

THE BANKING ACT

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Act 16

Banking Act

1969

THE REPUBLIC OF UGANDA

THE BANKING ACT, 1969

AN Act to amend and consolidate the law relating to the regulation of the business of banking and to make provision for other matters relating thereto and connected therewith.

DATE OF ASSENT: 28th March, 1996

Date of Commencement: (See section 44)

BE IT ENACTED by the President and the National Assembly, in this present Parliament assembled, as follow:

Licensing, Financial Requirements, etc

1. (1) No person shall transact banking or credit institution business in Uganda who is not in possession of a valid license granted for that purpose by the Minister. Licensing of banks and credit institutions.
- (2) Any person proposing to transact banking or credit institution business in Uganda shall apply in writing to the Minister for a license under this Act and the Minister may, at this discretion, grant a license for the transacting of banking or credit institution business, as the case may be.

“order” when used in conjunction with the word “cheque” or “draft” means an unconditional order in writing constituting a bill of exchange as defined in the Bills of Exchange Act:

“time deposits” means deposits repayable after a fixed period or after notice and includes saving deposits; Cap. 76

“time liabilities” means deposit liabilities other than demand liabilities of a bank or credit institution which are demand liabilities of a bank or credit institution which are denominated in any currency and are subject to payment after a fixed period of time or after notice.

44. This Act shall come into force on such date as the commence Minister may, by statutory instrument, appoint and different dates may be appointed for different sections of this Act.

Commencement

- (3) In considering any application for any license under this section the Minister may require to be satisfied as to,
- (a) the financial condition and history of the applicant;
 - (b) the character of the business of the applicant and its management;
 - (c) the adequacy of the applicant’s capital structure and earning prospects
 - (d) the convenience and needs of the community to be served; and
 - (e) Whether public interest will be served by the granting of the license.
- (4) A fee of five thousand shillings shall be payable upon the granting of a licence and the holder of a licence shall thereafter pay a fee of five thousand shillings on or before each anniversary of the granting of the license for so long as the license remains in force.
- (5) A license granted under this section shall remain in force until revoked, except that where a licence has been suspended under section 21 of this Act it shall cease to be in force for the period of such suspension.
- (6) Any licence granted under this section shall be displayed and kept displayed in a conspicuous place in the public part of the principal premises in Uganda in which the bank or credit institution carries on its banking or credit institution business, and copies thereof shall be similarly displayed in each of its branch offices in Uganda.

Minimum capital requirements of bank or credit institution, etc.

2. (1) Notwithstanding the provisions of section 1 of this Act, no person shall be granted or hold a licence under this Act unless he is a company which complies with the provisions of subsection (2) or, as the case may be, sub-section (3) of this section.
- (2) Where a company proposing to transact, or which is transacting banking business, is incorporated,
 - (a) in Uganda, its capital paid-up in cash shall not be less than two million shillings;
 - (b) outside Uganda,
 - (i) its capital paid-up in cash shall not be less than the equivalent of ten million shillings, and
 - (ii) the Board of Directors shall give an undertaking satisfactory to the Minister to keep within Uganda at all times during the currency of any license of such company out of its own funds, assets amounting to not less than five per centum of the total deposit liabilities in Uganda of such company and, in any event, assets amounting to not less than two million shillings.
- (3) Where a company proposing to transact, or which is transacting credit institution business, is incorporated,
 - (a) in Uganda its capital paid-up in cash shall not be less than five hundred thousand shillings;
 - (b) outside Uganda,
 - (i) its capital paid-up in cash shall not be less than the equivalent of two million five hundred thousand shillings, and
 - (ii) the Board of Directors shall give an undertaking satisfactory to the Minister, to keep within Uganda at all times during the currency of any licence of such credit institution out of its own funds, assets amounting to not less than five per centum of the deposit liabilities in Uganda of such credit institution and, in any event, assets amounting to not less than five hundred thousand shilling.

3. The Minister shall, by statutory instrument, determine the method of computing the amount of assets to be held in Uganda under paragraph (b) of subsection (2) or (3) of section 2 of this Act. Computation of assets under section 2.
4. (1) Every bank or credit institution shall maintain a minimum holding of liquid assets, as determined by the Bank in accordance with the provisions of subsection (2) of this section Minimum holdings of liquid assets.

Any minimum holding of liquid assets under this section shall be expressed as a proportion of the demand and time liabilities of a bank or credit institution not exceeding thirty per centum of such demand and time liabilities, but,

- (a) different proportions may be determined for demand liabilities and time liabilities and, in that case, each proportion shall apply equally to all banks or credit institutions, as the case may be; and
- (b) demand or time liabilities due by a bank or credit institution to its head office or to any bank situated outside Uganda may, at the discretion of the Bank, be excluded wholly or in part.
- (3) The Bank shall allow such reasonable time as it may think fit after a minimum holding is prescribed or increased under the provisions of subsection (1) of this section for banks and credit institutions to comply therewith.
- (4) Any bank or credit institution which fails to comply with any requirement of this section shall be liable to pay, on being called upon to do so by the Bank, a penalty not exceeding one-tenth of one per centum of the amount of the deficiency for every day on which the deficiency continues.
- (5) For the purposes of this section "liquid assets" means all or any of this following,
- (a) notes and coins which are legal tender in Uganda or any currency of any of the other scheduled territories within the meaning of the Exchange Control Act;
- (b) balances held at the Bank including any balances held in accordance with the provisions of subsection (1) of section 31 of the Bank of Uganda Act, 1966;
- (c) Uganda Treasury Bills maturing within a period not exceeding ninety-three days;

- (e) Uganda Government Stock maturing within a period not exceeding five year;
 - (f) balances at banks abroad withdrawable on demand and money at call abroad, provided that such balances and money at call are in currencies which are freely negotiable and transferable in international exchange markets consistent with the articles of agreement of the International Monetary Fund;
 - (g) Commercial bills and promissory notes which are eligible for discount by the Bank under the Bank of Uganda Act, 1966.
5. The Bank shall prescribe the method of computing the minimum amount of liquid assets to be held by banks and credit institutions including the offsetting of general or specified liquid assets against dead or time liabilities, and in computing the minimum amount of liquid assets to be held by a bank or credit institution operating in Uganda and elsewhere, all offices or branches of a bank or credit institution in Uganda shall be deemed to constitute one bank or credit institution, as the case may be.
6. (1) Every bank or credit institution incorporated in Uganda shall maintain a reserve fund available for meeting liabilities to the public; and shall, out of the net profits of each year, and before any dividend is declared, transfer a sum equivalent to not less than twenty per centum of such profits to the reserve fund until the amount of the reserve fund is equal to the paid-up capital.
- (2) Every bank or credit institution incorporated outside Uganda shall maintain in Uganda a reserve fund available for meeting liabilities to the public; and shall, out of the net profits earned from its operations in Uganda each year, and before the remittance of any profits out of Uganda transfer a sum equivalent to not less than twenty per centum of such profits to the reserve fund until the amount of such reserve fund is equal to the amount assets required to be held in Uganda out of the funds provided by its head office, under the provisions of paragraph (b) of subsection (2) of section 2 of this Act, or, as the case any be paragraph (b) of subsection (3) of that section.

Computation of minimum amount of liquid assets.

Reserve fund.

Regulation of business

7. (1) A bank or credit institution shall not, out of its resources in Uganda,
- (a) grant any advance or credit facility against the security of its own shares or those of a company affiliated to it;

Advances, credits and guarantees.

- (b) grant or permit to be outstanding unsecured advances or unsecured credit facilities which in the aggregate exceed the sum of ten thousand shillings, to any of its directors or to dependent members of their immediate families, whether such advances or facilities are obtained by its directors jointly or severally;
 - (c) grant or permit to be outstanding in respect of any one of its officers or employees, other than a director, unsecured advances or unsecured credit facilities which in the aggregate exceed on year's emolument of such officer or employee.
- (2) In this section, the expression "unsecured advances or unsecured credit facilities" means advances or credit facilities made without security or, in respect of any advance or credit facility made with security, any part thereof which at any time exceeds the market value of the assets constitution that security, or where the Bank is satisfied that there is not established market value, on the basis of a valuation approved by the Bank.

Trade investments
and immovable
property.

9. A bank or credit institution shall not, with its resources in Uganda,
- (a) engage on its own account, alone or with others, in wholesale or retail trade, including import or export trade, except in the course of the satisfaction of debts due to it in which case all interest in such trade shall be disposed of at the earliest moment suitable to that bank or credit institution;
 - (c) acquire or hold any part of the share capital of or make any other capital investment or otherwise have direct interest in, any financial, commercial, agricultural, industrial or other undertaking exceeding,
 - (i) in the case of a bank or credit institution incorporated in Uganda, twenty-five per centum of the sum of its capital paid-up in cash and reserve fund;
 - (ii) in the case of a bank or credit institution incorporated outside Uganda, twenty-five per centum of the sum of the funds required to be held in Uganda under paragraph (b) of subsection (2) of section 2 of this Act or, as the case may be, paragraph (b) of subsection (3) of that section, and its reserve fund.

Except such shareholding, capital investment, or interest as the bank or credit institution may acquire in the course of the satisfaction of debts due to it, which shall be disposed of at the earliest moment suitable to that bank or credit institution, but any shareholding approved by the Minister in any corporation set up for the purpose of promoting development in Uganda, shall not be included in any of the said percentages.

- (c) purchase or acquire any immovable property or any right thereon except as may be reasonable necessary for the purpose of conducting its business or of housing or providing amenities for its staff, but this paragraph shall not prevent a bank or credit institution,
 - (i) from letting part of any building which is used for the purpose of conducting its business; or
 - (ii) from securing a debt on any immovable property and in the event of default in payment of such debt, from holding such immovable property for realization at the earliest moment suitable to that bank or credit institution.

10. (1) A bank shall not make loans or advances on the security of immovable property,
- (a) of an amount for each loan or advance exceeding sixty per centum of the market value of such property as determined by a qualified surveyor;
 - (b) of an aggregate amount exceeding twelve-and-half per centum of its total deposit liabilities; except that with the approval of the Bank, a bank may make such loans or advances up to an aggregate amount not exceeding the sum of twenty-five per centum of its demand liabilities and fifty per centum of its time liabilities.
- (2) for the purposes of subsection (1) of this section a loan or advance,
- (a) secured solely by a mortgage, deed of trust, or other such instrument upon immovable property shall be a loan or advance secured by immovable property;
 - (b) secured in part by mortgage, deed of trust, or other such instrument upon immovable property and by any other form of security, shall be a loan or advance secured by immovable property to the extent only of the value of the security of the immovable property as determined a qualified surveyor.
- (3) Nothing in subsection (1) of this section shall prevent a bank from accepting as security for a loan or advance made in good faith without security or upon security other such instrument upon immovable property.

Loans secured by immovable property.

Liquidation of prohibited transactions.

11. Any bank or credit institution which, before the date on which this Act comes into operation, entered into any transaction incompatible with the provisions of section 8 or 9 of this Act and any bank which prior to such date entered into any transactions inconsistent with the provisions of section 10 of this Act shall,
- (a) within three months of the said date submit a statement of those transactions to the Bank; and
 - (b) with one year from the said date or within such further period as the Bank may specify, liquidate or right as may have been acquired thereby or comply with the provision of the said sections.

Dividends

12. A bank or credit institution shall not pay any dividend on its shares until all capitalised expenditure, including preliminary expenses, organisation expenses, share selling commission, brokerage, amount of losses incurred and any item of expenditure not represented by tangible assets, has been written off.

Books and accounts to be kept in English.

13. All entries in any books and all accounts kept by any bank or credit institution shall be recorded and kept in the English language using the system numerals employed in Government accounts.

14. (1) Every bank or credit institution in Uganda shall exhibit throughout the year, in a conspicuous position in every office and branch in Uganda, a copy of its last audited balance-sheet together with the full and correct names of all persons who are directors of the bank or credit institution, and a copy of such balance-sheet shall be published in a local newspaper of general circulation.

Balance-sheet.

- (2) Any bank or credit institution which fails to comply with the provisions of this section commits an offence and on conviction shall be liable to a fine not exceeding two thousand shillings.

Appointment of auditor Cap. 85

15. (1) Every bank or credit institution shall appoint annually a person qualified as an auditor under the Companies a report upon the annual balance-sheet and accounts of the bank or credit institutions.

- (2) A bank or credit institution shall as soon as the report has been made under this section, submit a copy thereof to the Bank.

- (3) Any bank or credit institution which fails to comply with the provisions of subsection (2) of this section commits an offence and on conviction shall be liable to a fine not exceeding five thousand shillings.

16. If a bank or credit institution fails to appoint an approved auditor under section 15 of this Act or, at any time, fails to fill a vacancy for such auditor, the Bank may appoint an auditor for, and shall fix the remuneration to be paid by, that bank or credit institution to such auditor.

Appointment of auditor by the Bank.

17. (1) Every bank or credit institution shall furnish to the Bank at such times and in such form as the Bank may prescribe, all information

Information to be furnished by banks, etc.

and data of its operations in Uganda, including the balance-sheet and profit and loss account and those of any company affiliated to it, which the Bank may require for the proper discharge of its functions under this Act.

- (2) Every bank or credit institution whose head office is situated outside Uganda shall furnish to the Bank a copy of the consolidated balance-sheet and profit and loss account of that bank or credit institution within four calendar months of the end of the financial year of that bank or credit institution or such longer period as the Bank may allow.
- (3) The Bank may publish in whole or in part at such under subsection (1) of this section, except that no information or data shall be published which might disclose the affairs of a bank or of a customer of a bank unless the consent of that bank or customer has been obtained.

Inspection of banks, etc.

18. (1) The Minister of the Bank may periodically or at any time at his or its discretion, cause an inspection to be made, by an officer of the Bank, of any bank or credit institution and of its books and accounts on the premises of such bank or credit institution and shall supply to such bank or credit institution a copy of the report on the inspection.
- (2) It shall be the duty of every officer of a bank or credit institution to produce to the officer making an inspection under subsection (1) of this section, all such books, accounts and other documents in his custody or power and to furnish that officer with such statements or information relating to the affairs of the bank or credit institution as that officer may require of him within such statements or information relating to the affairs of the bank or credit institution as that officer may require of him within such reasonable time as that officer may specify.
- (3) Any officer of a bank or credit institution who fails to furnish any documents in his custody or power as may be required under subsection (2) of this section commits an offence and on conviction shall be liable to a fine not exceeding one thousand shillings or to a term of imprisonment.

Powers of Minister or the Bank to issue orders after an inspection.

19. (1) If the Minister or, as the case may be, the Bank finds upon an inspection under section 18 of this Act that the affairs of a bank or credit institution are being conducted in a manner detrimental to the interest of the depositors or prejudicial to the interests of the bank or credit institution or in contravention of any provision of this Act or any other written law, the Minister or the Bank may, without prejudice to any other course of action, issue an order requiring the bank or credit institution to take such corrective action as the Minister or the Ban, as the case may be, considers to be necessary, or to discontinue the harmful practices or procedures.
- (2) No order shall be issued under this section to any bank or credit

institution unless it has been given a reasonable opportunity to present its views to the Minister or the Bank, as the case may.

- (3) Any bank or credit institution to which an order has been issued under this section shall show, within such reasonable time as may be determined by the Minister or, as the case may be, the Bank, that it has complied with the order.
 - (4) The Minister or, as the case may be, the Bank, may, upon representations made to him or it or on his or its own motion, modify or cancel any order issued under this section, and in so modifying or canceling any other, may impose such conditions as he or it thinks fit, subject to which the modification or cancellation shall have effect.
20. (1) The Minister shall notify in writing any bank or credit institution, of his intention to revoke the licence of the bank or credit institution, if at any time he is satisfied that the bank or credit institution,
 - (a) has ceased to carry on business, has been declared bankrupt, has gone into liquidation or has been wound up or otherwise dissolved; or
 - (b) is carrying on business in a manner detrimental to the interest of its depositors, has insufficient assets to cover its liabilities to its depositors, is contravening the provisions of this Act, the Bank of Uganda Act, 1966, or the Exchange Control Act; or if the bank or credit institution or any of its officers has been convicted of any offence involving dishonesty or fraud under this Act or any other written law.
- (2) A bank or credit institution which has received notice issued under subsection (1) of this section, may within twenty-one days after receipt of such notice, or such extended period as the Minister may allow, make representations in writing against the revocation of its licence to the Minister whose decision thereon shall be final, and shall not be questioned in any court.
- (3) Where a bank or credit institution which has been notified of the Minister's intention to revoke its licence under subsection (2) of this section, or where any such representations are rejected by the Minister, he shall, after the period specified in subsection (2) of this section, revoke the licence and notify in writing the bank or credit institution accordingly.
- (4) Nothing in this section shall,
 - (a) be deemed to interfere with any action by the Minister under section 21 of this Act;
 - (b) prevent a bank or credit institution from continuing business in order to wind up its affairs for such period of time as may be determined by the Minister, provided that it does not accept any further deposits or make any further loans or advances.

21. (1) Notwithstanding the provisions of section 20 of this Act, the Minister may, if he considers it to be in the interests of the depositors of a bank or credit institution or the public, make an order prohibiting the bank or credit institution from transacting further business of any kind for a period not exceeding thirty days.
- (2) It shall be the duty of the Minister as soon as practicable and in any event before the expiration of the period fixed under subsection (1) of this section,
- (a) to make an order, permitting the bank or credit institution affected by an order under that subsection, to resume business either unconditionally or subject to such conditions as he deems reasonable and necessary in the interests of the depositors and other creditors of the bank or credit institution; or
- (b) to make an application to the High Court,
- (i) to prohibit such bank or credit institution from transacting further business of any kind; and
- (ii) to stay the commencement or continuance of any actions or proceedings against such bank or credit institution in regard to any business for a specified period not exceeding four months on such terms and conditions as the High Court deems reasonable; and the High Court may from time to time extend the period, shall not exceed six months.
- (3) Where the High Court has made an order under this section prohibiting a bank or credit institution from transacting any further business, the Minister,
- (a) shall revoke the licence issued to such bank or credit institution; and
- (b) may, at any time thereafter, apply to the High court to secure the winding-up of the bank or credit institution, notwithstanding any provisions of the Companies Act, as though he were a creditor of the bank or credit institution.
- (4) So long as an order under subsection (1) or (2) of this section remains in force in respect of any bank or credit institution, the licence granted under this Act to such bank or credit institution shall be deemed to be suspended.

Miscellaneous

22. (1) No bank or credit institution shall open a new place of business or change the location of an existing place of business or change its hours of business without the approval of the Minister. Branches etc.
- (2) Before granting any approval under this section, the Minister may,

- (a) require to be satisfied by an inspection of the bank or credit institution or otherwise, as to ,
 - (i) the history and financial condition of the bank or credit institution,
 - (ii) the general character of its management,
 - (iii) the adequacy of its capital structure and earning prospects,
 - (iv) the convenience and needs of the community to be served, and
 - (v) whether the public interest will be served by the opening of a new place of business or changing the location of the place or hours of business, as the case may be;
- (b) make it a condition for the opening of a new place of business that a further new place of business shall be opened in an area to be prescribed by the Minister.
- (3) No bank or credit institution shall close an existing place of business unless it has given six months' notice to the Minister, or such shorter period of notice as the Minister may consider reasonable, of its intention to close the place of business.
- (4) Any bank or credit institution which fails to comply with the provisions of this section commits an offence and on conviction shall be liable to a fine not exceeding two hundred and fifty shillings for every day during which the offence continues.

Mergers

- 23. (1) No bank or credit institution operating in Uganda shall be merged or consolidated with or be taken over by any other bank or credit institution operating in Uganda, and no interest in the capital of any bank or credit institution with a voting share exceeding twenty per centum shall be acquired by any other bank or credit institution, whether its head office is situated in Uganda or not, without the approval of the Minister.
- (2) In considering any application for approval under this section, the Minister shall have power to call for such information as he may require.
- (3) Any bank or credit institution which contravenes the provisions of subsection (1) of this section commits an offence and on conviction shall be liable to a fine not exceeding five hundred shillings for every day during which the office continues.

Fees for inspection, etc.

- 24. (1) The Minister or the Bank, in his or its discretion, as the case may be, may assess a bank or credit institution for the reasonable expenses of conducting an inspection or investigation of the bank or credit institution under section 1, 18 or 22 of this Act.
- (2) The Minister or the Bank, as the case may be, may prescribe the manner in which the assessment under subsection (1) may be made and the manner in which the cost to be paid by the bank or credit institution may be recovered.

Unclaimed
balances.

25. (1) Whenever any current or savings account has not been operated for a period of two year or more, or a time or savings deposit account has not been operated for a period of two years or more after the date of maturity of the deposit, no withdrawal shall be allowed on such account except with the permission of two officers of the bank or credit institution out of a number of signatories authorised to grant such permission.
- (2) Any such account as is referred to in subsection (1) of this section shall be transferred to a separate register of dormant accounts in the books of the bank or credit institution and a notice in writing of such action shall be given to the depositor at his last known address.
- (3) Where any account which is transferable under subsection (20 of this section is subject to a service charge, such charge may continue to be levied up to the date on which the account has been transferred to the separate register of dormant accounts.
- (4) Any account may be transferred out of the register of dormant accounts if the depositor, or if he is dead his legal representative, makes such a request.

26. (1) where no such request as is specified in section 25 of this Act is made within the period of ten years from the date of transfer of any account to the register of dormant accounts, the bank or credit institution shall publish a notice in the Gazette and in a local newspaper circulating in the area in which the bank or credit institution is situated, calling for claims to be made by the owner of the funds in such accounts and shall renew such notices at intervals of one year for the next five years. Escheat of
unclaimed funds.
- (2) If no claim has been received in response to notices published under the preceding subsection, the funds shall, unless a court otherwise orders, be transferred to the Government to be held in trust for the owners for a further period of five years during which period the Government shall publish such notices as are referred to in the preceding subsection at intervals of one year.
- (3) Unless a court otherwise orders, if no claim is made during the period referred to in subsection (2) of this section, or within six months from the date of the publication of the last notice by the Government,
- (a) any funds which are not in excess of ten thousand shillings shall escheat to the Government; and
- (b) any funds in excess of ten thousand shillings shall escheat to the Government subject to repayment to any person legally entitled to such funds upon a resolution of the National Assembly in that behalf at any time within five years of the date of escheat.

Disqualification of
officers.

27. (1) No person,
- (a) who has been an officer of, or directly or indirectly concerned in the management of, a bank or credit institution which has been compulsorily wound up by a court;

- (b) who has been convicted of an offence involving dishonesty or fraud; or
- (c) who is a bankrupt or suspends payment or compounds with his creditors.

Shall, without the express authorisation of the Minister, act or continue to act as an officer, or be directly or indirectly concerned in the management of any bank or credit institution.

- (3) Any person who acts in contravention of this section commits an offence and, on conviction, shall be liable to a fine not exceeding two thousand shillings or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

Officers of bank deemed public officers for certain purposes.

- 28. Every officer or servant of a bank or credit institution shall be deemed to be a person employed in the public service for the purposes of section 78, 79, 80 83, 84 and 88 of the Penal Code.

Obligations under Companies Act.

- 29. Nothing in this Act shall be deemed to relieve a bank or credit institution from any of its obligations under the Companies Act.

Use of the word "bank".

- 30. (1) No person other than a person licensed under this Act or the Post Office savings Bank shall, without the consent of the Bank,

- (a) use the word "bank" or any of its derivatives in any language or any other word indicating the transaction of banking business in the name, description or title under which such person is transacting business in Uganda; or

- (b) make or continue to make any representation indicating the transaction of banking business in any billhead, letter-paper, notice, advertisement or in any other manner whatsoever.

- (2) No person shall, except with the prior consent in writing of the Bank, carry on the business of banking unless he uses as part of his name the word "bank" or one of its derivatives.

- (3) Any person who contravenes any of the provisions of this section commits an offence and, on conviction, shall be liable to a fine not exceeding two hundred and fifty shillings for every day during which the offence continues.

- 31. Whenever the Bank has facts leading it to believe that any person is transacting banking or credit institution business without a licence, it shall have the power to examine the books, accounts and records of such person in order to ascertain whether or not such person has violated or is violating any provisions of this Act, and any refusal to submit such

Examination of persons suspected of doing banking.

books, accounts and records shall be prima facie evidence of the fact of operation of banking or, as the case may be, credit institution business, without a licence.

32. No suit or other legal proceedings shall lie against the Bank or any officer thereof, for anything which is done or is intended to be done in good faith pursuant to the provisions of this Act. Protection of Bank, etc
33. (1) The Minister may at any time, by statutory instrument, declare any day to be a bank holiday. Declaration of bank holidays
- (2) No bank or credit institution shall transact any business with the public on a bank holiday.
- (3) A bank holiday declared under the provision of subsection (1) of this section shall not necessarily be a public holiday and nothing in this section shall be deemed to affect the provisions of any law in force relating to public holidays.
34. The Minister may, by statutory instrument, make such regulations as he may deem necessary for carrying into effect the provisions of this Act. regulations
35. The Minister shall consult with the Bank in the performance of his functions under this Act. Minister to consult with the Bank.
36. (1) Any person who carries on or is privy to the carrying on of a banking or credit institution business which has been established contrary to the provisions of this Act commits an offence and, on conviction, shall be liable to a fine not exceeding two hundred and fifty shillings for every day during which the offence continues.
- (2) Any person who, being a director or manager of a bank or credit institution,
- (a) fails to take any reasonable steps to secure compliance with the requirements of this Act;
- (b) makes any statement or gives any information which he knows to be false in answer to any request for information made under any provision of this Act;
- (c) is privy to the furnishing of any false information supplied under any provision of this Act,

Commits an offence and, on conviction, shall be liable to a fine not exceeding two thousand shillings or to imprisonment for a term not exceeding five year or to both such fine and imprisonment.

- (3) Any bank or credit institution which fails to comply with any order issued by the Bank under this Act, commits an offence and on conviction shall be liable to a fine not exceeding twenty thousand shillings
- (4) Any person who fails to comply with any of the provisions of this Act for which no specific penalty is provided, commits an offence and on conviction shall be liable to a fine not exceeding two thousand shillings or to imprisonment for a period not exceeding two years or to both such fine and imprisonment.
- (5) Where an officer of a bank or credit institution knowingly and willfully authorises or commits the contravention of any provision of this Act, he shall be personally liable to the penalty specified in relation to the contravention.

Prosecution by
Director of
Public
Prosecutions.

37. No prosecution in respect of any offence under this Act shall be instituted except of any offence under this Act shall be instituted except by the Director of Public Prosecution Act upon a complaint made by the Bank

Appointment of
liquidator.

38. Notwithstanding the provisions of any other law, the official Receiver shall be appointed liquidator in any proceeding for the winding up of a bank or credit institution.

Non-application
of Act

39. This Act shall not apply to,

- (a) the Post Office Savings Bank established under the Post Office Savings Bank Act;
- (b) any building society registered under the Building Societies Act;
- (c) any co-operative society registered under the Co-operative Societies Act, other than a co-operative society established for the purpose of transaction banking or credit institution business notwithstanding that the acceptance of deposits may be limited to its members.

40. The Minister may, by statutory instrument, exempt any person from all or any of the provisions of this Act, subject to such conditions, if any, as he may think fit.

Exemptions

41. The provisions of this Act shall prevail notwithstanding the provisions of this Act shall prevail notwithstanding the provisions off any other law to the contrary.

Act to prevail over
other law.

42. (1) The Banking Act is hereby repealed.

Repeal and saving
Cap. 88

- (2) Notwithstanding the repeal under subsection (1) of this section, all regulations, instructions, orders and decisions made under the repealed Act, shall, in so far as they are consistent with the provisions of this Act, remain valid and binding and shall be deemed to have been made under the provisions of this Act, until they are amended or otherwise varied.
- (3) For the purposes of this Act, any licence issued under the repealed Act and in force immediately before the commencement of this Act shall remain valid until such date as the Minister may, by statutory instrument, appoint.

43. In this Act, unless the context otherwise requires,

Interpretation

“Bank” means the Bank of Uganda established under the Bank of Uganda Act, 1966;

Act 5 of 1966.

“bank” means any company licensed to carry on banking business as its principal business in Uganda and includes all branches and offices in Uganda of the company and Uganda Commercial Bank established under the Uganda Commercial Bank Act, 1965;

Act 22 of 1965

- “banking business” means the business carried on as a principal of,
- (a) accepting deposits of money from the public repayable on demand or after a fixed period or after notice and which are withdrawable by cheques, draft or order;
- (b) employing such deposits wholly or partly by lending or any other means for the account and at the risk of the person accepting such deposits; and
- (c) presenting to another bank, for payment, cheques, drafts or orders received for collection from customers in the capacity of a collecting banker;

Cap. 85

“company” means a company registered under the Companies Act;

“credit institution” means any company licensed to carry on credit institution business as its principal business, and any other body specified by the Minister, after consultation with the Bank, to be a credit institution for the purposes of this Act, and includes all branches and offices in Uganda of such company or body;

“credit institution business” means the business of accepting deposits of money from the public repayable after a fixed period or after notice and of employing such deposits wholly or partly by lending or any other means for the account and at the risk of the person accepting such deposits;

“demand deposits” means deposits which are repayable on demand and are withdrawable by cheque, draft or order;

“demand liabilities” means the total deposit liabilities of a bank or credit institution which are denominated in any currency and payable upon demand;

“draft” means a bankers’ draft payable on demand drawn by or on behalf of a bank upon itself whether payable at the head office or some other office of the bank;

“functions” includes powers and duties;

“licence” means a licence to carry on banking or, as the case may be, credit institution business, issued under section 1 of this Act;

“Minister” includes any person by whatever name called, who carries out or is empowered to carry out, functions relating to the direction of a bank or credit institution;

“order” when used in conjunction with the word “cheque” or “draft” means an unconditional order in writing constituting a bill of exchange as defined in the Bills of Exchange Act; Cap. 76

“time deposits” means deposits repayable after a fixed period or after notice and includes saving deposits;

“time liabilities” means deposit liabilities other than demand liabilities of a bank or credit institution which are denominated in any currency and are subject to payment after a fixed period of time or after notice.

44. This Act shall come into force on such date as the Minister may, by statutory instrument, appoint and different dates may be appointed for different sections of this Act. Commencement