

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE BUILDING SOCIETIES LAW
(2010 REVISION), TO ENABLE A SOCIETY TO PUBLISH ITS
ACCOUNTS AND STATEMENTS; AND FOR INCIDENTAL AND
CONNECTED PURPOSES**

THE BUILDING SOCIETIES (AMENDMENT) BILL, 2014

MEMORANDUM OF OBJECTS AND REASONS

This Bill would remove the obligation now placed on the Cayman Islands Monetary Authority to gazette accounts and statements of any building society; and to provide for incidental and connected purposes.

Clause 1 of the Bill would set out the short title.

Clause 2 of the Bill would amend section 21 of the Building Societies Law (2010 Revision) which places an obligation on the Cayman Islands Monetary Authority to gazette the accounts and statements of building societies. This clause of the Bill would place this obligation on each building society which would now be responsible for the publication of its own accounts and statements.

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ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Building Societies (Amendment) Law, 2014.

Short title

2. The Building Societies Law (2010 Revision) is amended by repealing section 21 and substituting the following section -

Amendment of section 21 of the Building Societies Law (2010 Revision) – societies shall make annual audits and statements of the funds to the members

“Societies shall make annual audits and statements of the funds to the members

21. (1) The secretary or manager of a society shall, at least once in every year, prepare -

- (a) an account of all the receipts and expenditure of the society since the preceding statement; and
- (b) a general statement of -
 - (i) its funds and effects, liabilities and assets, showing the amounts due to the holders of the various classes of shares respectively to depositors and creditors for loans;
 - (ii) the balances due or outstanding on their mortgage securities, not including prospective interest; and

(iii) the amount invested otherwise than in loans to members under sections 16 and 17.

(2) Every such account and statement shall be -

(a) attested by the auditors to whom the mortgage deeds and other securities belonging to the society shall be produced; and

(b) countersigned by the secretary or manager.

(3) Every member, depositor and creditor for loans is entitled to receive from the society a copy of the account and statement, and a copy thereof shall be sent to the Authority within fourteen days after the annual or other general meeting at which it is presented.

(4) The Authority shall see that the statement conforms to the requirements of this section.

(5) A copy of the account and statement shall be displayed by the society in a conspicuous place in every office of the society.

(6) A copy of the account and statement forwarded to the Authority shall be gazetted by the society that prepared such account and statement.”.

Passed by the Legislative Assembly the day of , 2014.

Speaker.

Clerk of the Legislative Assembly.