

**N.R.C.D. 38**  
**NATIONAL SAVINGS AND CREDIT BANK ACT, 1972**

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**N.R.C.D. 38**  
**NATIONAL SAVINGS AND CREDIT BANK ACT, 1972(1)**

**AN ACT to provide for the establishment of a National Savings and Credit Bank and related matters.**

*Establishment of the Bank*

**1. Establishment of the National Savings and Credit Bank**

(1) On the coming into force of this Act, the Ghana Savings Bank constituted under the Savings Bank Act, 1962 (Act 129) and existing immediately before the commencement of this Act shall, subject to this Act, continue to operate under the name of the National Savings and Credit Bank as a body corporate with perpetual succession and common seal, and may sue or be sued in its corporate name.

(2) The assets and liabilities of, and a property vested in the Ghana Savings Bank immediately before the coming into operation of this Act shall without further authority than this subsection vest in the Bank.

(3) A contract in respect of a matter subsisting between the Ghana Savings Bank and any other person and in force immediately before the commencement of this Act shall be deemed to subsist between the Bank and that other person.

(4) The Head Office of the Bank shall be in Accra.

**2. Capital**

(1) Subject to subsection (3), the share capital of the Bank shall be six million cedis divided into shares of a nominal value of ten cedis each, of which seventy-five percent shall be taken up by the Government and the remaining twenty-five percent shall be issued to the public at the times, in the amounts and in the manner that the Board may determine subject to this section.

(2) The Government shall, on the establishment of the Bank, pay up thirty-three and one-third percent of the nominal value of the shares taken by the Government, and the remaining sixty-six and two-thirds percent shall remain uncalled for, for twelve calendar months from the date of the commencement of operations by the Bank.

(3) The shares taken up by the Government may be sold by the Government and the proceeds of the sale shall be paid into the Consolidated Fund.

(4) The Board established under section 4 may,

(a) with the consent of the shareholders and with the prior approval of the Minister increase the initial capital of the Bank, and

(b) divide the additional capital into shares of a nominal value determined by the Board.

(5) The shares of the Bank not issued under subsection (2) may be issued on the terms that the Minister may direct.

**3. Limitation of liability of shareholders**

The liability of a shareholder in the Bank is limited to the amount unpaid on the shares by that shareholder.

### *Administration*

#### **4. Board of directors**

(1) The governing body of the Bank is the board of directors which may perform the functions which are not by this Act required to be performed by any other person or by the Bank at a meeting of shareholders.

(2) The Board consists of the chairman and

- (a) one person appointed the managing director, under section 8 (1),
- (b) one representative of the Ministry responsible for Finance,
- (c) three persons appointed on the recommendations of the Minister, and
- (d) three persons elected by shareholders of the Bank from among their number.

(3) The members of the Board shall be appointed by the President in accordance with article 70 of the Constitution.

(4) A meeting of shareholders shall be convened as soon as may be convenient after the first issue of the shares otherwise than to the Government, for the purpose of electing directors under subsection (2) (d) and after that on the holding of the annual general meeting, a person shall be elected to fill a vacancy in the office of elected director.

#### **5. Qualifications for directors**

A person is not qualified to be a director of the Bank if that person

- (a) is not a citizen or in the case of an elected director, is not domiciled in Ghana;
- (b) as a person required to be elected by the shareholders, that person does not hold in that person's own right unencumbered shares of the Bank of the nominal value of not less than one thousand cedis;
- (c) is an undischarged bankrupt, having been adjudged or otherwise declared bankrupt under a law in force in Ghana or in any other country;
- (d) is a person adjudged to be of unsound mind;
- (e) is convicted of a felony or an offence involving dishonesty or moral turpitude and in each case, has not been granted a free pardon;
- (f) being a person possessed of professional qualification, is not voluntarily disqualified or suspended from practising the profession in Ghana or in any other country by the order of a competent authority made in respect of that person personally.

#### **6. Tenure of office**

(1) A director appointed under subsection (2) (a) of section 4 shall hold office for the period specified in the instrument of appointment.

(2) The chairman or a director appointed under subsection (2) (c) of section 4 shall hold office for a

period of one year.

(3) At the annual general meeting of the Bank next following the first election of directors, and at every other annual general meeting, the director elected at an annual general meeting who has held the office for the longest period since the last election shall retire; and as between directors elected on the same day the director to retire shall unless they otherwise agree, be decided by lot.

(4) An elected director retiring at an annual general meeting shall retain office until the close of the meeting.

(5) A director shall vacate office,

- (a) on ceasing to be qualified for being a director of the Bank as required by section 5; or
- (b) in the case of the chairman or a director appointed under subsection (2) (c) of section 4, if the director by notice in writing addressed to the Minister and copied to the Board, resigns from office; or
- (c) in the case of a person appointed under subsection (2) (a) of section 4, if the director ceases to be qualified for appointment under that subsection or if the President by writing revokes the appointment.

(6) Subject to section 5, a person ceasing to hold office as a director is eligible for re-appointment.

(7) Where an elected director dies or vacates office under subsection (5), the Board may subject to this section elect a person, for appointment under section 4, to hold office until the next annual general meeting.

## **7. Incapacity of director to perform functions**

(1) Where an elected director or the chairman or a director appointed under subsection (2) (c) of section 4 is prevented by absence from Ghana, illness or any other sufficient cause from performing the functions of office,

- (a) the President may, in the case of the chairman or a person appointed under subsection (2) (c) of section 4, appoint another person to hold that office; or
- (b) the President may, in the case of an elected director appoint another person nominated by the Board to hold that office.

(2) A person appointed or elected to act in the place of the chairman or a director under this section shall cease to hold office

- (a) when the President or the Board, is satisfied that the original director is able again to perform the functions of office; or
- (b) on the date when the original director would have ceased to hold office in accordance with this Act, whichever is the earlier.

## **8. Managing director**

(1) There shall be a Managing Director of the Bank who shall be appointed by the President in accordance with article 195 of the Constitution.

(2) The Managing Director shall hold office for a period not exceeding five years on the terms and conditions specified in the instrument of appointment.

(3) A Managing Director is eligible for reappointment for a further period not exceeding five years.

(4) Subject to the directions of the Board on matters of general policy, the Managing Director is responsible for the direction of the day-to-day business of the Bank and of its administration and organisation and control of the employees of the Bank.

(5) Where the managing director is absent from Ghana or is otherwise incapacitated from performing the functions of that office, the Board may authorise an employee of the Bank to perform the functions of the managing director.

## **9. Reserve fund**

(1) The Bank shall have a fund to be known as the Reserve Fund, into which shall be paid the moneys received by the Bank on the purchase of shares by the Government which are in excess of the nominal value.

(2) The Bank shall also make payments into the Reserve Fund in accordance with the Banking Act, 2004 (Act 673).

### *Business of the Bank*

## **10. Contracts**

(1) Contracts on behalf of the Bank may be made as follows:

- (a) a contract which, if made between private persons would be by law required to be in writing and under seal, may be made on behalf of the Bank in writing under the common seal of the Bank;
- (b) a contract which, if made between private persons would be by law required to be in writing, may be made on behalf of the Bank in writing, signed by a person acting under its authority, express or implied;
- (c) a contract which if is made between private persons would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the Bank by a person acting under its authority, express or implied.

(2) A contract made in accordance with subsection (1)

- (a) is effectual in law, and binds the Bank and its successors and the other parties;
- (b) may be varied or discharged in the same manner in which it is authorised by this section to be made.

(3) The Board may, by writing under its common seal empower a person, generally or in respect of a specified matter, as its attorney to execute deeds on its behalf in a place not situate in Ghana and a deed signed by that attorney on behalf of the Bank and under seal shall bind the Bank and have the same effect as if it were under its common seal.

## **11. Business which the Bank is authorised to transact**

The Bank is authorised to carry on and transact the following kinds of business namely,

- (a) the paying, receiving, collecting and remitting of money, bullion and securities on behalf of the Government, and the undertaking and the transacting of any other business which the Government may entrust to the Bank;

- (b) the advancing and lending of money on the security of
  - (i) the stocks or any other security for money issued by the Government;
  - (ii) stocks, funds and securities, other than immovable property, in which a trustee is authorised to invest money by a law in force in Ghana or in any other country;
  - (iii) goods which, or the documents of title to which, are deposited with, or assigned to, the Bank as security for those advances or loans;
  - (iv) goods which are hypothecated with the Bank as security for those advances or loans, if so authorised by special directions of the Board; and
  - (v) debentures of companies with limited liability whether incorporated in Ghana or outside Ghana; provided that where the original security is one of those specified in subparagraphs (i) and (ii) of this paragraph, fully paid shares of companies with limited liability or immovable property or documents of titles thereto may be accepted as collateral security;
- (c) the granting of loans or overdrafts with or without security, to such extent as may be prescribed by by-laws not inconsistent with the provisions of the Banking Act, 2004 (Act 673);
- (d) the selling and realisation of the proceeds of sale of stocks, funds, shares, securities, debentures, promissory notes or goods which, or the documents of title to which, have been deposited, pledged or hypothecated with, or assigned or transferred to, or which are held by the Bank or over which the Bank is entitled to a lien or charge in respect of a loan or an advance or a debt or claim of the Bank, and which have not been redeemed in due time in accordance with the terms and conditions of the deposits, pledge, hypothecation, assignment or transfer;
- (e) the selling and realisation of the property, whether movable or immovable which may in any way come into the possession of the Bank in satisfaction or part satisfaction of any of its claims, and the acquisition and holding of, and generally the dealing with, any right, title or an interest in a property, movable or immovable, which may be the Bank's security for a loan or an advance or may be connected with that security;
- (f) the drawing, accepting, discounting, buying and selling of bills of exchange and any other negotiable securities;
- (g) the making, issuing and circulating of Bank drafts, travellers cheques and letters of credit, to order or otherwise than to the bearer on demand;
- (h) the drawing of bills of exchange and the granting of letters of credit payable out of Ghana;
- (i) the buying of bills of exchange payable out of Ghana at an issuance not exceeding six months;
- (j) the purchase and sale of telegraphic transfers whether payable in Ghana or elsewhere;
- (k) the investing of the funds of the Bank in any of the securities specified in subparagraphs (i) and (ii) of paragraph (b) of this section and converting them into money when required, and altering, converting and transposing the investment for or into others of the investments above specified; and to make its investment services available to the public on commission and to deal on the Ghana Stock Exchange Market through the Government broker or the Bank's own broker;

- (l) the transacting of pecuniary agency business on commission and the entering into of contracts of indemnity, suretyship or guarantee with specific security or otherwise;
- (m) the acting as agent on commission in the transaction of the following kinds of business, namely,
  - (i) the buying, selling, transferring and taking charge of securities, or shares in a public company;
  - (ii) the receiving of the proceeds whether principal, interest or dividends, of securities or shares;
  - (iii) the remittance of the proceeds by bill of exchange or telegraphic transfer payable either Ghana or elsewhere;
- (n) the buying and selling of gold and silver whether coined or uncoined;
- (o) the acceptance of the charge of valuables or securities on the terms that may be agreed on;
- (p) the borrowing of money for the purpose of the Bank's business, and the giving of security for the money so borrowed by pledging assets or otherwise;
- (q) the opening of an account with or the making of an agency agreement with, and the acting as agent or correspondent, of, the Bank of Ghana or a bank incorporated in a country outside Ghana;
- (r) acting as executor and trustee of wills, settlements and under instruments securing stocks, debentures and debenture stock, however and whenever constituted and administering trusts of all forms;
- (s) engaging in development financing or acquiring or taking by subscription or by purchase or otherwise and the holding of, shares or stock of and investing in the securities of a company engaged in development financing or an undertaking in Ghana or elsewhere having similar objects as considered by the Bank to be likely to advance, directly or indirectly the interests of the Bank;
- (t) the issuing of premium Savings Bonds which shall be eligible for inclusion in draws for cash prizes; and
- (u) generally, the doing of or dealing with, any other matters and things that are incidental or subsidiary to the transacting of the various kinds of business specified in this section.

## **12. Offices and branches**

(1) The Bank may use any branch of the Ghana Post as its agent on commission, for collection and payment of deposits.

(2) The Board may open and maintain branch offices for transacting the business of the Bank elsewhere than at the Head Office or branches of the Ghana Post.

## **13. Interest**

(1) Interest shall be payable on deposits at the rate fixed from time to time by the Board.

(2) The interest shall not be payable on an amount less than two cedis and shall not commence to accrue until the first day of the month next following the day of deposit, and cease on the last day of the month preceding that in which the deposit is withdrawn.

(3) Interest on deposits shall, subject to subsection (2), be calculated to the thirty-first day of March in every year or any other day determined by the Board and shall then be added to and become part of the principal moneys remaining on deposit.

#### **14. Business which the Bank may not transact**

The Bank shall not transact a kind of banking business other than as specified in section 11, and in particular the Bank shall not make a loan or an advance on the security of its own shares.

#### **15. Preliminary expenses**

An act done and the preliminary expenses sanctioned by the Minister in connection with the formation of the Bank shall have the same effect and validity as if those acts had been done and the expenses incurred by the Board; and the Board may continue an action or a thing commenced by the Minister remaining unfinished at the date of coming into force of this Act as if the action or thing had been initiated by the Board.

#### **16. The Regulations of the Bank**

(1) The provisions of the Schedule, which may be cited as the National Savings and Credit Bank Regulations shall, in respect of the matters to which they relate, govern the functions and responsibilities of the Bank, the Board and the employees and agents of the Bank and the procedure of the Bank and the Board.

(2) The provisions of the Schedule may be added to, amended or revoked by Regulations made, in respect of the matters to which the Schedule relates, by the Minister by legislative instrument.

#### *Miscellaneous*

#### **17. By-laws made by the Board**

The Board shall, with the prior approval of the Minister make by-laws not being inconsistent with this Act regulating

- (a) the maximum amounts which may be advanced or lent to an individual, a body of persons or partnership, or to a company or an association with limited liability, without the security mentioned in subparagraphs (i) and (ii) of paragraph (b) of section 11,
- (b) the extent to which accounts may be overdrawn without security,
- (c) the books and accounts to be kept at the Head Office and branches of the Bank,
- (d) the remuneration of the directors,
- (e) the conduct and defence of legal proceedings and the manner of signing pleadings,
- (f) the conduct of the business of the Bank generally.

#### **18. Service of documents of the Bank**

A document may be served on the Bank by leaving it at or sending it by post to the Head Office of the Bank.

## 19. Exemption

Subject to article 174 of the Constitution, the Bank shall be exempt from a tax or duty imposed by the Internal Revenue Act, 2000 (Act 592) for so long as the General Reserve Fund is less in amount than twice the paid-up capital.

## 20. Application of Companies Act, 1963

The Companies Act, 1963 (Act 179) shall not apply to the Bank except in so far as the Minister may by legislative instrument direct.

## 21. Saving

A provision of this Act does not affect or be deemed to affect the rights of the Republic or the rights of a body politic or corporate or of any other persons except those that are mentioned in this Act and those claiming by from or under them.

## 22. Interpretation

In this Act, unless the context otherwise requires,

“**annual general meeting**” means an annual meeting of shareholders held in accordance with the provisions of this Act;

“**Bank**” means the body corporate established under the provisions of section 1;

“**Board**” means the board of directors constituted as provided in section 4;

“**electd directors**” means the directors of the Board appointed under subsection (2) (d) of section (4);

“**functions**” includes powers and duties;

“**Ghana Post**” means the Ghana Post Company Limited registered under the Companies Act, 1963 (Act 179);

“**Minister**” means the Minister responsible for Finance.

## 23. Repeals

*Spent.2(2)*

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*Spent.3(3)*

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NATIONAL SAVINGS AND CREDIT BANK REGULATIONS  
SHARES

**1. Bank Share**

The shares of the Bank are personal property and are transferable as provided in this Schedule.

## **2. Distinguishing number of shares**

A share in the Bank shall be distinguished by its appropriate number.

## **3. Particulars to be entered in share register**

The Bank shall keep a register of its shareholders and shall enter in the register,

- (a) the name and address and occupation of every shareholder and a statement of the shares held by each shareholder, distinguishing each share by its number;
- (b) the date on which each person is so entered as a shareholder; and
- (c) the date on which a person ceases to be a shareholder.

## **4. Shareholder entitled to certificate**

A person whose name is entered as a shareholder in the register of shareholders is entitled to a certificate under the common seal of the Bank specifying the share or shares held by that person; provided that, in respect of a share or shares held jointly by several persons, the Bank is not bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint-holders is sufficient delivery to all.

## **5. Share Certificate prima facie evidence of title to share**

A certificate under the common seal of the Bank specifying the shares held by a shareholder is prima facie evidence of the title of the shareholder to the shares specified in the certificate.

## **6. No notice of trust receivable by Bank in respect of shares**

A notice of a trust express, implied or constructive, shall not be entered on the register or be receivable by the Bank.

## **7. Periodical closing of share register**

The Bank may close the register for any time or times not exceeding in the whole thirty days each year.

## **8. Register open to inspection by shareholders**

The register of shareholders shall be kept at the Head Office of the Bank and, except when closed under the provisions of the Act, shall during business hours, subject to the reasonable restrictions that the Bank may impose, so that not less than two hours in each day be allowed for inspection, be open to the inspection of a shareholder without charge.

## **9. Charge made for copying extracts from register**

A shareholder may require a copy of the register, or a part of it, on prepayment at the rate of twenty pesewas for every hundred words or fractional part required to be copied.

## **10. Bank's lien on shares**

The Bank shall have a first and paramount lien on the shares of a shareholder, whether held alone or jointly with any other persons, for the moneys owing to the Bank by the shareholder or the estate of the shareholder.

## **11. Sale of shares under lien**

The Bank may sell in the manner that it thinks fit, the shares on which it has a lien, but a sale shall not be made unless some sum in respect of which the lien exists is presently payable, nor until the expiry of fourteen days after a notice in writing, stating and demanding payment of the amount in respect of which the lien exists, has been given to the registered holder for the time being of the share, or to the person entitled by reason of death or insolvency to the share.

## **12. Disposal of proceeds of sale of shares under lien**

The proceeds of the sale shall be applied in payment of that part of the amount in respect of which the lien exists as is presently payable and the residue shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person or persons entitled to the shares at the date of the sale; and the purchaser shall be registered as the holder of the shares and shall not be bound to see to the application of the purchase money, nor shall the title to the shares be affected by an irregularity or invalidity in the proceedings in reference to the sale.

### *Transfer and Transmission of Shares*

## **13. Execution of instrument of transfer**

The instrument of transfer on a share in the Bank shall be executed by both the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of shareholders.

## **14. Form of instrument of transfer**

Shares in the Bank shall be transferred in any usual or common form approved by the Board.

## **15. Bank's right to decline transfers**

(1) The Board may decline to register a transfer of shares on which it has a lien or a transfer of shares to a person who is a minor or has been found by a Court of competent jurisdiction to be of unsound mind or to or in the name of a partnership or company.

(2) The Board may also suspend the registration of transfers for a period during which it has under the provisions of the Act directed that the register shall be closed.

(3) If the Board refuses to register a transfer it shall within two months after the date on which the transfer was lodged with the Bank send to the transferee notice of refusal.

## **16. Fees for transfers, replacement and renewals**

A fee of not more than fifty pesewas per share shall be payable for registration of a transfer or for renewal of a certificate of shares which has become mutilated or has been lost, or for the subdivision of a share certificate.

## **17. Right to refuse to recognise instrument of transfer**

The Bank may decline to recognise an instrument of transfer unless

- (a) a fee not exceeding fifty pesewas is paid to the Bank in respect of the transfer; and
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates and any other evidence that the Bank may reasonably require to show the right of the transferor to make the transfer.

## **18. Claimants to shares who may be recognised by Bank**

The executors or administrators of a deceased sole holder of a share and a person in whose favour a valid instrument of transfer of the share was executed by the deceased holder, shall be the only persons who may be recognised by the Bank as having a title to the share; and in the case of a share registered in the names of two or more holders, the survivors or survivor and, on the death of the last survivor, the executors or administrators and a person in whose favour a valid instrument of transfer of the share was executed by that survivor shall be the only persons who may be recognised by the Bank as having any title to the share.

## **19. Rights of person entitled on death or insolvency of the holder**

A person becoming entitled to a share in consequence of the death or insolvency of a shareholder or in consequence of a transfer by a deceased holder during the lifetime of the holder shall, on the evidence being produced as may be required by the Bank, have the right, subject to regulation 15 of these Regulations, either, after written notice addressed to the Bank, to be registered as a shareholder in respect of the share or, instead of being registered, to make a transfer of the share that the deceased or insolvent person could have made.

## **20. Rights of person entitled to be registered under regulation 19**

A person becoming entitled to a share in consequence of the death or insolvency of the holder, is entitled to the same dividends and any other advantages to which that person would be entitled as the registered holder of the share, except that before being registered as a shareholder in respect of the share, that person is not entitled in respect of it to exercise a right conferred on a shareholder in relation to meetings of the Bank.

## **21. Annual general meeting and notice thereof**

After the issue of an authorised capital otherwise than to the Government, there shall be held at Accra on the first Monday of May in every year, or as soon after that day as may be convenient, the annual general meeting at which meeting the Board shall submit to the shareholders a balance sheet of the Bank made up to the preceding thirty-first day of March; and a notice convening the meetings, signed by the Managing Director, shall be published in the *Gazette*, and in any other manner directed by the Board, at least fifteen days before the meeting is held.

## **22. Quorum**

Shareholders holding not less than fifty percent of the issued capital of the Bank for the time being shall constitute a quorum at an annual general meeting.

### **23. Right of registered shareholders to vote**

(1) Voting at an annual general meeting shall be by show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by shareholders holding not less than fifty percent of the issued capital of the Bank present at the meeting.

(2) A shareholder is entitled to vote at an annual general meeting and shall have one vote for every share of which the shareholder has been the registered proprietor for not less than three months immediately preceding the date of the meeting.

### **24. Proxies**

(1) A shareholder is entitled to transfer the right of voting at an annual general meeting to any other shareholder as proxy; but a person shall not act as proxy unless that person is a shareholder entitled to vote and unless the instrument of appointment, in a form approved by the Board, has been deposited at the Head Office of the Bank at least forty-eight hours before the time for holding the meeting at which he is to vote.

(2) In respect of the shares held by the Government, the Government may appoint a person as its proxy whether that person is a shareholder or not.

### **25. Chairman of meeting**

The chairman of the Board shall preside as chairman at every general meeting of the Bank, and in the absence of the chairman or if the chairman is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.

#### *Meetings of the Board*

### **26. Board to meet monthly and quorum**

The Board shall meet at least once a month for the despatch of the Bank's business and there shall be deemed to be a quorum at a meeting of the Board if there are present at the meeting not less than four directors appointed under section 4 of the Act.

### **27. Chairman to exercise Board's function**

(1) Subject to the Act, where the Board is not meeting the chairman may exercise all or any of the functions of the Board.

(2) A decision taken by the chairman under subregulation (1) shall be submitted for the ratification of the Board at its next meeting thereafter.

(3) The chairman shall preside at the meetings of the Board and in the absence of the chairman a director elected by the directors present at the meeting shall preside.

### **28. Voting at meetings**

Questions proposed at a meeting of the Board shall be determined by a simple majority of members present and voting and in the event of an equality of votes of the chairman or other person presiding shall have a casting vote.

## *General Provisions as to Board*

### **29. Vacancy among directors not to invalidate acts of Board**

An act or a proceeding of the Board shall not be invalidated merely by reason of the existence of a vacancy or vacancies among its directors.

### **30. Acts done by directors in good faith valid**

The acts done by a person acting in good faith as a director shall be as valid as if that person was a member of the Board despite a defect in the appointment or qualification.

### **31. Indemnification of directors by Bank**

(1) A director shall be indemnified by the Bank against the losses and expenses incurred by the director in or about the performance of functions as a director but not those incurred by the wilful act or default of the director.

(2) A director is not responsible for the acts or omissions of any other director or of an employee of the Bank or for the loss or expense happening to the Bank by the insufficiency or deficiency of value of, or title to, a property or security acquired or taken on behalf of the Bank, or by the insolvency, bankruptcy or wrongful act of a customer or debtor of the Bank, or by anything done otherwise than by the wilful act or default of the director in the performance of a function as director.

### **32. Director not to vote on business in which he is interested**

A director shall not sit, judge or vote on a matter connected with a business of the Bank in which the director is personally concerned or on a motion respecting the loan or advance of money or otherwise giving credit to the director, a partner, co-trustee, servant, or relative of the director or to a company, partnership or individual with which or with whom the director is connected as director, manager, partner or servant and in respect of that matter the director shall not be counted in the quorum.

### **33. Directors to notify Bank of their interests**

Directors shall notify to the Bank the names of the companies in which they have an interest and shall also declare the fact at any time when an advance to any of those companies is being considered.

### **34. Use of the Seal**

The common seal of the Bank shall not be affixed to an instrument except in the presence of at least three directors, including the Managing Director or the person appointed for the time being to perform the functions of the Managing Director under subsection (4) of section 8 of the Act, who shall sign their names on the instrument in token of their presence, and the signing shall be independent of the signing of any other person who may sign the instrument as a witness; and unless so signed the instrument is not valid.

## *Employees of the Bank*

### **35. Board to engage employees of Bank**

(1) The Board shall have the employees that are necessary for the proper and efficient conduct of the

business of the Bank.

(2) The employees of the Bank shall be appointed by the Board acting in accordance with the advice of the Public Services Commission.

(3) The Board may on the recommendations of the Managing Director fix salaries and any other emoluments of the employees of the Bank and grant gratuities or any other financial assistance to widows, children or other dependants of deceased employees of the Bank.

(4) The Board shall make appropriate provision for the welfare of employees or former employees of the Bank and their dependants.

### **36. Notification in *Gazette* of powers to sign for Bank**

The Managing Director and the employees of the Bank authorised by the Board in this behalf by notification in the *Gazette* are hereby severally empowered, for and on behalf of the Bank, to endorse and transfer promissory notes, stock-receipts, stock-debentures, shares, securities and documents of title to goods standing in the name of or held by the Bank, and to draw, accept and endorse bills of exchange and letters of credit in the current and authorised business of the Bank, to sign any other accounts, receipts and documents connected with the business and to execute proxies to vote at meetings on behalf of shareholders from whom the Bank holds general powers of attorney.

### **37. Prohibition from engaging in other banking or commercial business**

A person in the salaried employment of the Bank shall not engage in any other banking or commercial business, either personally or as agent for any other person or persons, and shall not act as broker or agent for the sale or purchase of Government or any other securities.

### **38. Prohibition of certain advances**

An advance shall not be made to the Managing Director or to an employee of the Bank, except on the security mentioned in subparagraphs (i) and (ii) of paragraph (b) of section 11 of the Act, without the sanction of the Board.

### **39. Power to require security from employees**

The Board may require an employee of the Bank to give security to the Bank for the faithful discharge of a duty to the satisfaction of the Board in the amount and in the manner as it thinks proper.

### **40. Liability for losses**

An employee of the Bank is not liable for a loss or damage suffered by the Bank unless the loss or damage was caused by the default or wilful act of the employee.

### **41. Balance sheet**

(1) The Board shall cause the books of the Bank to be balanced on the thirty-first day of March in every year.

(2) A statement of the balance at every that period, signed by a majority of the directors, shall forthwith be sent to the Minister.

(3) The Bank shall

- (a) exhibit throughout the year in a conspicuous position in every office or branch of the Bank in Ghana a copy of its last audited balance sheet;
- (b) on or about the date of the presentation of the balance sheet to the shareholders at a general meeting cause a copy to be published in a daily newspaper circulating in Ghana; and
- (c) not later than seven days prior to the date of the general meeting, send a copy to each shareholder entitled to attend the meeting.

#### **42. Dividend to be determined by Board**

(1) An account of the profit of the Bank during the previous year shall be taken on or immediately after every thirty-first day of March and the amount of the dividend to be paid, shall be determined by the Board.

(2) An unpaid dividend shall not bear interest as against the Bank.

#### **43. Additional allocations to Reserve Fund**

In addition to making the statutory allocation to the Reserve Fund required by section 9 of the Act, the Board may, before declaring a dividend, set aside out of the profits of the Bank the further sums that it thinks proper as reserves which shall, at the discretion of the Board, be applicable for meeting contingencies, or, for equalising dividends, or for any other purpose to which the profits of the Bank may properly be applied, and pending that application may, at the like discretion, either be employed in the business of the Bank or be invested in any of the securities mentioned in subparagraphs (i) and (ii) of paragraph (b) of section 11 of the Act.

#### **44. Receipt for dividend for share jointly held**

Where several persons are registered as joint-holders of shares, any one of them may give effectual receipts for a dividend payable on the share.

#### *Audit*

#### **45. Bank to keep proper books of account**

- (1) The Board shall keep proper books of account and proper records of the transactions of the Bank.
- (2) The accounts of the Bank shall be in the form approved by the Auditor-General.

#### **46. Election of auditor**

(1) The books of account shall be audited at least once in every year under article 187 of the Constitution.

(2) *Omitted.4(4)*

#### **47. Remuneration of auditor**

*Omitted.5(5)*

#### **48. Audit by the Auditor-General**

(1) The books and accounts of the Bank shall each year be audited by the Auditor-General under

article 187 of the constitution, who shall, at all times, be entitled to have access to all books, records, stores, and any other matters relating to the accounts, and who shall in the report, draw attention to irregularities in the audited accounts.

(2) The Bank shall pay in respect of the audit the fee that the Auditor-General and the Board may agree or in the case of failure to agree, the fee prescribed by the Minister.

(3) The Board shall, as soon as possible, on receiving the report of the Auditor-General forward a copy to the Minister.

(4) The Minister shall, as soon as practicable, on receipt of the report lay a copy of the Auditor-General's report before Parliament.

### *Liquidation*

#### **49. No liquidation except by Act**

The Bank shall not be placed in liquidation except pursuant to an Act of Parliament made in that behalf and in the manner directed in that Act.

### *Notices*

#### **50. How notice may be given**

A notice may be given by the Bank to a shareholder personally or by sending it by post to the shareholder at the registered address of the shareholder or to the address, within Ghana supplied to the Bank for the giving of notices to the shareholder.

#### **51. Notice by post deemed effective**

Where a notice is sent by post, service of the notice shall be deemed to have been effected by properly addressing, prepaying and posting a letter containing the notice, and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

#### **52. Shareholders giving no address to Bank not entitled to notice**

A shareholder who does not have a registered address in Ghana and has not supplied to the Bank an address within Ghana for the giving of notices shall not be entitled to a notice, despite anything contained in the Act.

#### **53. Notice to joint-holders**

A notice may be given by the Bank to the joint-holders of a share by giving notice to the joint-holder named first in the register in respect of the share.

#### **54. Notice in event of shareholder's decease**

A notice given in accordance with the foregoing provisions shall be deemed to have been duly given notwithstanding that the shareholder be then deceased and whether or not the Bank had notice of his decease, and shall in that event be deemed to be a notice to his legal representative.

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## Endnotes

### 1 (Popup - Footnote)

1. This Act was issued as the Post Office Savings Bank Decree, 1972 ([N.R.C.D. 38](#)) made on the 29th day of February, 1972 and notified in the *Gazette* on 3rd March, 1972. The short title was amended by the Post Office Savings Bank (Amendment) Decree, 1975 (N.R.C.D. 337) to read National Savings and Credit Bank Decree, 1972.

### 2 (Popup - Footnote)

2. The section provided for the repeal of the Ghana Savings Bank Act, 1962 (Act 129).

### 3 (Popup - Footnote)

3. The section provided that the Decree shall come to force as provided by Legislative Instrument.

### 4 (Popup - Footnote)

4. [Subsections \(2\), \(3\) and \(4\)](#) omitted in view of [article 187](#) of [the Constitution](#). They provided that,

“(2) A person is not qualified to be elected an auditor under this regulation unless that person is qualified in terms of the Banking Act, 2004 ([Act 673](#)).

(3) Where the auditor is for a reason unable or unwilling to act, the Board may depute an auditor to act until a new auditor is elected at an annual general meeting or until the Bank of Ghana appoints an auditor under the Banking Act, 2004 ([Act 673](#)) whichever is the earlier.

(4) The auditor shall cease to act as auditor in any of the circumstances referred to in the relevant section of the Act.”

### 5 (Popup - Footnote)

5. Consequent on regulations 46 and 48. The regulations provide that

“(1) The auditor shall have the remuneration determined by the shareholders.

(2) Where for a reason an auditor is appointed to fill a temporary vacancy in the office of the auditor, the auditor so appointed shall be paid an equitable proportion of the remuneration fixed under subregulation (1) as the Board, having regard to all the circumstances of the case, shall decide.”