



RESERVE BANK OF VANUATU

PRESS RELEASE

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INTERNATIONAL BANKING ACT NO 4 OF 2002

The Reserve Bank of Vanuatu wishes to advise that existing international banks that were licensed under the Banking Act [CAP 63] were granted licenses under the International Banking Act No 4 of 2002 (the 'Act'). The licenses issued under the Act cease to be in force on 31 December 2003.

Section 5(5) of the Act provided that if existing licensees wish to carry on international banking business after 31 December 2003, then the licensee must before 1 August 2003 submit a written application to the Reserve Bank of Vanuatu under section 6 of the Act for a license to carry on international banking business.

The Reserve Bank of Vanuatu has received written applications from six existing licensees.

The Reserve Bank of Vanuatu has requested that those licensees that failed to re-apply for a license under the Act provide it with a detailed plan by 1 September 2003, which should outline the following steps to be taken by the licensee:

- To repay all deposits and other liabilities, and
- To transfer all assets held or administered by it, and
- To cease carrying on all forms of international banking business from Vanuatu, by 31 December 2003.

As part of this plan, the Bank also expects that each licensee will inform all its clients that it is required to cease conducting international banking business by 31 December 2003.

If the licensee continues to conduct international banking business after 31 December 2003, it will be in contravention of section 4 of the Act and if found guilty will be subject to a fine and/or imprisonment in the case of an individual. Under section 19 of the Act, the Reserve Bank can conduct investigations where it suspects that an unlicensed person/entity is carrying on international banking business.

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