

S.I. 39 of 2011**FINANCIAL INSTITUTIONS ACT, 2004***(Act 14 of 2004)***Financial Institutions (Credit Classification and Provisioning) (Amendment) Regulations, 2011**

In exercise of the powers conferred by section 28 of the Financial Institutions Act, 2004, the Central Bank makes the following regulations—

1. These regulations may be cited as the Financial Institutions (Credit Classification and Provisioning) (Amendment) Regulations, 2011. Citation
2. The Financial Institutions (Credit Classification and Provisioning) Regulations, 2010 are amended as follows— Amendment of
S.I. 74 of 2010
 - (a) in regulation 2—
 - (i) by amending the definition of “eligible collateral”, by adding after paragraph (c) the following—

“(d) the amount of 50 percent of the net realizable value of other tangible securities as approved by Central Bank.”
 - (ii) by adding after the definition of “Non-Performing Credit” the following

“Renegotiated credit” means a credit which has been refinanced, rescheduled, rolled

over or otherwise modified because of weaknesses in the borrower's financial position or non repayment of the debt according to the original terms."

(b) in regulation 5 —

- (i) by repealing in paragraph (c) (ii) the figure "79" and substituting therefor the figure "179";
- (ii) by repealing in paragraph (e) (i) the words "or of such little value";

(c) in regulation 7 —

- (i) by repealing in sub regulation (2) the words "the following minimum percentages to the sum of the "net credit balance" in each classification category" and substituting therefor the words "the minimum percentages to the sum of the gross credit balance for general provisions and the sum of the net credit balance for specific provisions";
- (ii) by repealing in sub regulation (2) (a) the word "and" and substituting therefor the following

“(a) and nil provision for credits extended to the Government of Seychelles classified as Pass and”;
- (iii) by repealing in sub regulation (2) (b) the percentage "10%" and substituting therefor the percentage "5%";

- (d) in regulation 9, by adding after subregulation (4) the following—

(5) Regulation 9 shall come into force on the 1st January 2012.

MADE this 18th day of May, 2011.

**PIERRE LAPORTE
GOVERNOR
CENTRAL BANK OF SEYCHELLES**
