a natural person, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding twelve months, or to both; or
 - (b) in the case of a legal person, to a fine not exceeding \$200,000.
- (2) A person who contravenes Article 31(2) commits an offence and is liable, on conviction on indictment –
 - (a) in the case of a natural person, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding twelve months, or to both; or
 - (b) in the case of a legal person, to a fine not exceeding \$200,000.

11. Amendment of Schedule

- (1) Where an amendment to the Agreement becomes effective in accordance with Article 44, the Minister shall amend the Schedule by Order published in the Gazette.
- (2) Unless the context otherwise requires, where the Schedule is amended under subsection (1), a reference to the Agreement in this Act or an instrument shall be construed as a reference to the Agreement, as amended.

12. Regulations

- (1) The Minister may, on the recommendation of the Corporation, make Regulations to give effect to the Act.
- (2) Without limiting the generality of subsection (1), the Minister may, on the recommendation of the Corporation, make Regulations to prescribe –
 - (a) fees imposed by the Corporation in performing its functions under Article 6;
 - (b) the amount of a premium payable under Article 18.

13. Inconsistency

- (1) Subject to subsection (2), in the event of an inconsistency between the provisions of this Act and the operation of any other enactment, the provisions of this Act prevail to the extent of the inconsistency.

(2) In the event of an inconsistency between the provisions of this Act and the Banking Act 2015, the provisions of the Banking Act shall prevail to the extent of the inconsistency.

SCHEDULE
EASTERN CARIBBEAN DEPOSIT INSURANCE
CORPORATION AGREEMENT

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**AGREEMENT ESTABLISHING THE EASTERN CARIBBEAN DEPOSIT
INSURANCE
CORPORATION**

PREAMBLE

AN AGREEMENT made on the day of July 2024 between the Governments of Anguilla, Antigua and Barbuda, The Commonwealth of Dominica, Grenada, Montserrat, Saint Christopher and Nevis, Saint Lucia and Saint Vincent and the Grenadines

WHEREAS the Participating Governments recognise the Monetary Council’s systematic, strategic policy response to the global financial crisis of 2008;

AND WHEREAS the Participating Governments have agreed to implement a deposit insurance system in the Eastern Caribbean Currency Union to protect small, vulnerable depositors; promote sound financial stability of the financial system; and to strengthen consumer confidence and protection;

IT IS HEREBY AGREED as follows:

PRELIMINARY

Article 1

Title

This Agreement shall be cited as the Eastern Caribbean Deposit Insurance Corporation Agreement of 2024.

Article 2

Interpretation

In this Agreement —

“**Board**” means the Board of Directors under Article 7;

“**Central Bank**” means the Eastern Caribbean Central Bank established under Article 3 of the Eastern Caribbean Central Bank Agreement;

“**Chairperson**” means the Chairperson of the Board;

“**compensation payment**” means a payment made under Article 20;

“**connected person**”, in relation to a significant shareholder, means —

- (a) a legal person that holds more than [ten per cent] of the shares of the significant shareholder or exercises or controls more than [ten per cent] of the total voting rights

at any general meeting of the significant shareholder or another body corporate of which the significant shareholder is a subsidiary;

- (b) a manager, director, secretary or senior officer who otherwise exercises ultimate effective control over the management of a legal person under paragraph (a);
- (c) a natural person who —
 - (i) ultimately owns or controls, or
 - (ii) ultimately owns or controls, whether through direct or indirect ownership or control, [ten per cent] or more of the shares or voting rights in,

the legal person under paragraph (a).

“Corporation” means the Eastern Caribbean Deposit Insurance Corporation established under Article 3;

“Currency Union” means the Eastern Caribbean Currency Union comprised of Anguilla, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, Saint Christopher and Nevis, Saint Lucia and Saint Vincent and the Grenadines;

“deposit” means a sum of money in Eastern Caribbean Dollars or other foreign fiat currency received or held by a financial institution, from or on behalf of a depositor in the usual course of the deposit-taking business of the financial institution, for which the financial institution shall pay on demand, or after notice, to the depositor with or without interest;

“deposit insurance” means the insurance referred to in Article 15;

“depositor” means a person or representative of a person who holds a deposit account with a policyholder;

“Director” means a Director of the Board;

“Eastern Caribbean Central Bank Agreement” means the Agreement Establishing the Eastern Caribbean Central Bank done at Port-of-Spain on the 5th day of July, 1983;

“financial institution”—

- (a) means a licensed financial institution or licensed holding company under the Banking Act;
- (b) includes a financial institution required to subscribe to deposit insurance;

“Fund” means the Deposit Insurance Fund established under Article 14;

“insured deposit” means a deposit referred to in Article 17(2);

“insured limit” means the amount that a deposit is insured for, under Article 16;

“Manager” means the Manager of the Corporation appointed under Article 13;

“member state” means a state that comprises the Eastern Caribbean Currency Union;

“Monetary Council” means the Monetary Council established by Article 7 of the Eastern Caribbean Central Bank Agreement;

“net loss” means the excess of all expenses and losses over all revenues and gains;

“obligation” means any credit facility, deposit pledged as collateral or called-in guarantees or unsecured overdraft;

“officer” means:

- (a) a chief executive officer, chief operating officer, president, vice-president, branch manager, country manager, corporate secretary, treasurer, chief financial officer, chief accountant, chief auditor, chief investment officer, chief compliance officer or chief risk officer;
- (b) any other individual designated as an officer by the financial institution’s articles of incorporation or continuance, by-laws or other constituent document, or resolution of the directors or members; or
- (c) any other individual who performs functions similar to those performed by a person referred to in paragraph (a), whether or not the individual is formally designated as an officer;

“policyholder” means a financial institution under Article 15;

“premium” means a premium payable under Article 18;

“receiver” includes liquidator;

“significant shareholder” means a person who either alone or with an affiliate or connected person, is entitled to hold more than ten per cent of the shares of a financial institution or to exercise or control more than ten per cent of the total voting rights at any general meeting of the financial institution or another company of which the financial institution is a subsidiary.

“supervisor” means the supervisory and regulatory authority responsible for oversight or supervision of a policyholder;

“target level” means the minimum amount of monies that must be maintained in the Fund solely to make a compensation payment;

“uninsured deposit” means a deposit that is not insured for the purposes of this Agreement.

PART 1

ESTABLISHMENT AND GOVERNANCE OF THE CORPORATION

Article 3

Establishment of the Eastern Caribbean Deposit Insurance Corporation

- (1) Subject to subarticle (3), there is hereby established a corporation, to be called the Eastern Caribbean Deposit Insurance Corporation.
- (2) The Corporation shall be a body corporate with full legal personality in each Member State and, in particular, has the capacity to contract, acquire, hold and dispose of personal, movable and immovable property and to institute legal proceedings.
- (3) The establishment of the Corporation shall take effect on entry into force of this Agreement in accordance with Article 41.

Article 4

Principal office of the Corporation

- (1) The Corporation shall have its principal office in one of the Member States, as the Board shall determine by majority vote.
- (2) In order to fulfil its functions, the Corporation may establish branches or appoint a Representative in any Member State.
- (3) The government of a Member State under subarticle (1) or (2) shall accord the Corporation, its staff or Representative the rights, privileges and immunities set out in this Agreement.
- (4) Subject to this Agreement, the Corporation shall conclude a Headquarters Agreement between the Corporation and a Member State under subarticle (1) concerning the principal office of the Corporation and the rights, privileges, immunities and facilities to be accorded to the staff or Representative of the Corporation in any member state.

Article 5

Principal objectives of the Corporation

The principal objectives of the Corporation shall be to —

- (a) establish a deposit insurance system to provide insurance against the loss of part or all of deposits;
- (b) promote and otherwise contribute to the financial stability of the Currency Union; and

(c) carry out the objectives set out in paragraphs (a) and (b) in a manner that will minimise the exposure of the Corporation to a net loss.

Article 6

Functions and powers of the Corporation

(1) The functions of the Corporation shall be to carry out such activities as may be necessary to give effect to the principal objectives set out in Article 5 including the duty to —

- (a) provide insurance against the loss of deposits;
- (b) manage and administer the Fund or any other income of the Corporation;
- (c) levy premiums and fees pursuant to this Agreement; and
- (d) impose penalties for breach of the Agreement.

(2) In carrying out its functions under subarticle (1), the Corporation has the powers to —

- (a) assess and levy premiums and fees from policyholders;
- (b) accumulate, manage and invest assets of the Corporation;
- (c) borrow or raise monies by any means, including the issuance and sale of bonds, debentures, notes or any other evidence of indebtedness, with approval of the Board;
- (d) make compensation payments in respect of insured deposits to depositors or to another policyholder;
- (e) employ persons as it considers necessary for the efficient performance of the Corporation on terms and conditions as the Corporation considers appropriate;
- (f) enter into agreement with the Central Bank for the secondment of staff and the provision of administrative services;
- (g) make such enquiries to a supervisor of a policyholder as to the conduct of the affairs of the policyholder;
- (h) deduct from a compensation payment pursuant to Article 25 any arrears due from a depositor to a policyholder;
- (i) promote awareness of the Corporation, its operations and the effect of the deposit insurance system in the Currency Union;
- (j) cause the undertaking of an actuarial analysis of the Fund at least every three years;
- (k) engage the supervisor of a policyholder, as required to conduct on site assessments of a policyholder to confirm the accuracy of information relevant to the deposit insurance policy;

- (l) make a request, not more than once a year, for a policyholder to participate in a compensation payment simulation exercise;
- (m) consult and cooperate with the supervisor of a failed or failing policyholder in respect of the resolution of that policyholder; and
- (n) request a director, employee or officer, including a former director, employee or officer, of a financial institution to provide information relating to the affairs of the institution regarding deposit insurance.

Article 7

Board of Directors

- (1) There shall be a Board of Directors and the members of the Board shall be responsible for the policy and general administration of the Corporation and the management of the Fund.
- (2) There shall be five Directors, consisting of the following —
 - (a) the Governor of the Central Bank;
 - (b) two members, each being a citizen of a Member State and having knowledge and experience in banking, commerce, finance, accounting, insurance or law; and
 - (c) two representatives, each from the Ministry of Finance of two Member States.
- (3) A Director shall not be appointed or continue to hold office if that person—
 - (a) is a member of a House of Parliament in any member state;
 - (b) has, during the period of three years prior to their appointment been a director, officer, employee or auditor of a policyholder;
 - (c) has been declared bankrupt or is compounding with, or suspending payment to, the person's creditors; or
 - (d) has been convicted in a court of law of an offence involving fraud, dishonesty, or violence.
- (4) The Directors appointed pursuant to subarticle (2)(b) shall be appointed by the Monetary Council for a term of three years.
- (5) Each Director appointed under subarticle (2)(c) shall be appointed on a rotational basis by the Minister of Finance of the respective Member State for a term of two years.
- (6) The Governor of the Central Bank shall ex-officio be the Chairperson of the Board of Directors.
- (7) A Director appointed under subarticles (2)(b) and (c) shall be removed from their office by the Board on —
 - (a) finding, by a simple majority vote of the Board, of permanent incapacity or serious neglect of, or misconduct in, office; or

(b) being found to be disqualified under subarticle (3).

(8) A Director appointed under subarticles (2)(b) and (c) may resign their office by giving notice in writing to the Board.

(9) If a Director appointed under subarticles (2)(b) and (c) dies, resigns or otherwise vacates their office before the expiry of the term for which they have been appointed, as soon thereafter as may be practicable, the Monetary Council or Minister of Finance shall, as the case may be, appoint another Director to serve for the unexpired period.

Article 8

Proceedings of the Board

(1) The Board shall determine its own procedures for meetings of the Board save that —

(a) the quorum for meetings shall be four Directors and decisions shall be taken by a simple majority;

(b) a vacancy on the Board does not impair the right of the remaining Directors to act;

(c) where the Chairperson is absent from a meeting, the Directors in attendance shall appoint another Director to act as Chairperson and the appointed member shall, while so acting, have all the powers of the Chairperson for that meeting; and

(d) the Chairperson shall in the event of an equality in the voting, in addition to their original vote, have a casting vote.

(2) The Board shall meet as often as the Board considers necessary at such time, place or by such mode as the Board determines, provided that the Board shall meet at least four times in every calendar year.

Article 9

Disclosure of interest

(1) A Director who holds an office or has an interest whereby, directly or indirectly, their functions under this Agreement are likely to be in conflict with their personal interests shall disclose the nature, character and extent of that office or interest to the Directors at a meeting of the Board.

(2) The disclosure referred to in subarticle (1) shall be made —

in a case where the interest or office is held by the person before he became a Director, at the first meeting of the Board that is held after he becomes a Director; and

in any other case, at the first meeting of the Board that is held after the acquisition by the Director of that relevant office or interest.

(3) The details of any disclosure made under subarticle (1) shall be recorded in the minutes taken at the meeting at which the disclosure is made.

(4) A Director who has made a disclosure under subarticle (1) shall not take part in any deliberation or discussion of the Board relating to a matter in which they have a conflict of interest.

Article 10

Powers of the Board

(1) The Board shall administer the affairs of the Corporation.

(2) Without prejudice to subarticle (3), the Board may make policies on matters including —

(a) the administration, management and control of the property and affairs of the Corporation;

(b) the functions, duties, remuneration or removal of a Director, an officer, an agent and an employee of the Corporation;

(c) conflicts of interest and post-employment matters relating to conflicts of interest in respect of a Director, an officer and an employee of the Corporation;

(d) governing the appointment and activities of a special committee created for carrying out the functions of the Corporation;

(e) the assessment of premiums, such as differential premiums and collecting premiums;

(f) the information that the Corporation may require from policyholders regarding their deposit liabilities and the time and manner by which policyholders must provide the information to the Corporation;

(g) the form and manner in which compensation payments are to be made by the Corporation; and

(h) any other matter that the Board considers appropriate.

(3) Subject to subarticle (4), the Board shall make policies regarding the investment of monies from the Fund.

(4) In making policies, under subarticle (3), the Board shall —

(a) ensure that the monies from the Fund are invested in a manner consistent with international best practice;

(b) ensure the diversification of the investment portfolio so that —

(i) a single investment does not exceed ten per cent of the Fund; and

(ii) the aggregate investment does not exceed sixty per cent of the Fund;

(c) ensure that adequate risk management and internal control safeguards are established to mitigate potential financial losses;

- (d) prioritise safety and liquidity over return on investment;
- (e) ensure that investment decisions align with the predetermined risk tolerance level; and
- (f) obtain expert advice from financial professionals before finalizing investment policies for high-risk or complex investment opportunities.

Article 11

Alternate Director

A Director appointed under Article 7(2)(c) may, from time to time with the approval of the Minister of Finance of the Member State which the Director represents designate in writing an alternate to attend a meeting of the Board in the absence of that Director, and the alternate shall be deemed to be a Director of the Board while attending such meeting of the Board.

Article 12

Remuneration of Directors

- (1) A Director shall be paid such remuneration as the Board determines.
- (2) A Director shall be compensated by the Corporation for reasonable travel and expenses incurred by the Director in performing their duties as a Director while absent from their ordinary place of residence.

Article 13

Manager

- (1) The Board shall appoint a Manager of the Corporation for a term of five years at such remuneration and on such terms and conditions as the Board determines.
- (2) The Manager shall have knowledge and experience in banking, economics, commerce, finance, accounting, insurance or law.
- (3) The Manager shall be responsible to the Board for —
 - (a) the day-to-day management of the Corporation;
 - (b) developing policy and procedures for the Corporation and proposing them to the Board;
 - (c) providing technical advice and guidance on matters of policy;
 - (d) the implementation of the policies and decisions of the Board;
 - (e) proposing the target level of the Fund to the Board;

- (f) the submission of annual and other reports to the Board;
- (g) developing a public awareness strategy concerning the Corporation and the benefits and limits of the deposit insurance system; and
- (h) the performance of such functions as the Board may delegate to them.

PART 2

DEPOSIT INSURANCE

Article 14

Deposit Insurance Fund

- (1) There is established a fund to be known as the Deposit Insurance Fund.
- (2) The following shall be paid into the Fund —
 - (a) any premium, levies and other fees paid by policyholders;
 - (b) such contributions by way of advances which may be made by the Central Bank;
 - (c) any amounts representing the proceeds of investments made out of the Fund;
 - (d) any amounts collected under Article 21(2); and
 - (e) any amounts borrowed by the Corporation for the Fund.
- (3) The following shall be paid out of the Fund —
 - (a) compensation payments to depositors made under Article 20;
 - (b) principal and interest payments in respect of monies borrowed by the Corporation under this Agreement;
 - (c) any payment legally due to a policyholder or third party arising out of the administration of the Fund; and
 - (d) expenses incurred by the Corporation in performing its functions.
- (4) The target level shall be —
 - (a) set by the Board, on the proposal of the Manager of the Corporation, having regard to the liabilities and any potential liabilities of the Corporation for a compensation payment; and
 - (b) equivalent to not less than five per cent of the total insured deposits.

- (5) The Corporation shall not invest any part of the Fund unless the investment complies with the policy made by the Board pursuant to Article 10(3).
- (6) The target level of the Fund shall be held in the Central Bank or invested pursuant to subarticle (5).
- (7) Monies comprising the Fund, except monies held or invested under subarticle (6), may be held in an account pursuant to Article 28(2).
- (8) The Manager shall at least once a year review the amount and target level of the Fund having regard to the liabilities and potential liabilities of the Corporation and shall make recommendations to the Board to increase or decrease the amount and target level of the Fund.
- (9) Where the Corporation determines that the target level of the Fund set under subarticle (4) has been exceeded, the Corporation may refund any excess monies to the policyholders pro rata.

Article 15

Requirement for deposit insurance policy

- (1) Every financial institution shall be deemed to be a policyholder and shall be required to subscribe to a deposit insurance policy from the Corporation.
- (2) On payment by a policyholder of the annual premium and differential premium, if applicable, assessed under Article 18, the Corporation shall issue a deposit insurance policy to the policyholder.
- (3) The deposit insurance policy issued under subarticle (2) shall be in the form determined by the Corporation.

Article 16

Deposit insurance coverage

- (1) Subject to subarticle (2), the Corporation shall insure each deposit for the amount of fifty thousand Eastern Caribbean Dollars.
- (2) Where a depositor holds deposits in more than one policyholder or in different capacities and rights, the coverage shall apply to the total amount held in each capacity or right in each institution.

Article 17

Deposits

- (1) For the purposes of this Agreement, the following deposits in Eastern Caribbean Dollars or a foreign currency shall be insured —
 - (a) savings account;

- (b) chequing account;
 - (c) money orders or draft;
 - (d) prepaid letter of credit;
 - (g) term-deposit or certificate of deposit;
 - (h) cheque;
 - (i) manager's cheque;
 - (j) travellers' cheque; and
 - (k) credit balances of deposit instruments in transit.
- (2) The interest accrued or payable on an insured deposit shall be included in the insured amount up to the insured limit.
- (3) An uninsured deposit shall include the deposit of —
- (a) other policyholders, financial institutions or deposit taking institutions;
 - (b) a government or statutory body; or
 - (c) an insurance company or credit institution.
- (4) Where a depositor holds more than one deposit in a policyholder in different capacities and with different rights to each deposit, each deposit shall be treated as a separate deposit.
- (5) Where a depositor holds more than one deposit in the same capacity and with the same rights to each deposit, all deposits shall be treated as a single deposit.

Article 18

Premiums

- (1) The Corporation shall assess and collect from each policyholder a first premium payable by a policyholder in respect of the year in which it becomes a policyholder.
- (2) The premium payable by a policyholder under subarticle (1) shall be paid to the Corporation, without interest, within thirty days after the end of the month in which the policyholder becomes a policyholder.
- (3) Thereafter, the Corporation shall assess and collect from each policyholder an annual premium assessed by the Corporation.
- (4) Subject to subarticle (7), the Corporation shall notify a policyholder annually, in writing, of the premium and due date for paying the same and the policyholder shall pay the premium to the Corporation within thirty days of the due date.

(5) In addition to the annual premium under subarticle (3), the Corporation may implement differential premiums which shall be premiums determined by a system of classifying policyholders into different categories to assess different premiums.

(6) A differential premium is payable in the same manner specified under subarticle (4) for the payment of an annual premium.

(7) The Corporation may collect the payment of the premium and differential premium, where applicable, on a semi-annual basis from a policyholder.

(8) The Corporation may impose a penalty on a financial institution with respect to any premium or part of a premium that remains payable in excess of thirty days after the due date.

Article 19

Cancellation of deposit insurance policy

(1) The Corporation may cancel a deposit insurance policy of a policyholder if the Corporation is satisfied that —

(a) the policyholder has ceased to accept deposits and the Corporation, on the advice of the supervisor of the policyholder, is satisfied that the policyholder has paid all deposits to a depositor or the policyholder is able to pay a depositor on demand;

(b) the licence of the policyholder to do business has been revoked;

(c) the policyholder has transferred all its deposit liabilities to another policyholder;

(d) a receiver has been appointed for the voluntary winding up or a winding up order has been made by a court against the policyholder; or

(e) the policyholder has merged or amalgamated with another policyholder;

(f) the policyholder has not paid —

(i) the premium or any part of a premium forty-five days after the due date, and

(ii) a penalty or any part of a penalty imposed under Article 18(8).

(2) A policyholder shall notify the Corporation within twenty-four hours of the occurrence of an event under subarticle (1)(a), (b), (c), (d) or (e).

(3) The Corporation shall, no less than seven days before exercising the power of cancellation under subsection (1), notify the policyholder of the intended cancellation and the reasons for so doing.

(4) The Corporation may give public notice of the cancellation of a deposit insurance policy under subarticle (1) if, in the opinion of the Corporation, it is in the interest of the public that notice should be given.

- (5) A public notice under subarticle (4) must be published —
- (a) on the Corporation's website;
 - (b) in the Government Gazette of each Member State; and
 - (c) in a newspaper of general circulation in each Member State.
- (6) A policyholder whose policy is cancelled under this Article remains obligated to pay any outstanding premium under Article 18.

Article 20

Compensation payment and procedures

(1) The Corporation shall make a compensation payment out of the Fund, in respect of an insured deposit up to the maximum of the deposit insurance where the Supervisor instructs that a compensation payment should be made, directly to —

(a) a depositor where—

the licence of the policyholder has been revoked under Article 19 (1)(b) and the supervisor of the policyholder determines that the policyholder is unable to pay depositors,

(ii) winding up of the policyholder has commenced pursuant to Article 19 (1)(d),

(iii) the policyholder is unable to make a payment of a deposit by reason of a court order for compulsory liquidation, or

(iv) a receiver has been appointed pursuant to the legislation governing the appointment of a receiver for the policyholder;

(b) another financial institution, where the supervisor of a policyholder approves the transfer of the assets and liabilities of the policyholder to—

(i) another policyholder, or

(ii) a bridge financial institution or an asset management vehicle.

(2) The Corporation shall advise the supervisor that a compensation payment pursuant to subarticle (1)(b) should not be made where the cost of that compensation payment exceeds the cost of a compensation payment made pursuant to subarticle (1)(a).

(3) A supervisor shall notify the Corporation at least twenty-four hours before or within the occurrence of an event that may require the Corporation to make a compensation payment.

(4) The Corporation on receiving a notice under subarticle (3), shall notify depositors of the event and the procedures for receiving compensation payment within seventy-two hours of receiving the notice.

(5) A policyholder shall provide the Corporation with information in a form as may be determined by the Corporation, that the Corporation can use to collate the details and amounts of any compensation payment to be made under subarticle (1) within fourteen days after the event occurred requiring the payment.

(6) Where the Corporation is required to make a compensation payment out of the Fund under subarticle (1), payment shall commence no later than three months after the date of notice under subarticle (3).

(7) Subject to Article 14(4), where the Fund does not have sufficient funds to allow the Corporation to make compensation payment, the Corporation shall formulate and implement a viable plan to increase the Fund.

(8) Where the Corporation is required to make a compensation payment out of the Fund pursuant to subarticle (1) and the Corporation is unable to make a compensation payment within the timeframe in subarticle (6), the Corporation may make advance, interim or emergency partial payments.

(9) The Corporation shall be discharged from all liability in respect of a deposit for which a compensation payment has been made.

Article 21

Subrogation

(1) Where the Corporation makes a compensation payment, the Corporation shall be subrogated up to the insured limit to all the rights and interests of the depositor against the policyholder.

(2) The Corporation may maintain an action in the name of the Corporation with respect to the rights and interests subrogated in subarticle (1).

Article 22

Time limit on making a claim for a compensation payment

(1) A depositor shall not make a claim to the Corporation for a compensation payment twenty-four months after the date of the notice issued under Article 20(4).

(2) A claim to a deposit made after twenty-four months from the date of the notice issued pursuant to Article 20(4) shall be made against the assets of the financial institution that held the deposit.

(3) A claim made pursuant to subarticle (2) shall be dealt with in accordance with the legislation governing the payment of claims against the financial institution in liquidation.

Article 23

Persons entitled to compensation payment and exclusions

(1) Subject to subarticle (2) and on the Corporation being satisfied of a claim to a deposit, the Corporation shall make a compensation payment to a depositor —

- (a) whose name is listed in the records of the policyholder;
- (b) having a right to a deposit or part of a deposit; or
- (c) that a court of competent jurisdiction orders is a depositor or has a right to a deposit or part of a deposit.

(2) The Corporation shall not make a compensation payment to a depositor where the Corporation, on consultation with the supervisor, reasonably believes that a director, officer, or significant shareholder is a depositor and has been a party to or has benefited from the circumstances which gave rise to the closure or failure of the policyholder.

(3) Subarticle (2) shall not apply to a depositor who acted solely in their capacity as a professional adviser to the policyholder, in good faith.

Article 24

Joint deposit owners

(1) Where two or more persons are joint owners of two or more deposits, the cumulative amount of those deposits shall be insured to a maximum of the insured limit.

(2) Where a deposit is held in the names of two or more persons, each person shall be entitled to an equal amount of the compensation payment.

Article 25

Compensation payment and obligations

(1) Where a depositor has an obligation with a policyholder and the depositor is in good standing with the policyholder, the obligation shall not bar a compensation payment to the depositor.

(2) Where a depositor has an obligation with a policyholder that is matured or due, a called-in guarantee that is called, an overdraft or a deposit pledged as collateral with the policyholder, the Corporation shall deduct from the compensation payment monies towards the obligation up to the amount of the obligation.

PART 3

FINANCES OF CORPORATION

Article 26

Authorised share capital of Corporation

- (1) Subject to Article 27, the authorised share capital of the Corporation shall be one million, five hundred thousand Eastern Caribbean Dollars.
- (2) The Corporation shall issue one hundred thousand shares with a value of fifteen Eastern Caribbean Dollars per share.
- (3) The shares under subarticle (2) shall only be issued to the Central Bank.

Article 27

Increase of authorised share capital

- (1) The Corporation may increase its authorised share capital as the Board determines necessary for the proper functioning of the Corporation.
- (2) An increase of the authorised shared capital shall only be effected by a resolution of the Board.

Article 28

Finances and audit

- (1) The financial year of the Corporation shall run from January 1 to December 31 in each year.
- (2) Subject to Article 14, the Corporation may, with the approval of the Board, open and maintain accounts in the name of the Corporation with —
 - (a) the Central Bank;
 - (b) a licensed financial institution in a Member State; or
 - (c) a foreign financial institution.
- (3) The Board shall appoint an external auditor to audit the accounts and books of the Corporation.
- (4) As part of each annual audit of the Corporation, the auditor shall conduct an operational audit and an audit of the performance of the Board of the Corporation to determine whether the Corporation is operating in compliance with this Agreement and shall include its findings in the audit report.

(5) The Manager shall present the audited report to the Board within three months of the end of the financial year.

(6) Following the presentation of the audit report to the Board pursuant to subarticle (5), the Board shall submit the audit report within six months of the end of the financial year and present the audit report at the next meeting of the Monetary Council.

(7) For purposes of this Article, “foreign financial institution” means a financial institution licensed to carry on banking business by a central bank or similar authority outside the Currency Union.

PART 4

MISCELLANEOUS

Article 29

Staff of the Corporation

(1) The Corporation may employ such officers, agents and employees as are necessary for the purposes of performing its functions.

(2) For the purposes of subarticle (1), staff may be engaged on a temporary basis if necessary, where an event occurs requiring the Corporation to make a compensation payment.

Article 30

Cooperation with supervisor and other persons

(1) For the purpose of performance of its functions, the Corporation shall be entitled to receive from a supervisor —

(a) on-site examination reports on policyholders and any information relevant to the safety and financial soundness of policyholders including —

(i) reports and returns submitted to the supervisor by the policyholder, and

(ii) directives given to the policyholder by the supervisor; and

(b) periodic reports of recoveries of assets by the receiver, where a receiver has been appointed for a failed policyholder.

(2) The Corporation may, subject to a memorandum of understanding and an agreement for confidentiality, submit to a local or foreign person, supervisor, body or government any information which may enhance —

(a) the financial soundness of a policyholder, or

- (b) financial stability within the Currency Union.

Article 31

Financial institutions to cooperate with the Corporation

- (1) A Director, an officer or an employee, including a former Director, officer or employee, of a financial institution shall comply with any request made by the Corporation for information relating to the affairs of the financial institution regarding deposit insurance.
- (2) A Director, an officer or employee, including a former Director, officer or employee, of a financial institution shall not deliberately conceal from the Corporation any material information regarding the financial affairs of the financial institution or policyholder or provide false or misleading information to the Corporation or falsify or tamper with the books, records, accounts, papers or documents of the institution, so as to mislead the Corporation.

Article 32

Confidentiality

- (1) Subject to subarticle (4), any person shall, in his or her former or present capacity as a Director, an officer or an employee of the Corporation, deal with and regard as confidential and not disclose, with respect to a policyholder, any —
- (a) information and documentation, produced or obtained by the Corporation; or
 - (b) matter considered or under consideration by the Corporation.
- (2) Every Director, officer or employee of the Corporation shall take an oath of secrecy on the assumption of their duty in the Corporation.
- (3) The Corporation shall require any person, supervisor, body or government it shares information with, regarding the financial soundness of a policyholder to treat such information as confidential and shall require the execution of a confidentiality agreement to be kept by the Corporation.
- (4) The requirement for confidentiality and non-disclosure shall not apply to information —
- (a) required to be disclosed by this Agreement, any enactment or a court of competent jurisdiction;
 - (b) disclosed in the normal conduct of business of the Corporation, the policyholder or supervisor; or
 - (c) relating to a policyholder, the disclosure of which the management or Board of that policyholder considers necessary.

PART 5

IMMUNITIES, PRIVILEGES AND DISPUTE RESOLUTION

Article 33

General

To enable the Corporation to effectively fulfil its objectives and carry out its functions, the government of each Member State shall accord to the Corporation, the status, immunities and privileges set forth in this Agreement in its respective State.

Article 34

Immunity from judicial process

(1) The Corporation shall be immune from every form of judicial process, except in cases arising out of, or in connection with the purchase of land, securities or merchantable commodities, in which case actions may be brought against the Corporation in a court of competent jurisdiction in the Member State in which the Corporation has its principal office, branch or representative.

(2) With respect to a judicial process —

(a) notwithstanding subarticle (1), an action shall not be brought against the Corporation by a Member State or by an entity or person directly or indirectly deriving claims from a Member State;

(b) a Member State shall have recourse to the procedures for the settlement of disputes between the Corporation and the Member States as provided for under Article 40.

Article 35

Immunity of assets and inviolability of archives

(1) The property and assets of the Corporation shall be immune from search, requisition, confiscation, expropriation or any other form of taking, seizure or foreclosure by executive or legislative action.

(2) The archives of the Corporation, and in general all documents belonging to or held by the Corporation, wherever located, shall be inviolable.

Article 36

Freedom of assets from restrictions

To the extent necessary to fulfil its objectives and perform its functions, all property and assets of the Corporation shall be free from restrictions, regulations, financial controls and moratoria of any nature.

Article 37

Privilege for communications

The official communication of the Corporation shall be accorded by the governments of each Member State treatment no less favourable than that it accords to the official communications of another international entity.

Article 38

Immunity and indemnity of the Corporation, Directors and staff

A Director, an officer or an employee of the Corporation shall be immune from legal process, and held harmless and indemnified by the Corporation for legal fees and costs, with respect to acts performed or omissions made by them in their official capacity in good faith except when the Corporation waives this immunity, or where such acts or omissions are as a consequence of fraud, gross negligence or recklessness on the part of such Director, officer or employee.

Article 39

Exemption from taxation

- (1) Subject to subarticle (2), the Corporation, its assets, property, income, operations and transactions shall be exempt from all direct taxation and from all customs duties on goods acquired by, or services rendered to the Corporation for its own official use.
- (2) The Corporation shall be liable for the collection or payment of a tax or duty in respect of a good under subarticle (1) when it resells that good to a member of the public.
- (3) A tax shall not be levied on or in respect of salaries and emoluments, including pensions and gratuities, paid by the Corporation to the Directors, officers, agents, employees and representatives of the Corporation.
- (4) The Corporation shall not be exempt from charges for public utility services.

Article 40

Disputes

- (1) A dispute between the government of a Member State and the Corporation concerning the interpretation or application of this Agreement shall be settled by negotiation.
- (2) A dispute which is not settled under subarticle (1) shall be referred, at the written request of one party, to a tribunal of three arbitrators for final decision.
- (3) The tribunal under subarticle (2) shall comprise —
 - (a) one arbitrator nominated by the Corporation;
 - (b) one arbitrator nominated by the Member State;
 - (c) one arbitrator agreed on by the two parties.
- (4) The majority vote of the arbitrators shall be final and binding on the parties to the arbitration.
- (5) Arbitration shall be conducted in the territory of, and in accordance with, the laws of the Member State in which the principal office or branch of the Corporation is located.

PART 6

FINAL PROVISIONS

Article 41

Entry into force

- (1) The government of each Member State shall sign this Agreement and deposit an instrument of ratification with the Depositary.
- (2) This Agreement shall come into force on the date of the deposit of the last instrument of ratification by the government of a Member State under subarticle (1).

Article 42

Depositary

The Director General of the Organisation of Eastern Caribbean States shall be the Depositary of this Agreement.

Article 43
Implementation

The government of each Member State shall take all steps necessary, whether legislative, executive or administrative, for the implementation of this Agreement.

Article 44
Amendment to this Agreement

An amendment to this Agreement may be proposed to the Monetary Council by the Board and shall be effective when it is agreed to by all the governments of the Member States.

Article 45
No reservation

A Member State shall not make a reservation in regard to any provision of this Agreement.

IN WITNESS WHEREOF the representatives of the governments of the Member States being duly authorised in their behalf, have signed this Agreement.

DONE at South Hill, Anguilla , this 19th day of July 2024.

Signed for and on behalf of the Government of Anguilla

Signed for and on behalf of the Government of Antigua and Barbuda

Signed for and on behalf of the Government of The Commonwealth of Dominica

Signed for and on behalf of the Government of Grenada

Signed for and on behalf of the Government of Montserrat

Signed for and on behalf of the Government of The Federation of Saint Christopher and Nevis

Signed for and on behalf of the Government of Saint Lucia

Signed for and on behalf of the Government of Saint Vincent and the Grenadines

Passed the House of Representatives on
The day of , 2025.

Passed the Senate on the day of
, 2025.

.....
Speaker.

.....
President.

.....
Clerk to the House of Representatives.

.....
Clerk to the Senate.

EXPLANATORY MEMORANDUM

EASTERN CARIBBEAN DEPOSIT INSURANCE CORPORATION AGREEMENT BILL

1. The Bill for consideration is the Eastern Caribbean Deposit Insurance Corporation Agreement Bill, 2024.
2. The purpose of the Bill is to provide for the implementation of the Agreement establishing the Eastern Caribbean Deposit Insurance Corporation and for related matters.
3. Clause 1 of the Bill contains the short title and commencement of the Bill.
4. Clause 2 of the Bill provides the Interpretation of words used in the Bill such as “Agreement”, “Corporation” and “Fund”.
5. By clause 3 of the Bill, the Agreement is given the force of law.
6. Clause 4 provides for the Corporation to assess the premium payable by a policyholder under Article 18.
7. In clause 5 of the Bill, the Commission may impose and collect fees in keeping with its functions under Article 6.
8. Provision is made in clause 6 for the Minister to lay the annual audit report of the Corporation before [Parliament] as soon as practicable after the report is presented to the Monetary Council pursuant to Article 28(6).
9. By clause 7 of the Bill, enactments with respect to the payment of stamp duty, taxes and insurance do not apply to the Corporation.
10. Clause 8 of the Bill sets out the relationship between the Central Bank with the Corporation, including the duty of the Central Bank to hold monies of the Fund established under Article 14.
11. The process by which a licensed financial institution that fails to comply with Article 18 of the Agreement may accept or decline liability for the correlating penalty is provided under clause 9 of the Bill.
12. Clause 10 of the Bill provides that a person who does not cooperate with the Corporation under Article 31(1) or 31(2) commits an offence and is liable to criminal prosecution.
13. Clause 11 enables the Minister to amend the Schedule to reflect an amendment to the Agreement under Article 44.
14. The Minister may make Regulations to give effect to the Act, on the recommendation of the Corporation, under clause 12 of the Bill.
15. Clause 13 provides that the Act prevails in the event of any inconsistency with any enactment except the Banking Act 16.
16. The Schedule contains the Eastern Caribbean Deposit Insurance Corporation Agreement, 2024 which comprises seven parts and forty-five articles.

EASTERN CARIBBEAN DEPOSIT INSURANCE CORPORATION AGREEMENT

The purpose of the Agreement is to implement a deposit insurance system in the Eastern Caribbean Currency Union as part of a comprehensive financial sector safety net to protect small, vulnerable depositors; promote sound financial stability of the financial system; and to strengthen consumer confidence and protection.

The Agreement has seven parts.

The **Preliminary** Part of the Agreement contains the Title and Interpretation of the Agreement. Definitions of terms used in the Agreement are found in Article 2 of the Agreement.

Part 1 of the Agreement (**Establishment and Governance of the Corporation**) contains Articles 3 to 13. Under Article 3, matters relating to the establishment of the Eastern Caribbean Deposit Insurance Corporation (the Corporation) are provided for. Article 4 provides for the establishment of a principal office or branch, or the appointment of a Representative, of the Corporation and the according of correlating immunities and privileges. Article 5 outlines the principal objectives of the Corporation, including the establishment of a deposit insurance system to provide insurance against the loss of part or all of deposits. The functions and powers of the Corporation are set out under Article 6. These functions include the provision of insurance against the loss of deposits, the management and administration of the Fund and the imposition of penalties for breach of the Agreement. In undertaking its functions, the Corporation has powers, among others, to assess and levy premiums and fees from policyholders, make compensation payments in respect of insured deposits to depositors or to another policyholder and make enquiries to a supervisor of a policyholder concerning the conduct of the affairs of the policyholder. Matters concerning the constitution and tenure of the Board of Directors (the Board) are set out under Article 7. The Board determines its own proceedings save with respect to the circumstances enumerated under Article 8. By Article 9, a Director is required to disclose, and abstain from deliberating on any matter in relation to, any interest that may conflict with the exercise of his or her duties on the Board. Under Article 10, the Board is charged with administering the affairs of the Corporation. In so doing, the Board has power to make policies regarding a number of matters including the management of the property of the Corporation, the assessment of premiums and the investment of monies from the Fund. Article 11 enables a Director, who is a representative from a Ministry of Finance of a Member State to designate an alternate to attend a meeting of the Board. The remuneration and compensation of the Directors are determined by the Board under Article 12. The Board is required to appoint a Manager, under Article 13, who is responsible for the day-to-day management of the Corporation.

Part 2 of the Agreement (Deposit Insurance) comprises Articles 14 to 25. The Deposit Insurance Fund is established under Article 14. The sources of the Fund include premiums, levies and other fees paid by policyholders, contributions made by the Central Bank and amounts

borrowed by the Corporation for the Fund. Charges on the Fund 3 include compensation payments to depositors and payments legally due to a policyholder or third party arising out of the administration of the Fund. Further, the Board sets the target level of the Fund; and where the target level is exceeded, the Corporation may refund the excess monies to the policyholders pro rata. Under Article 15 a licensed financial institution is required to hold a deposit insurance policy and to pay any premium assessed in relation to it. Article 16 provides that the deposit insurance coverage with respect to each deposit is fifty thousand Eastern Caribbean Dollars. The types of accounts that must be insured are outlined in Article 17, such as savings accounts, chequing accounts, traveller's cheques and term-deposits. Article 18 sets out the assessment and payment of premiums, including differential premiums. The Corporation may cancel the policy in the circumstances enumerated under Article 19, including where the licence of the policyholder to do business has been revoked or the policyholder has not paid the premium forty-five days after the due date. A policyholder whose policy is cancelled under this Article remains obligated to pay any outstanding premium. Article 20 sets out the procedures for the payment of compensation. The Corporation's rights to subrogation is specified under Article 21. Article 22 sets out the time limit for making a claim for a compensation payment. Article 23 outlines the persons who are eligible and ineligible to receive a compensation payment. Notably, the Corporation shall not make a compensation payment to a depositor where, on consultation with the supervisor, the Corporation reasonably believes that a director, officer, or significant shareholder is a depositor and has been a party to or has benefited from the circumstances which gave rise to the closure or failure of the policyholder. Article 24 provides that joint deposit owners are entitled in equal share to a compensation payment up to the maximum of the insured limit. Article 25 sets out the effect of an existing obligation on the payment of compensation.

Part 3 of the Agreement deals with the **Finances of the Corporation**. This Part contains Articles 26 to 28. Under Article 26, the authorised share capital of the Corporation is set at One Million, Five Hundred Thousand Eastern Caribbean Dollars to which the Central Bank is the sole shareholder. Article 27 enables the Corporation to increase its authorised share capital where necessary for its proper functioning. Matters related to the finances and audit of the Corporation are detailed in Article 28, including the financial year, appointment of an external auditor and presentation of the audit report to the Board.

Part 4 (Miscellaneous) contains Articles 29 to 32. Article 29 empowers the Corporation to employ fixed and temporary staff. Under Article 30, the Corporation is entitled to receive specified documents from a supervisor, including on-site examination reports on policyholders. The Corporation may also submit to a supervisor or specified entity, information likely to enhance the financial soundness of a policyholder or financial stability within the Currency Union. Under Article 31, financial institutions are required to cooperate with the Corporation. Article 32 contains confidentiality provisions with respect to a Director, officer or employee of the Corporation.

Part 5 (Immunities, Privileges and Dispute Resolution) houses Articles 33 to 40. Under Article 33, each Member State is required to accord certain status, immunities and privileges to the Corporation. The Corporation enjoys immunity from judicial process save in specified circumstances under Article 34. The assets of the Corporation are immune from all forms of search and seizure and its archives are inviolable under Article 35. By Article 36, the assets of the Corporation are made free from restrictions. Article 37 provides that the official communication of the Corporation is privileged. Under Article 38, a Director, an officer or an employee of the Corporation is immune from legal process and entitled to indemnification for 'good faith' acts and omissions. Article 39 provides that the Corporation, its assets, operations, transactions and income are exempted from tax, save public utility services. Salaries and emoluments paid by the Corporation to the Directors, officers, agents, employees and representatives of the Corporation are also exempt from tax. Article 40 provides for the settlement of disputes between the Corporation and the government of a Member State by negotiation in the first instance and by a tribunal of arbitrators if the dispute is not resolved. Articles 41 to 45 form **Part 6 (Final Provisions)**. According to Article 41, the Agreement comes into force on the deposit of the last instrument of ratification by the government of a Member State. Under Article 42, the Director General of the Organisation of Eastern Caribbean States is identified as the Depositary for the purposes of the Agreement. By Article 43, the government of each Member State is required to take all steps necessary, whether legislative, executive or administrative, for the implementation of the Agreement. Article 44 provides that the Board may propose an amendment to Agreement to the Monetary Council. An amendment becomes effective when it is agreed to by all the governments of the Member States. Article 45 states that a Member State cannot make a reservation in regard to any provision of the Agreement.

Hon. Gaston Browne
Prime Minister and
Minister of Finance

