



Tonga

**NATIONAL RESERVE BANK OF TONGA
(AMENDMENT) BILL 2017**



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A BILL FOR AN ACT TO AMEND THE NATIONAL RESERVE BANK OF TONGA ACT (CAP. 102)

BE IT ENACTED by the King and Legislative Assembly of Tonga in the Legislature of the Kingdom as follows:

1 Short Title and Interpretation

- (1) This Act may be cited as the National Reserve Bank of Tonga (Amendment) Act 2017.
- (2) In this Act, the National Reserve Bank of Tonga Act (Cap. 102), as amended, shall be referred to as the “Principal Act”.

2 Section 4A amended

Section 4A of the Principal Act is amended –

- (a) by deleting the word “and” at the end of paragraph (o);
- (b) by renumbering paragraph (p) as paragraph (q); and
- (c) by inserting the following new paragraph (p) –
“(p) to manage and promote financial inclusion initiatives and related activities; and”.

3 Section 33 amended

Section 33 of the Principal Act is amended –

- (a) by renumbering subsection (4) as subsection (5);
- (b) by inserting the following new subsection (4) –
 - “(4) Subject to subsection (3), any remaining credit in the Revaluation Reserve Account may –
 - (a) be used by the Reserve Bank for the costs of implementing the monetary policy subject to the approval of the Board; or
 - (b) be paid to the Government upon the request of the Minister in writing to the Reserve Bank subject to the market conditions and approval by the Board:

Provided that the Revaluation Reserve Account maintains a minimum balance of \$10,000,000.”.

Passed by the Legislative Assembly this day of 2017.

Explanatory Notes

(These notes do not form part of the Bill and are only intended to explain its scope and purpose)

1. Section 2 amends section 4A of the Principal Act to insert a new paragraph (p) to provide for the management and promotion of financial inclusion initiatives.
2. Section 3 amends section 33 of the Principal Act by inserting a new subsection (4) which provides for any credit balance in the Revaluation Reserve Account may be used to implement the monetary policy subject to Board approval or paid to the Government upon request of the Minister for Finance. The Minister is to write to the Reserve Bank requesting such payment and the request shall be approved by the Board subject to market conditions at the time of request. This is provided that the Revaluation Reserve Account shall maintain a minimum balance of \$10,000,000.

Hon. 'Aisake Valu Eke
Minister for Finance and National Planning