



REPUBLIC OF VANUATU

RESERVE BANK OF VANUATU (AMENDMENT) ACT NO. 10 OF 2022

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REPUBLIC OF VANUATU

Assent: 20/06/2022
Commencement: 20/06/2022

RESERVE BANK OF VANUATU (AMENDMENT) ACT NO. 10 OF 2022

An Act to amend the Reserve Bank of Vanuatu Act [CAP 125].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Reserve Bank of Vanuatu Act [CAP 125] is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF RESERVE BANK OF VANUATU ACT [CAP 125]

1 Subsection 6(1)

Repeal the subsection, substitute

“(1) Subject to subsections (1A) and (1B), the Board is to determine the net profit of the Reserve Bank for any financial year.

(1A) The net profit of the Reserve Bank for any financial year must be determined by applying the International Financial Reporting Standards and current best central bank practice.

(1B) In determining the net profit, the Board must take into account the following matters:

- (a) bad and doubtful debts; and
- (b) depreciation in investments and other assets; and
- (c) contribution to staff pension funds.”

2 Subsection 7(3)

Repeal the subsection, substitute

“(3) The Board must ensure that the balance of the net profit for a financial year remaining after all deductions under subsections (1) and (2) have been made, must be paid to the Government as soon as audit reports have been completed.”

3 Subsection 8A(1)

Repeal the subsection, substitute

“(1) The Prime Minister is to appoint the Governor on the recommendation of the Minister.

(1A) The appointment of the Governor must be based on merit and must follow a fair and transparent selection process.

- (1B) A person appointed as Governor must:
- (a) have at least 10 years of work experience in financial matters and in managing an organisation; and
 - (b) have a Master’s Degree or any higher academic qualification in economics; and
 - (c) not have been declared bankrupt.
- (1C) The Prime Minister is to determine the terms and conditions of the appointment of the Governor.
- (1D) The Governor is to hold office for a period of 5 years and may be reappointed only once.”

4 Subsection 8A(4)

Delete “act, contract”, substitute “enter into contracts”

5 Subsection 8B(1)

Repeal the subsection, substitute

- “(1) The Governor is to appoint the Deputy Governor with the approval of the Minister.
- (1A) The appointment of the Deputy Governor must be based on merit and must follow a fair and transparent selection process.
- (1B) A person appointed as Deputy Governor must:
- (a) have at least 10 years of work experience in financial matters and in managing an organisation; and
 - (b) have a Master’s Degree or any higher academic qualification in economics; and
 - (c) not have been declared bankrupt.
- (1C) The Governor is to determine the terms and conditions of appointment of the Deputy Governor with the approval of the Minister.

- (1D) The Deputy Governor is to hold office for a period of 5 years and may be reappointed only once.”

6 Section 10

Repeal the section, substitute

“10. Appointment of Directors, Special Advisors and employees of the Reserve Bank

- (1) The Governor is to appoint the following officers:
- (a) Directors; and
 - (b) Special Advisors; and
 - (c) other employees as are required to assist in fulfilling the functions of the Reserve Bank.
- (1A) The Governor must consult with the Minister, prior to an appointment or a removal of a Director or a Special Advisor.
- (2) An appointment made under subsection (1) must be based on merit and must follow a fair and transparent selection process.
- (3) A person appointed under paragraph (1)(a) or (b) must:
- (a) in the case of a Director - have at least 10 years of work experience in financial matters and in managing an organisation; and
 - (b) in the case of a Special Advisor - have at least 15 years of work experience in financial matters and in managing an organisation; and
 - (c) have a Master’s Degree or any higher academic qualification in economics; and
 - (d) not have been declared bankrupt.
- (4) The Governor is to determine the terms and conditions of appointments made under subsection (1).

- (5) A Director and a Special Advisor is to hold office for a period of 5 years and may be reappointed only once.

10A. Disqualified persons under the Financial Institutions Act [CAP 254]

- (1) The Governor may remove the following officers if the Governor is satisfied that that officer is a disqualified person within the meaning of section 42 of the Financial Institutions Act [CAP 254]:
- (a) a Director; or
 - (b) a Special Advisor; or
 - (c) other employees of the Reserve Bank.”

7 Subsection 11A(1)

Repeal the subsection, substitute

- “(1) The Minister may, by Order, prescribe the amount of the sitting allowance for the members of the Board.”

8 Subsection 38(2)

Delete “twenty”, substitute “40”

8A Subsection 38(5)

- (a) Delete “30”, substitute “50”
- (b) Delete “6”, substitute “12”

9 At the end of section 40

Add

- “(3) All audits done to the accounts of the Reserve Bank must be completed by April of each year.”

10 After section 46

Insert

“47. Regulation

The Minister may by Order and on the recommendation of the Board, prescribe anything which is necessary or convenient to be prescribed for the better carrying out or giving effect to the provisions of this Act.”

11 Transitional

- (1) A person holding the office of the Governor, Deputy Governor, a Director and a Special Advisor immediately before the commencement of this Act is to continue as the Governor, Deputy Governor, a Director and a Special Advisor:
 - (a) for the remainder of his or her term as set out under his or her existing employment contract; and
 - (b) on the same terms and conditions of employment with the same accrued and accruing entitlements.
- (2) The employees of the Reserve Bank who were employed immediately before the commencement of this Act are to continue in office as employees of the Reserve Bank on the same terms and conditions of employment with the same accrued or accruing entitlements.