



## ANALYSIS

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2003, No. 21

An Act to establish Bank of the Cook Islands Holdings Corporation and to provide  
 for the incorporation and establishment of Bank of the Cook Islands Limited

(19 November 2003)

**BE IT ENACTED** by the Parliament of the Cook Islands, in Session assembled and by the authority of the same as follows:

1. Short Title and commencement - (1) This Act may be cited as the Bank of the Cook Islands Act 2003.

(2) This Act shall come into force on 1st December 2003.

2. Interpretation - In this Act, unless the context otherwise requires --

“the Bank” means, the Bank of the Cook Islands Limited, to be established in accordance with section 20 of this Act;

“banking business” shall have the same meaning as in the Banking Act 2003;

“board” means the board of directors of the Corporation appointed pursuant to section 7;

“Cook Islands Investment Corporation” means the Cook Islands Investment Corporation established by the Cook Islands Investment Corporation Act 1998;

“Corporation” means the Bank of the Cook Islands Holdings Corporation established by this Act;

“Court” means the High Court of the Cook Islands;

“Financial Supervisory Commission” means the Financial Supervisory Commission established by the Financial Supervisory Commission Act 2003;

“Financial year” means a period of 12 months ending 30 June in each year;

“Minister” means, the Minister appointed to be responsible for the Corporation.

### PART 1

#### BANK OF THE COOK ISLANDS HOLDINGS CORPORATION

3. Bank of the Cook Islands Holdings Corporation - (1) There is hereby established a corporation to be called Bank of the Cook Islands Holdings Corporation which shall in relation to its objectives, functions, powers and duties be subject to this Act.

- (2) On the coming into force of this Act –
  - (a) all rights, interests, liabilities and obligations of the Cook Islands Development Bank shall belong to and vest in the Corporation; and
  - (b) all real and personal property (including choses in action) of the Cook Islands Development Bank shall belong to and vest in the Corporation; and
  - (c) the Registrar of the High Court shall upon the request of the Corporation substitute the name of the Corporation for the Cook Islands Development Bank on any register, document or instrument of estate or interest.
- (3) On the coming into force of this Act –
  - (a) the assets and liabilities disclosed in the audited balance sheet of the Post Office Savings Bank as at 30 June 2001 shall and without further authority than this section, transfer to and vest in the Corporation subject to all rights, interests, liabilities and obligations as shall exist immediately before the vesting date;
  - (b) all documents and records evidencing the assets and liabilities referred to in paragraph (a) shall be the property of the Corporation;
  - (c) every acknowledgement given in respect of a liability referred to in paragraph (a) shall be deemed to have been given for the benefit of the Corporation and in the Corporation’s name and all rights, interest, liabilities and obligations thereunder shall continue to have full effect and be enforceable accordingly.
- (4) The Corporation shall have perpetual succession and a common seal and shall be capable of suing and being sued and, subject to the provisions of this Act, shall have and may exercise all the rights, powers and privileges, and may incur all the liabilities and obligations of a natural person of full age and capacity.

4. Functions and powers of the Corporation - (1) The functions of the Corporation shall be -

- (a) to establish Bank of the Cook Islands Limited in accordance with this Act and to exercise the Corporation's rights and powers and to perform its obligations and duties in relation thereto;
  - (b) to establish CIDB Former Loans Limited in accordance with this Act and to exercise the Corporation's rights and powers and to perform its obligations and duties in relation thereto;
  - (c) to establish Development Finance Limited in accordance with this Act and to exercise the Corporation's rights and powers and to perform its obligations and duties in relation thereto;
  - (d) pending establishment of Bank of the Cook Islands Limited and the grant of a banking licence to the Bank pursuant to the Banking Act 2003, to carry out banking business;
  - (e) to manage any assets vested in the Corporation;
  - (f) to undertake any other matters prescribed in this Act.
- (2) The Corporation shall have such powers as are necessary to perform its functions.

5. Transitional banking licence - Notwithstanding any other provision in any enactment the Corporation shall be deemed to have been granted a banking licence pursuant to the Banking Act 2003 to enable it to carry on banking business for the period from the coming into force of this Act until the Bank is established in accordance with section 20 of this Act and obtains a banking licence pursuant to the Banking Act 2003: Provided however that the transitional banking licence deemed to have been granted by this clause shall expire no later than the 4<sup>th</sup> June 2004.

6. Crown not liable for debts of Corporation - The Crown shall not be liable to contribute, pay or satisfy any sum of money to the Corporation or towards the payment or satisfaction of any debts or liabilities of the Corporation other than any sum that the Crown is liable to contribute by virtue of any guarantee given in writing.

## PART 2 DIRECTORS OF THE CORPORATION

7. Board of directors - (1) There shall be a board of directors of the Corporation consisting of not more than 7 nor less than 5 directors.

(2) The directors shall be appointed by the Cook Islands Investment Corporation.

- (3) No person shall be appointed as a director unless that person -
- (a) has the qualifications and experience required by section 8(1)(b) of the Banking Act 2003; and

(b) is not a disqualified person as defined in section 2(4) of the Banking Act 2003.

(4) A director appointed under subsection (2) shall be appointed for a term not exceeding 3 years as shall be specified in his or her instrument of appointment, and may from time to time be reappointed.

(5) A director appointed under subsection (2) shall be paid by the Cook Islands Investment Corporation such remuneration as shall be prescribed by Order in Executive Council.

(6) A director appointed under subsection (2) may at any time be removed from office by the Cook Islands Investment Corporation for disability, neglect of duty, misconduct, or if he or she becomes a bankrupt or makes any arrangement or composition with his or her creditors generally and may at any time resign from office by written notice to the chairperson or chief executive of the Cook Islands Investment Corporation.

(7) Without limiting subsection (6), the Corporation shall remove from office a director if directed to do so by the Financial Supervisory Commission acting pursuant to section 28 of the Banking Act 2003.

(8) Where a director is removed from office under subsections (6) or (7), that fact and the reasons for removal shall be laid before Parliament in writing by the Minister within 14 sitting days of the date of the director's removal.

(9) The powers of the board shall not be affected by any vacancy in its membership.

8. Extraordinary vacancies - (1) If a director appointed under section 7(2) dies, resigns from office or is removed from office, the vacancy shall be deemed to be an extraordinary vacancy.

(2) An extraordinary vacancy shall be filled in the manner provided by and in accordance with sections 7(2) and 7(3).

9. Chairperson and deputy - (1) The chairperson of the board and a deputy chairperson shall be appointed by the Cook Islands Investment Corporation from amongst the directors appointed under section 7(2) and shall hold office as chairperson and deputy respectively for the duration of their appointment as directors. On all matters to be decided by the board, the chairperson shall have a deliberative vote and in the case of an equality of votes, a casting vote.

(2) If the chairperson is absent from a meeting of the board, the deputy chairperson shall preside at that meeting and shall at that meeting have the same voting rights as the chairperson under subsection (1).

(3) A vacancy in the office of chairperson or deputy chairperson shall be filled in the manner provided in subsection (1).

10. Meetings and procedure of board - (1) Not less than 3 days notice of every meeting of the board shall be given to every director present in the Cook Islands at the time of giving of the notice: Provided that the Board may by resolution waive the requirement as to the time required by this subsection for the giving of notice.

(2) At all meetings of the board a majority of the directors (excluding vacancies) but in any event not less than 3 directors shall be a quorum.

(3) Except as provided in subsection (6), no business may be transacted at a meeting of the board if a quorum of directors is not present in person in accordance with subsection (5)(a), and participating in accordance with subsection (5)(b).

(4) Subject to the provisions of this Act and of any regulations prescribed for the purpose, the board may meet as the chairperson (or in the absence from the Cook Islands of the chairperson, the deputy chairperson) may direct or if a majority of the other directors so require and the board may regulate its procedure in such manner as it thinks fit.

(5) A meeting of the board may be held either –

(a) by a number of the directors who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or

(b) by means of audio, or audio and visual, or electronic communication by which all directors participating and constituting a quorum can simultaneously communicate with each other throughout the meeting; or

(c) in the manner provided by both paragraphs (a) and (b).

(6) Notwithstanding subsections (2) and (4), business may be transacted by the board by way of written resolution circulated in original or by facsimile to all the directors for the time being present in the Cook Islands and signed by a quorum of the directors.

(7) The board shall keep minutes of resolutions and proceedings of its meetings, which shall be signed by the chairperson of the next succeeding meeting. A copy of the minutes of every meeting shall be provided to every director.

11. Duties of the board - It shall be the duty of the board to ensure –

(a) the best performance of the Corporation's objectives and functions; and

(b) the proper exercise of the Corporation's powers and duties; and

(c) compliance with the Corporation's duties and policies,

are consistent with this Act and every other enactment applicable to the Bank.

12. Personal liability of directors - (1) A director shall not be personally liable for any act or default done or made by him or her or by the board or by any other director in the course of the operations of the board or the Corporation, unless the director acted in bad faith or without reasonable care.

(2) Each director and officer shall be indemnified by the Corporation -

(a) for costs and damages for any civil liability arising from any action brought by a third party, if the director or officer was acting in good faith and with reasonable care in the course of the operations of the board or the Corporation; and

- (b) for costs arising from any successfully defended criminal prosecution, if the prosecution arose in the course of the operations of the board or the Corporation.

13. Seal - The Corporation shall have a common seal which shall remain in the custody of the board and shall only be used in accordance with either the general or specific authority of the directors. The directors shall keep a register and shall record therein every such authority.

### **PART 3** **ACCOUNTABILITY BY THE CORPORATION**

14. Statement of corporate intent - (1) The board shall on behalf of the Corporation and not later than 1 month before the commencement of each financial year, deliver to the Cook Islands Investment Corporation for approval, a statement of corporate intent, the first statement to be delivered within 45 days after the date of this Act coming into force, or such longer period as the Cook Islands Investment Corporation may allow.

(2) The statement of corporate intent shall specify in respect of the next financial year, and insofar as is practicable, for each of the four immediately succeeding financial years -

- (a) the objectives of the Corporation in relation to the bank and every other company managed by the Corporation;
- (b) the nature and scope of the activity to be undertaken in relation to the Corporation's objectives;
- (c) estimates of the current commercial value of the Corporation's shareholding in the Bank and a statement of the manner in which the value was assessed; and
- (d) the performance targets and other measures by which the performance of the Corporation may be judged in relation to its objectives;
- (e) what financial resources are required to achieve performance targets;
- (f) a statement of the principles adopted in determining the annual dividend of the Corporation together with an estimate of the amount that is to be paid to the Cook Islands Investment Corporation; and
- (g) the intention of the Corporation regarding the management, sale and purchase of assets; and
- (h) the accounting policies of the Corporation;
- (i) such other matters as are agreed between the Cook Islands Investment Corporation and the Corporation and which are not inconsistent with this Act.

(3) The statement of corporate intent may from time to time be revised by agreement between the Cook Islands Investment Corporation and the Corporation.

(4) The Corporation may require every company owned or managed by the Corporation to submit to the Corporation within such time and at such intervals as the Corporation may require, a statement of corporate intent in such form, as the Corporation may require.

15. Annual report - Within 3 months after the end of each financial year or such extended time as the Cook Islands Investment Corporation may allow, the board shall deliver to the Cook Islands Investment Corporation, a report of the operations of the Corporation during that financial year, including statements of -

- (a) financial position;
- (b) financial performance;
- (c) cashflows;
- (d) borrowings;
- (e) commitments;
- (f) specific fiscal risks;
- (g) accounting policies;
- (h) outputs and outcomes actually achieved;
- (i) the information necessary to enable an informed assessment of the operations of the Corporation including a comparison of the performance of the Corporation with the statement of corporate intent;
- (j) the dividend payable to the Cook Islands Investment Corporation on behalf of the Crown by the Corporation for the financial year to which the report relates,

together with such other statements as are consistent with generally accepted accounting practice.

16. Application of Ministry of Finance and Economic Management Act - (1) For the purposes of enabling the Ministry of Finance and Economic Management to comply with its obligations under the Ministry of Finance and Economic Management Act 1995-96, the board shall deliver to the Ministry such fiscal updates, financial reports and statements of responsibility as the Ministry may request from time to time.

(2) Except to the extent provided in this Act, the Ministry of Finance and Economic Management Act 1995-96 shall not apply to the Corporation. For the avoidance of doubt, the Corporation shall have power to borrow.

17. Application of Cook Islands Investment Corporation Act - Except to the extent provided in this Act, the Cook Islands Investment Corporation Act 1998 shall not apply to the Corporation.

18. Accounts and audit - (1) The Corporation shall cause to be kept and maintained true and full accounting records of all transactions as are necessary to disclose the financial position of the Corporation at intervals of not less than 3 months or at such other interval as the Cook Islands Investment Corporation may in writing require.



(2) The Corporation shall notwithstanding section 27(f) of the Public Expenditure Review Committee and Audit Act 1995-96, appoint an independent auditor who shall audit the financial statements of the Corporation in accordance with generally accepted accounting practice.

19. Information to be laid before Parliament - In respect of each financial year of the Corporation the Minister shall lay before Parliament within 14 sitting days of receiving them -

- (a) the annual report and audited financial statements of the Corporation; and
- (b) the auditors report.

#### PART 4

#### BANK OF THE COOK ISLANDS LIMITED

20. Bank of the Cook Islands Limited - (1) The Corporation shall subject to the approval of the Financial Supervisory Commission, cause to be incorporated under the Companies Act 1970-71, a wholly owned subsidiary of the Corporation to be called "Bank of the Cook Islands Limited" for the purposes of undertaking banking business.

(2) The Corporation may transfer to the Bank any of the assets or liabilities transferred to it by virtue of section 4(2), or section 4(3) and such other assets as may from time to time belong to the Corporation, in payment of the capital of the Bank, which paid capital shall in any event be paid up to an amount of not less than two million dollars.

(3) The memorandum and articles of association of the bank shall not contain any provision that is inconsistent with the provisions of this Act.

(4) The provisions of section 336(7) of the Companies Act 1970-71 shall not apply to the name of the Bank to be incorporated pursuant to subsection (1) and the use of the name "Bank of the Cook Islands" shall not be available to any other company in the Cook Islands whether such company was incorporated before or after the coming into force of this Act.

(5) The Bank shall have such powers as are necessary in order for it to carry on banking business including the power to borrow.

21. Banking licence - The Bank shall not later than the 31<sup>st</sup> January 2004 apply for a banking licence pursuant to the Banking Act 2003 and in the event that such licence is issued to the Bank, the Bank shall in all respects be subject to the provisions of the Banking Act 2003.

22. Directors - Notwithstanding any provision of the Companies Act 1970-71, the chairperson and directors for the time being of the Corporation shall be the chairperson and directors of the Bank.

**PART 5**  
**SECURITIES**

23. Definition of "Cook Islander" – In this Part, "Cook Islander" shall have the same meaning as "native" as defined in section 2 of the Cook Islands Act 1915.

24. Assignments of money from land vested in trustees - (1) For the purposes of securing the repayment of any advance made by the Corporation or the Bank for any housing or other purpose, it shall be competent for any Cook Islander or descendant of a Cook Islander to give an order on, or an assignment of, the proceeds of the alienation of any land (including compensation money for land taken) whether the land is vested in a trustee or not.

(2) Any such order or assignment shall be valid and enforceable for all purposes, notwithstanding the provisions of section 474 of the Cook Islands Act 1915 or of any other enactment.

25. Alienation and assignment as security for advances - (1) Notwithstanding anything in sections 470, 471 and 473 of the Cook Islands Act 1915, it shall be competent for a Cook Islander or descendant of a Cook Islander to alienate any native freehold land and anything growing on or attached to any such land including the rents and profits derived therefrom as security for any advance made by the Corporation or the Bank for any housing or other purpose.

(2) Notwithstanding anything in the Property Law Act 1952, no power of sale shall be contained or implied in any charge given over an interest in land, other than a leasehold interest, to secure the repayment of an advance made by the Corporation or the Bank for any housing or other purpose.

26. Charging order may be made - (1) Notwithstanding anything in section 470 of the Cook Islands Act 1915, where a charge on any interest in land or upon the revenues or proceeds of alienation thereof is to be given as security for the repayment of any advance, the Court on proof to its satisfaction that the advance is to be or has been made, may make an order charging the land or any interest therein or any part thereof or any undivided or partial interest therein with repayment of the amount advanced with interest, and such instalments and with such directions for giving effect to the charge as the Court thinks expedient.

(2) The certificate of the Corporation or the Bank shall for all purposes be prima facie proof of the amount of the advance and of the rate of interest payable and may be accepted by the Court accordingly.

(3) The Court may make a further order varying any former order in respect of any additional advance or by way of apportioning charges in such manner as it thinks expedient or for any other purpose it thinks fit, and every subsequent order shall supersede all prior charging orders in so far as it is inconsistent therewith. Where any charge is apportioned, each portion shall be deemed to be a separate charge.

(4) Every order made under the provisions of this section shall be registered or recorded, as the case may require, in such manner as the Court directs.

27. Discharge of charging orders - The Court may at any time on the application of the Corporation or the Bank, wholly or partially discharge any charging order made under section 26 of this Act, whether or not the money secured by the charge has been repaid.

28. Appointment of receiver to enforce charges - (1) Where a charging order has been made pursuant to this Part in respect of any land or any interest therein, or upon the revenues or the proceeds of the alienation thereof, the Court may at any time and from time to time, for the purpose of enforcing that charge, appoint a receiver in respect of the property so charged.

(2) A receiver appointed under this section shall have all such rights, powers, duties and liabilities as may be expressly conferred or imposed on the receiver by the Court and such other incidental powers as may be reasonably necessary for the exercise of the powers so conferred. A receiver appointed under this section shall not have power to sell any native freehold land, or to lease any such land otherwise than as provided in subsection (3).

(3) Notwithstanding any of the provisions of the Cook Islands Act 1915 as to the alienation of native freehold land, a receiver appointed under this section for the purpose of enforcing a charge may, in the receiver's own name and with the leave of the Court, grant leases of any land so charged for a term, on such conditions and for such rent or other consideration as the Court thinks fit.

## PART 6 ACCOUNTABILITY BY THE BANK

29. Annual report - Within 2 months after the end of each financial year or such extended time as the Corporation may allow, the board shall deliver to the Corporation, a report of the operations of the Bank during that financial year, including statements of -

- (a) financial position;
- (b) financial performance;
- (c) cashflows;
- (d) borrowings;
- (e) commitments;
- (f) specific fiscal risks;
- (g) accounting policies;
- (h) outputs and outcomes actually achieved;
- (i) the information necessary to enable an informed assessment of the operations of the Bank;
- (j) the dividend payable to the Corporation on behalf of the Crown by the Bank for the financial year to which the report relates,

together with such other statements as are consistent with generally accepted accounting practice.

30. Accounts - The Bank shall cause to be kept and maintained at its principal place of business true and full accounting records of all transactions as are necessary to disclose the financial position of the Bank at intervals of not less than 3 months or at such other interval as the Corporation may in writing require.

31. Audit - The Bank shall notwithstanding section 27(f) of the Public Expenditure Review Committee and Audit Act 1995-96, appoint an auditor in accordance with section 41 of the Banking Act 2003 who shall audit the financial statements of the Bank in accordance with sections 42 and 43 of the Banking Act 2003.

**PART 7**  
**DEVELOPMENT FINANCE LIMITED**

32. Development Finance Limited - (1) The Corporation shall as agent for the Cook Islands Government Property Corporation cause to be incorporated under the Companies Act 1970-71 a company under the name "Development Finance Limited" with wide objects and powers.

(2) The initial authorised and issued capital of Development Finance Limited shall be equal to the net value of assets that are transferred to it pursuant to subsection (3) and in any event, not be less than ten thousand dollars. All shares shall be subscribed for by the Corporation in its name except for one share which shall be subscribed for and held by a nominee of the Corporation determined by the Corporation.

(3) The Corporation may transfer and vest in Development Finance Limited any of those assets vested in the Corporation by virtue of section 3(2)(a) of this Act as shall be determined by the board and confirmed by the auditor of the Corporation, being loans made by the Cook Islands Development Bank established by the Cook Islands Bank Act 1978, and which remain outstanding as at the date of the transfer.

(4) For the purposes of the transfer of the assets in accordance with subsection (3) the value of the assets shall be as determined by the board and confirmed by the auditor of the Corporation.

(5) The value of the assets which shall be transferred by the Corporation to Development Finance Limited shall be applied in payment of the shares issued by Development Finance Limited and to the extent that the value shall exceed ten thousand dollars the excess may be treated as an advance by the Corporation to Development Finance Limited.

33. Transfer of Ownership - (1) As soon as practicable the Corporation shall execute an instrument of transfer of the ownership of all the shares in Development Finance Limited to Cook Islands Government Property Corporation and shall direct its nominee in respect of the one remaining share in Development Finance Limited to hold such share for and on behalf of Cook Islands Government Property Corporation.

(2) Notwithstanding any other provision in any enactment the Corporation is hereby deemed to be the authorised agent of Cook Islands Government Property Corporation to execute the instrument of transfer on behalf of Cook Islands Government Property Corporation as transferee and to request registration of the transfer in the register of members of Development Finance Limited.

34. Vesting of advance to Development Finance Limited - In the event that an advance by the Corporation to Development Finance Limited is established pursuant to section 35(5) of this Act, upon the transfer of ownership of Development Finance Limited pursuant to section 32(3) of this Act, the advance shall thereupon vest in the Cook Islands Government Property Corporation without any further authority than this section.

### PART 8 CIDB FORMER LOANS LIMITED

35. CIDB Former Loans Limited - (1) The Corporation shall as agent for the Cook Islands Government Property Corporation cause to be incorporated under the Companies Act 1970-71, a company under the name "CIDB Former Loans Limited" with wide objects and powers.

(2) The initial authorised and issued capital of CIDB Former Loans Limited shall be equal to the net value of assets that are transferred to it pursuant to subsection (3) and in any event not be less than fifty thousand dollars. All shares shall be subscribed for by the Corporation in its name except for one share which shall be subscribed for and held by a nominee of the Corporation determined by the Corporation.

(3) The Corporation shall transfer and vest in CIDB Former Loans Limited such of those assets vested in the Corporation by virtue of section 3(2)(a) of this Act as shall be determined by the board and confirmed by the auditor of the Corporation to be non-performing loans made by the Cook Islands Development Bank established by the Cook Islands Bank Act 1978, and which remain outstanding as at the date of the transfer.

(4) For the purposes of the transfer of the assets in accordance with subsection (3) the value of the assets shall be as determined by the board and confirmed by the auditor of the Corporation.

(5) The value of the assets which shall be transferred by the Corporation to CIDB Former Loans Limited shall be applied in payment of the shares issued by CIDB Former Loans Limited and to the extent that the value shall exceed fifty thousand dollars the excess may be treated as an advance by the Corporation to CIDB Former Loans Limited.

36. Transfer of ownership - (1) Upon completion of the transfer of assets from the Corporation to CIDB Former Loans Limited in accordance with the provisions of section 35 of this Act the Corporation shall execute an instrument of transfer of the ownership of all the shares in CIDB Former Loans Limited to Cook Islands Government Property Corporation and shall direct its nominee in respect of the one remaining share in CIDB Former Loans Limited to hold such share for and on behalf of Cook Islands Government Property Corporation.

(2) Notwithstanding any other provision in any enactment the Corporation is hereby deemed to be the authorised agents of Cook Islands Government Property Corporation to execute the instrument of transfer on behalf of Cook Islands Government Property Corporation as transferee and to request registration of the transfer in the register of members of CIDB Former Loans Limited.

37. Vesting of advance to CIDB Former Loans Limited - In the event that an advance by the Corporation to CIDB Former Loans Limited is established pursuant to section 35(5) of this Act, upon the transfer of ownership of CIDB Former Loans Limited pursuant to section 35(3) of this Act the advance shall thereupon vest in Cook Islands Government Property Corporation without any further authority than this section.

## PART 9 MISCELLANEOUS

38. Government Superannuation Fund - A person, who immediately before the commencement of this Act -

- (a) was an employee of the Post Office Savings Bank; and
- (b) was a contributor to the Government Superannuation Fund established under the Government Superannuation Fund Act 1956; and
- (c) will after the commencement of this Act become an employee of the Bank,

shall be entitled to continue to be a contributor to that Fund upon the same terms and conditions (including benefits) applying to that person as if the persons employment with the Post Office Savings Bank had not been interrupted and the Bank shall be responsible for the employers obligations under that Fund in respect of that person.

39. Regulations - The Queen's Representative may from time to time by Order in Executive Council, make regulations which are necessary or expedient for giving full effect to the provisions of this Act and for the due administration thereof.

40. Validation - Every act performed and every thing done before the commencement of this Act by any director, managing director, other officer or person for or in respect of the Cook Islands Development Bank in anticipation of the coming into force of this Act, and every loan, agreement, security or other document and all banking business (whether done in the name of the Cook Islands Development Bank or in the name of Bank of the Cook Islands) and which would have been valid if this Act had been in force when the Act or thing had been done or performed, is hereby validated and declared to be and always be validly done.

41. Savings - Upon the coming into force of this Act –
- (a) the chairperson and directors appointed to the board of the Cook Islands Development Bank shall, subject to this section, continue as chairperson and directors respectively of the board of the Corporation as if they were appointed under this Act, for the balance of the term for which they were appointed as chairperson and directors of the Cook Islands Development Bank;
  - (b) the managing director and other officers and employees of the Cook Islands Development Bank shall continue to be employed as managing director, officers and employees respectively of the Corporation, and upon the Bank being incorporated pursuant to section 20, of the Bank, in the same or a similar position of employment held with the Cook Islands Development Bank upon the same terms and conditions and on terms and conditions to be no less beneficial than existing terms and conditions of the person upon whom they are imposed.
42. Consequential amendment to Banking Act – Section 5 of the Banking Act 2003 is amended by deleting subsection (6).
43. Repeals and dissolution – Upon the coming into force of this Act -
- (a) the Cook Islands Bank Act 1978; and
  - (b) the Post Office Act 1959,
- are repealed, and the Cook Islands Post Office Savings Bank is dissolved.
44. Act to bind Crown - This Act shall bind the Crown.

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This Act is administered by Bank of the Cook Islands Holding Corporation