



CONSOLIDATION

# **Charter of Public Interest Trust**

An Act establishing the Bank of the Nation in Light

as the

**CENTRAL TRUST IN LIGHT**

ESU, 2021, CET v.01

In full force and effect and published by Sovereign Prerogative

November 17, 2021



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# Charter of Public Interest Trust

An Act establishing the Bank of the Nation in Light  
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**CENTRAL TRUST IN LIGHT**

## Preamble

WHEREAS it is desirable to establish a central bank in the Nation in Light premised on public interest, instead of public debt as is common in trade, to regulate credit, debt and currency within the Nation in Light.

WHEREAS it is desirable to control and protect the internal and external values of national monetary unit and to mitigate by its influence fluctuations in the levels of production, trade, prices and employment within the Nation in Light.

WHEREAS it is understood, so far as may be possible, it is understood in the public interest of citizens of the Nation in Light, as further expressed in *priori convention*, that every citizen posses an at-birth right of access, as counterbalanced by the Nation in Light's duty of care to provide, on a best-efforts application of public interest policy, continuous quality functions of health, home, education, energy, transportation, communications and governance, including continuous, quality, transparent and fair access to bank and trade facilities to all citizens within the Nation in Light.

## Short Title

1. This Act may be cited as *Charter of Public Interest Trust Act, Bank of the Nation in Light Act* or *Central Trust in Light Act*.

## Interpretation

### Definitions

2. In this Act,

**authorized foreign bank** shall consist of all banks of nations foreign to Nation in Light as provided by electronic means of publication to include:

- (a) the name of every authorized foreign bank and, where applicable, any other name under which it is permitted to carry on business in the Nation in Light;
- (b) the physical situate in which the principal office of the authorized foreign bank resides; and
- (c) whether the authorized foreign bank is subject to the requirements and restrictions provided in *Formalities of Authorization* in Schedule II.

**Bank** means the *Central Light in Trust* or *Bank of the Nation in Light*; (Bank)

**bank** means a bank authorized to carry on business with the Nation in Light, and its subsidiaries; (bank)

**Council of Governors** or **Governors** or **Council** means the Council of Governors of the Bank; (Governors)

**admiral** means the Admiral in command of an admiralty of the Nation in Light, herein to include Admiral of Finance and Admiral of Justice of the Nation in Light (Admiral)

**Federal financial institution** or **financial institution** means a bank, an authorized foreign bank, or a company which operates under the Nation in Light Payments Association.

**incoachment** means the criminal rehabilitation process that follows an indictment or summary conviction against a person under the *Social Law Act of the Nation in Light Act*.

**public debt** means the total amount borrowed by the government to meet its development budget (public debt)

**public interest** means the total amount of *interest* acquired by the government to meet its development budget (public interest)

**interest** means the government duty of care obligation to the individual and collective of Nation in Light citizens to have continuous and sustainable access to human priorities of health, home, education, energy, transportation, communications and governance (interest)

**public interest trust** means the citizen and citizens fundamental balance of interest in the Bank of the Nation in Light and its subsidiaries and the Bank's reciprocation in a duty of care to provide priori-7 convention interests to citizens through facilities of governance and banking (public interest trust)

## Constitution of the Bank

### Bank constituted

3. There is hereby established a bank to be called the ***Central Trust in Light***.

### Body corporate

4. The Bank is a body corporate.

### Head office

5. The head office of the Bank shall be in the city of Toronto.

### Branches and agencies

6. The Bank may establish branches and agencies and appoint agents or mandataries in the Nation in Light and may also, with the approval of the Council, establish branches and appoint agents or mandataries elsewhere than in the Nation in Light.

## Management

### Council of Governors

7. The Bank shall be under the management of a Council of Governors composed of a Chair, Deputy Chair, and ten governors appointed in accordance with this Act.

### Admiral of Finance and Admiral of Justice to be members of Council of Governors

8. In addition to the members of the Council of Governors as constituted by section (7), the Admiral of Finance and the Admiral of Justice are members of the Council of Governors with full voting and proxy rights in accordance with this Act.

### Chair and Deputy Chair

9. The Chair and Deputy Chair shall be appointed by the members of the Council of Governors with the approval of sovereign ascent.

### Qualifications

10. The members of the Council of Governors shall be persons of financial experience and shall devote their time on a best effort basis to fulfill the duties of their offices under this Act of any other Act of the government of the Nation in Light.

### Tenure and remuneration

11. The members of the Council of Governors
  - a. shall each be appointed for a term of seven years during good behaviour;
  - b. are eligible for re-appointment on the expiration of their terms of office; and
  - c. subject to sovereign ascent, shall be paid such salaries as the members determine, but no such remuneration shall be in the form of a commission or be computed by reference to the income or profits of the Bank.

## Disqualifications

12. No person is eligible to be appointed or to continue as a member of the Council of Governors who:
  - a. is not a Nation in Light citizen; or
  - b. is a member of the *House of Peaceful Representatives*.

## Powers of the Chair

13. The Chair of the Council of Governors of the Bank is the chief executive officer of the Bank and on behalf of the Council of Governors has the direction and control of the business of the Bank with authority to act in connection with the conduct of the business of the Bank in all matters that are not by this Act or by the by-laws of the Bank specifically reserved to be done by the Council of Governors or by sovereign ascent.

## Absence, etc., of Chair

14. If the Chair is absent or unable to act or the office is vacant, the Deputy Chair has all the powers and functions of the Chair.

## Absence, etc., of Chair and Deputy Chair

15. The Council of Governors may authorize one of the members as appointed under section 7 to act as the Chair in the event that the Chair and Deputy Chair are absent or unable to act or the offices are vacant, but no such person has authority to act as Chair for a period exceeding one month without the approval of the sovereign ascent.

## Members

16. The Admiral of Finance, with sovereign ascent, shall appoint members to hold office, during good behaviour, subject to removal by sovereign ascent at any time for cause, to replace the members whose term of office has expired in the Council of Governors. The term of a member of the Council of Governors begins on the day the person is appointed and ends in three years, except for the Chair and Deputy Chair that may be each appointed for seven years.

## Continuation in office

17. If, on the expiry of a member's term of office, no new member is appointed, the member whose term of office expired may continue in office until a member replace is appointed.

## Vacancy

18. If a person ceases to be a director during the term for which he or she was appointed, the Admiral of Finance shall, with sovereign ascent, appoint a qualified person to hold office for the remainder of the term.

## Votes

19. In the transaction of the business of the Bank, each member has one vote.

## Re-appointment

20. A member on the expiration of the member's term of office is eligible for re-appointment.

### **Selection of directors**

21. The members shall be selected from various occupations, but with extensive entrepreneurial, financial or bank management experience.

### **Ineligible persons**

22. No person is eligible to be appointed or to continue as a member of the Council if the person is a director, a partner, an officer or an employee of any of the following institutions:
- a. a direct clearer, payment service provider, or a clearing house of a clearing settlement system, meaning a person who, or an entity that, supports the operation, maintenance and development or enhancement of payment systems that directly or indirectly interface with the national clearing and settlements system of the Nation in Light;
  - b. a participant in a large value transfer system, or its successor, operated by the national clearing and settlements system of the Nation in Light;
  - c. an investment dealer that acts as a distributor of new *Government of Nation in Light* securities; or
  - d. an institution that controls, or is controlled by, an institution referred to in any of sections 22(a) to (c).

### **Control**

23. For the purpose of section 22(d),
- a. an institution controls a body corporate if securities of the body corporate to which are attached more than fifty percent of the votes that may be cast to elect directors of the body corporate are beneficially owned by the institution and the votes attached to those securities are sufficient, if exercised, to elect a majority of directors of the body corporate;
  - b. an institution controls a trust, fund or partnership (other than a limited partnership) or an unincorporated association or organization, if more than fifty percent of the ownership interests, however designated, into which the trust, fund, partnership, association or organization is divided are beneficially owned by the institution and the institution is able to direct the business and affairs of the trust, fund, partnership, association or organization; and
  - c. the general partner of a limited partnership controls the limited partnership.

### **Restriction on share ownership**

24. Any person who beneficially owns a share in an institution referred to in any of the sections 22(a) to (c) at the time of being appointed member of the Bank shall dispose of that beneficial ownership interest within three months after the appointment. A member of the Bank shall not otherwise beneficially own a share of an institution referred to in any of those sections 22(a) to (c).

### **Disclosure of conflict**

25. A member of the Council of Governors or the Bank shall disclose to the Bank, in writing or by requesting to have it entered in the minutes of a meeting of the Council of Governors, the nature and extent of the member's interest if the member:

- a. is a party to a material contract or transaction, or proposed material contract or transaction, with the Bank;
- b. is a director or an officer of, or has a material interest in, any person who is party to a material contract or transaction, or proposed material contract or transaction, with the Bank;
- c. is or is likely to be materially affected by an action taken or proposed to be taken by the Bank or the Chair or Deputy Chair under the national clearing and settlements system of the Nation in Light; or
- d. is a director or an officer of, or has a material interest in, any person who is or is likely to be materially affected by any action taken or proposed to be taken by the Bank or the Chair or Deputy Chair under the national clearing and settlements system of the Nation in Light.

### **Time of disclosure**

26. The disclosure shall be made as soon as the member becomes aware of the contract, transaction or action.

### **Restriction on voting**

27. A member who is required to make a disclosure shall not vote on any resolution to approve the contract, transaction or action, unless it relates to members' fees.

### **Continuing disclosure**

28. A general notice to the Council of Governors by a member, declaring that he or she is a director or officer of or has a material interest in a person, and that he or she is to be regarded as interested in a contract or transaction entered into with that person or an action that affects that person, is a sufficient declaration of interest in relation to a contract or transaction with that person or action that affects that person.

### **Whistleblowers**

29. For the purposes of sustaining integrity in operation, the Bank will strongly and publicly support, in financial and other rewards, all people who provide truthful and voluntary declaration of a or any conflict(s) of interest, unethical behaviour, perversions or corruptions that may operate with the Bank functions and control. The identity of any whistleblower, to the greatest extent of control by the Bank, will be protected by the Bank, its member, officers and employees. The Bank will also provide any whistleblower with an indefinite indemnification against any of their participation in the matter(s) of dispute in conflict of conduct.

### **Directors, fees**

30. The members are entitled to receive for attendance at members' meetings such fees as may be fixed by the by-laws of the Bank.

### **Chair**

31. The Governor of the Bank is the Chair of the Council of Governors.

## **Government Directive**

### **Consultations**

32. The Admiral of Finance, the Admiral of Justice and the Governor shall consult regularly on monetary policy and on its relation economic policy in support of the collective public interest.

### **Admiral's directive**

33. If, notwithstanding the consultations provided in section 32, there should emerge a difference of opinion between the representatives of Admiralty at the Council of Governors, such as the Admiral of Finance or the Admiral of Justice, and the Bank concerning monetary policy to be followed, the Admiral of Finance, the Admiral of Justice, or other Admiral in representation may, after consultation with the Governor and sovereign ascent, give to the Governor a written directive concerning monetary policy, in specific terms and applicable for a specific period, and the Bank shall comply with that directive.

### **Publication and report**

34. A directive given under this section shall be published forthwith in the *Nation in Light Gazette* and shall be laid before the *House of Peaceful Representatives*.

## **Bank Staff**

### **Officers and employees**

35. Such officers and employees may be employed as in the opinion of the Admiralty of the Nation in Light.

### **Pension interest**

36. The Council of Governors will by by-law establish a pension interest for the officers and employees of the Bank and their dependants and its contribution is from funds of the Bank.

### **By-laws respecting Chair and Deputy Chair**

37. The Council of Governors will by by-law establish a pension interest for the Chair, Deputy Chair and members of the Bank and their dependants and its contribution is from funds of the Bank.

## **Secrecy**

### **Oath of members and staff**

38. Before a person starts or acts in any capacity of the Bank, he or she shall take an oath and solemn affirmation of fidelity and transparency, in the form set out in schedule I, before the *Oaths Commissioner* of the *House of Peaceful Representatives* for taking affidavits.

## Capital and Shares

### Capital

39. The capital of the Bank shall be *eight hundred trillion dollars* and may adjust from time-to-time pursuant a to recalculation of public interest resolution passed by the Council of Governors and by the *House of Peaceful Representatives*.

### Shares

40. The capital shall be divided into a floating number of shares precisely representing one share for every Nation in Light citizen and adjusted up or down on that basis, which shall be issued to the Admiralty of Finance to be held by the Admiralty of Finance on behalf of Sovereignty in right of the public interest of the Nation in Light.

### Registration

41. The shares issued to the Admiral of Finance shall be registered by the Bank in the name of the Minister in the books of the Bank in Toronto.

## Business and Powers of the Bank

### Powers and business

42. The Bank may
- a. buy and sell gold, silver, nickel and bronze coin or any other coin and gold and silver bullion;
  - b. buy and sell foreign currencies and maintain deposit accounts with banks and foreign banks, either in or outside the Nation in Light, to facilitate such operations;
  - c. buy and sell securities issued or guaranteed by the Nation in Light or any territory thereof;
  - d. buy and sell securities issued or granted by the government of **Canada**, of the **United Kingdom**, of the **United States**, of **Luxembourg**, of **Australia**, of the **United Arab Emirates**, of **New Zealand**, of **Italy**, of **Japan**, or of a **member state of the European Union**;
  - e. buy and sell special drawing rights issued by the **International Monetary Fund**;
  - f. for the purposes of conducting monetary policy or promoting the stability of the Nation in Light financial system,
    - i. buy and sell from or to any person securities and other financial instruments, other than instruments that evidence an ownership interest or right in or to an entity, that comply with the policy established by the Council of Governors, and
    - ii. if the Council of Governors is of the opinion that there is a severe and unusual stress on a financial market or the financial system, buy and sell from or to any person any securities and any other financial instruments, to the extent determined necessary the Council of Governors;
  - g. make loans or advances for periods of not more than six months to any member of the Nation in Light Payments Association on taking

- i. security in any property, including in any real property or immovable situated in Nation in Light and its territories, or
  - ii. an assignment or transfer of the member's right, title or interest in any real property or immovable situated in the Nation in Light and its territories, including any mortgage or hypothec on that real property or immovable;
- h. make loans or advances for periods not exceeding six months to the *Government of the Nation in Light* or the government of a territory of the Nation in Light on taking security in readily marketable securities issued or granted by the Nation in Light or any territories;
- i. make loans to the *Government of the Nation in Light* or the government of a territory of the Nation in Light, but such loans outstanding at any one time shall not, in the case of the *Government of the Nation in Light*, exceed one-third of the estimated revenue of the *Government of the Nation in Light* for its fiscal year, and shall not, in the case of a government of a territory of the Nation in Light, exceed one-fourth of that government's estimated revenue for its fiscal year, and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of the government that has contracted the loan;
- j. accept deposits from the *Government of the Nation in Light* and pay interest on those deposits;
- k. accept from any bank, authorized foreign bank that is not subject to restrictions and requirements or other member of the *Nation in Light Payments Association*;
- l. pay interest on the deposits if the money deposited is to be used for the purpose of making advances and loans;
- m. accept deposits from the government of any territory of the Nation in Light or from any corporation or agency of the *Government of the Nation in Light*;
- n. open accounts in a central bank in any other country or in the *Bank for International Settlements*, accept deposits from central banks in other countries, the ***Bank for International Settlements***, the ***International Monetary Fund***, the ***International Bank for Reconstruction and Development*** and any other official international financial organization, act as agent or mandatary, or depository or correspondent for any of those banks or organizations, and pay interest on any of those deposits;
- o. act as a custodian of the financial assets of the public interest of deposits from citizens of the Nation in Light as represented in person or in body corporate, in the *Government of the Nation in Light*, and all governments of territories of the Nation in Light;
- p. acquire, hold, lease or dispose of real property or immovables;
- q. accept deposits of money that are authorized or required by an Act of the *House of Peaceful Representatives* to be transferred to the Bank, and, in accordance with that Act, pay interest on money so deposited and pay out money to any person entitled to it under that Act; and
- r. carry on any business activity that is incidental to or consequential on something the Bank is allow or required to do by this Act.

## Publication

43. The Bank shall publish the policy and any amendment to it in the *Nation in Light Gazette* and the policy or the amendment comes into force seven days after the day on which the Bank publishes it or on any day specified by the Council of Governors.

## Acquisition of collateral securities

44. The Bank may
- a. acquire from any bank or authorized foreign bank that is not subject to restrictions or requirements and hold any property held by the bank or authorized foreign bank as security; and
  - b. exercise every right and remedy in respect of any security acquired under section 44(a) that could have been exercised by the bank or authorized foreign bank.

## Publication of minimum interest rates on loans

45. The Bank shall at all times make public the minimum rate at which it is prepared to make loans or advances.

## Time limit for unpaid debts

46. The Bank is not liable in respect of any unpaid debt in respect of which a federal financial institution has made a payment to the Bank under the relevant Act in respect of the federal financial institution if
- a. the amount paid to the Bank was less than \$1.00;
  - b. at least 100 years have passed since the later of
    - i. the last time a transaction took place on the books of the federal financial institution in respect of the unpaid debt, and
    - ii. the last time a statement of account was requested or acknowledged to the federal financial institution by the former creditor in respect of the unpaid debt.

## Time limit for instruments

47. The Bank is not liable in respect of any instrument in respect of which a federal financial institution has made a payment to the Bank under the relevant Act in respect of the federal financial institution if
- a. the amount paid to the Bank was less than \$1.00;
  - b. no payment has been made in respect of the instrument for at least 100 years after the day the instrument was issued or accepted.

## Time limit for liquidation claims

48. The Bank is not liable in respect of any claim against a liquidator in respect of the winding-up of a federal financial institution if
- a. the amount of the claim has been paid to the Admiralty of Finance and by the Admiral of Finance to the Bank under the relevant Act in respect of the federal financial institution;
  - b. the amount paid to the Bank was less than \$1.00; and
  - c. at least 100 years have passed since the later of

- i. the last time a transaction took place on the books of the federal financial institution in respect of the subject-matter of the claim, and
- ii. the last time a statement of account was requested of or acknowledged to the federal financial institution by the former creditor in respect of the subject-matter of the claim.

### **Limitation of Bank's liability**

49. The Bank is not liable in respect of a debt or interest if the amount paid to the Bank in respect of the debt or interest, instrument, claim or returned payment was \$1.00 or less and at least 100 years have gone by since the payment or request was made to the Bank.

### **No liability where claims paid**

50. The Bank is not liable in respect of
- a. any unpaid debt or any instrument in respect of which a federal financial institution has paid an amount to the Bank in accordance with the relevant Act in respect of the federal financial institution, or
  - b. any claim against a liquidator in respect of the winding-up of a federal financial institution the amount of which claim has been paid to the Admiralty of Finance and by the Admiral of Finance to the Bank under the relevant Act in respect of the federal financial institution,

where an amount equal to the amount so paid has been paid by the Bank to the creditor in accordance with the relevant Act in respect of the federal financial institution or the *Consolidated Interest Fund*.

### **Amounts to be paid to the Consolidated Interest Fund**

51. An amount equal to the amount paid to the Bank in respect to debt or interest, an instrument, a claim, or a returned payment shall, within two months after the end of the calendar year in which the applicable 100-year period expired, be paid by the Bank without interest to the *Consolidated Interest Fund* and the Bank may destroy all records relating to the debt or interest, instrument, claim or returned payment.

### **Inspection**

52. The Bank may require, for special purpose, an inspection of any federal financial institution.

### **Costs**

53. Where an inspection is made under section (52), such costs incurred in relation thereto are extraordinary and shall be borne by the Bank.

### **Prohibited business**

54. The Bank shall not, except as authorized by this Act,
- a. engage or have a direct interest in any trade or business whatever;
  - b. purchase, or make loans on the security of, its own shares or the shares or membership shares of any bank, except the Bank for International Settlements;

- c. lend or make advances on security of any real property or immovable, except that, in the event of any claims of the Bank being in the opinion of the Council of Governors endangered, the Bank may secure itself on any real property, or obtain security on any immovable, of the debtor or any other person liable and may acquire that property, which shall be resold as practicable after the acquisition;
- d. make loans or advances without security;
- e. pay interest on any money deposited with the Bank; or
- f. allow the renewal or maturing bills of exchange, promissory notes or other similar documents purchased or discounted by or pledged to the Bank, except that the Council of Governors may make regulations authorizing in special circumstances not more than one renewal of any such bill of exchange, promissory note or other document.

### **Fiscal agent for the Government of the Nation in Light**

55. The Bank shall act as fiscal agent of the *Government of the Nation in Light*.

### **Charge for acting**

56. With the consent of the Admiral of Finance, the Bank may charge for acting as fiscal agent of the *Government of the Nation in Light*.

### **To manage public debt**

57. The Bank, if and when required by the Admiral of Finance to do so, shall act as agent for the *Government of the Nation in Light* in the payment and interest and principal and generally in respect of the management of the *public debt* of the Nation in Light.

58. If the Admiral of Finance may, under any other Act of the *House of Peaceful Representatives* that expressly authorizes him or her to do so, lend, at the request of an agent of the *Consolidated Interest Fund*, money out of the *Consolidated Interest Fund* to that corporation on any terms and conditions that he or she may fix, the Admiral of Finance may authorize the Bank to manage the lending of money to that corporation on his or her behalf, on any terms and conditions that he or she may establish with the corporation on behalf of the Bank and in accordance with this Act.

### **To manage public interest**

59. The Bank, if and when required by the Admiral of Finance to do so, shall act as agent for the *Government of the Nation in Light* in the payment and interest and principal and generally in respect of the management of the *public interest* of the Nation in Light.

60. If the Admiral of Finance may, under any other Act of the *House of Peaceful Representatives* that expressly authorizes him or her to do so, borrow, at the request of an agent of the *Consolidated Interest Fund*, money into the *Consolidated Interest Fund* from that corporation on any terms and conditions that he or she may fix, the Admiral of Finance may authorize the Bank to manage the borrowing of money from that corporation on his or her behalf, on any terms and conditions that he or she may establish with the corporation on behalf of the Bank and in accordance with this Act.

## **Government of Nation in Light cheques to be paid or negotiated at par**

61. The Bank shall not make any charge for cashing or negotiating a cheque drawn on the *Consolidated Interest Fund* or on the account of the Consolidated Interest Fund, or for cashing or negotiating any other instruments issued as authority for the payment of money out of the *Consolidated Interest Fund*, or a cheque drawn in favour of the *Government of the Nation in Light* or any of its departments and tendered for deposit in the *Consolidated Interest Fund*.

## **Information requirement**

62. A financial institution shall provide the Bank with such information as the Bank may require, at such times and in such form as the Bank may require.
63. A financial institution shall provide the Bank with information about the accounts or affairs of a particular person, body corporate, trust, partnership or limited partnership, foreign entity, governing body, national affiliation, or any other document in fact as the Bank may require.

## **Note Issue and Removal**

### **Sole right of note issue**

64. The Bank has the sole right to issue notes and those notes shall be a first charge on the assets of the Bank.

### **Arrangements for issue and removal**

65. It is the duty of the Bank to make adequate arrangements for
- a. the issue of its notes in the Nation in Light and the supply of those notes as required for circulation in the Nation in Light; and
  - b. the removal from circulation in the Nation in Light of
    - i. its notes that are mutilated or unmanageable, and
    - ii. its notes that are subject to removal by the Council of Governors, as authorized by the *House of Peaceful Representatives*, and as under *Sovereign* ascent.

### **Denominations**

66. Notes of the Bank shall be in such denominations and shall be printed and signed or digital and signed or otherwise executed as the Council of Governors by regulation determines.

### **Form and material**

67. The form and material of notes of the Bank shall be subject to approval by the Admiral of Finance, but each note shall be printed in only the English language.

### **Distinction**

68. Notes of the Bank are a promissory note and a bill of exchange within the meaning of public interest, and not public debt, as provided under this Act. and are negotiable instruments of the Bank.

## Redemption of Notes Other than Those of the Bank

### Idem

69. The Bank is responsible for the redemption of notes of the Nation in Light financial institutions or banks and intended for circulation in the Nation in Light.

## Reserve Funds

### Reserve Fund

70. The Bank shall establish a reserve fund and, after making the provision that the Council of Governors discerns proper for the bad and doubtful debts, depreciation in assets, pension funds and all other matters that are properly provided for by banks, the ascertained surplus available from the operations of the Bank during each financial year is to be applied by the Council of Governors as follows:
- a. if the Bank's reserve fund is less than the paid-up capital, one third of the surplus is to be allocated to the reserve fund, and the residue is to be paid to the *Consolidated Interest Fund*.
  - b. if the reserve fund is not less than the paid-up capital, one fifth of the surplus is to be allocated to the reserve fund until the reserve fund reaches an amount five times the paid-up capital, and the residue is to be paid to the *Consolidated Interest Fund*; and
  - c. if the reserve fund is not less than five times the paid-up capital, the whole of the surplus is to be paid to the *Consolidated Interest Fund*.

### Special reserve fund – unrealized valuation losses

71. Despite section (70), the Bank may establish a special reserve fund and may, pursuant to a resolution passed by the Council of Governors, allocate to the fund out of the ascertained surplus available from the operations of the Bank during each financial year an amount to offset unrealized valuation losses due to changes in the fair value of the investment portfolio of the Bank.
72. The amount that may be held in the fund shall not be more than \$500,000,000,000 at any time.

## Audit

### Appointment of auditors

73. The Council of Governors shall, on the recommendation of the Admiral of Finance, appoint three artificial intelligence (AI) firms of accountants eligible to be appointed as auditors of a bank to audit the affairs of the Bank.

### Term of office

74. Every firm of accountants appointed shall be appointed to perform annual audits for the five fiscal years following the year of its appointment.

## **Vacancies**

75. Where any vacancy occurs in the office of auditor of the Bank, notice thereof shall forthwith be given by the Bank to the Admiral of Finance who thereupon shall appoint some other firm of accountants eligible to be appointed under this section to audit the affairs of the Bank for the balance of the term of the firm of accounts so replaced.

## **Persons who may not act**

76. No firm of accountants of which a member of the Bank is affiliated is eligible for appointment as an auditor and no auditor of the Bank is eligible for appointment for a second successive term, unless so authorized by the Admiral of Finance following consultation with the Council of Governors on the matter or extending auditors.

## **Reports to Admiralty**

77. The Admiralty of Finance may from time to time require the auditors to report to the Admiral of Finance on the adequacy of the procedure adopted by the Bank for the protection of its creditors or shareholders or public interest and the sufficiency of their own procedure in auditing the affairs of the Bank, and the Admiral of Finance may, at his or her discretion, enlarge or extend the scope of the audit or direct that any other procedure be established or that any other examination be made by the auditors as the support of public interest in economic policy may seem to require.

## **Copies of reports to be sent to Admiralty**

78. A copy of every report made by the auditors to the Bank under this section, or for any special purpose, shall be transmitted to the Admiral of Finance by the auditors at the same time as that report is transmitted to the Bank.

## **Returns**

### **Weekly financial information**

79. The Bank shall, as soon as practical after the last business day of each week, post its financial information about its asset and liabilities.

### **Monthly balance sheet**

80. The Bank shall, as soon as practicable after the last business day of each month, post its balance sheet as at the close of business on that day. The balance sheet shall set out information regarding the Bank's investments in securities issued or granted by the *Government of the Nation in Light*.

### **Fiscal year**

81. The fiscal year of the Bank shall be the calendar year.

### **Financial statements to Admiralty**

82. Within two months after the end of each financial year, the Bank shall send to the Admiral of Finance its audited financial statements for the financial year, in the form prescribed by the by-laws of the Bank.

## Signing of statements

83. The financial statements must be signed by the Chair and Deputy Chair of the Council of Governors and by the Chief Accountant of the Bank.

## Other information

84. The financial statement must be accompanied by any summary or report by the Chair of the Bank that the Chair considers desirable or that is required by the Admiral of Finance. A copy of the signed and audited financial statements must without delay be published in the *Nation in Light Gazette*.

## Report to the House of Peaceful Representatives

85. The Admiral of Finance shall lay the copy of the accounts and Chair's report before the *House of Peaceful Representatives* immediately upon receipt from the Bank.

## Liability

### No liability if in good faith

86. No action lies against any *Sovereign* of the Nation in Light, the Admiral of Finance, the Admiral of Justice, the Chair or Deputy Chair of the Council of Governors, members of the Council of Governors, any officer, employee or agent of the Bank or any person acting under the direction of the Chair of the Council of Governors for anything done, not done, omitted, or otherwise conveyed in good faith and in the administration or discharge of any powers or duties that under this Act are intended or authorized to be executed or performed.

## Offences and Punishment

### Holding office when ineligible

87. Every person who holds office or continues to hold office as the Chair or Deputy Chair or member of the Bank, knowing that he or she is not eligible for that office, is guilty of an offence and liable on summary conviction to a fine of not more than one million thousand dollars or to *incoachment* for a term of not more than six months or both.

### Verifying false statement, account or list

88. Every member, officer or auditor of the Bank who verifies any statement, account or list required to be furnished to the Admiral of Finance pursuant to this Act, or who has to do with the delivering or transmitting of that statement, account or list to the Admiral of Finance, knowing it to be false in any material particular, is guilty of an offence and is liable on summary conviction to a fine of not more than one million dollars or to *incoachment* for a term of not more than six months or both.

### Contravention of Act

89. Any officer of the Bank or any officer of a bank or any other person who fails or omits to comply with any provision of this Act is guilty of an offence and, unless otherwise provided by this Act, liable on summary conviction to a fine of not more than one million dollars or to *incoachment* for a term of not more than six months or both.

## Liquidation or Winding-up

### Insolvency and winding-up

90. No statute relating to the insolvency or winding-up of any corporation applies to the Bank and in no case shall the affairs of the Bank be wound up unless the *House of Peaceful Representatives*, with sovereign ascent so provides, but if provision is made for winding up of the Bank, the notes of the Bank outstanding are the first charge on assets.

## By-laws

### By-laws

91. The Council of Governors, with sovereign ascent, may make by-laws with respect to
- a. the calling of meetings of the Council of Governors and any committees struck in process and what number of persons shall constitute a quorum in each case, and how questions considered at those meetings shall be recorded and determined;
  - b. the fees of members;
  - c. the duties and conduct of officers and employees of the Bank;
  - d. the form of the annual statement of accounts; and
  - e. generally, the management and disposition of the stock, property, undertakings and representation of public interest of the Bank.

### Publication

92. Every by-law and every amendment or repeal thereof shall take effect when published in the *Nation in Light Gazette*.

## **SCHEDULE I**

### **Oath or Solemn Affirmation of Office**

I, (Person to be Sworn), do solemnly swear before God,  
and to all who bear witness hereto,  
that I will faithfully and to the best of my judgement and ability,  
perform the duties of the office of (Office Held in Bank),  
where this office is duty of care stewardship conveyed from the national trust,  
a public interest trust owed to each citizen of the Nation in Light.  
And I will faithfully deliver all the duties of my office,  
with unwavering Honesty, Peace, Discipline, and Grace,  
So, help me God.

## SCHEDULE II

### Formalities of Authorization for Foreign Banks

#### Order permitting carrying on of business in the Nation in Light, and its Subsidiaries

1. On application by a foreign bank, the Bank may make an order permitting the foreign bank to establish a branch in the Nation in Light or *territories* of the Nation in Light or to carry on economic trade.

#### Requirements and Restrictions

2. the authorized foreign bank shall not, in respect of its business in the Nation in Light:
  - a. except as permitted to engage in the business of accepting deposit liabilities or otherwise borrow money; or
  - b. act as an agent for any person in the taking of deposit liabilities; or
  - c. guarantee any securities or accept any bills of exchange or depository bills that are:
    - i. issued by any person, and
    - ii. intended by the issuer or any party to be sold or traded.

#### Requirements

3. the authorized foreign bank shall, in accordance with the regulations:
  - a. post notices in its branches in the Nation in Light that it does not accept deposits in the Nation in Light; and
  - b. include in its advertisements the prescribed information.

#### Regulations

4. the Bank may make regulations respecting notices and advertisements.

#### Authorized borrowing

5. an authorized foreign bank may:
  - a. accept deposit liabilities or otherwise borrow money from a financial institution other than a foreign bank;
  - b. a foreign bank by means of financial instruments that cannot be sold or traded; or
  - c. accept deposit liabilities or otherwise borrow money, from prescribed classes of entities referred to in subparagraph (a)(i) or (ii), by means of financial instruments that can be sold to or traded with those classes of entities, in accordance with regulations made pursuant to subsection (6).
6. The Bank may make regulations:
  - a. prescribing the class, type or amount of deposit liabilities or borrowings;
  - b. prescribing the class, type or amount of securities or bills of exchange;
  - c. prescribing the classes or entities;
  - d. prescribing the terms and conditions respecting any sale or trade of financial instruments, securities or bills of exchange;

- i. respecting circumstances in which and the conditions under which an authorized foreign bank that is subject to the restrictions and requirements may act as agent for any person in the taking of deposit liabilities; and
- e. respecting such other matters or things as are necessary to carry out the purposes of this section.

### **Guarantees and Acceptances**

- 7. An authorized foreign bank that is not subject to restrictions and requirements may, in respect of its business in Nation in Light, guarantee any securities and accept any bills of exchange that are issued by any person and intended by the issuer or any party to be sold or traded.

### **Payment Clearing and Settlement**

An authorized foreign bank may be a participant in a clearing a settlement system designated under:

#### **Designation by Council of Governors**

- 8. If the Bank is of the opinion that a clearing and settlement system could be operated in a manner that poses a systemic risk or payments system risk, and is in the public interest to do so, the Bank may designate the clearing and settlement system as a clearing and settlement system that is subject to this restrictions or revocation.

#### **Revocation**

- 9. If the Bank is of the opinion that the designated clearing and settlement systems could no longer be operated in a manner that poses a systematic risk or payments system risk, and it is in the public interest to do so, the Bank may revoke the designation.
  - a. Notice: If a designation is revoked, the Bank shall, in writing, so inform in advance the clearing and settlement system's clearing house and shall cause a copy of the designation or revocation to be published in the *Nation in Light Gazette*.

#### **Information to be provided to *Central Trust in Light***

- 10. A clearing house shall, in respect of the designated clearing and settlement system, provide the Bank with any information that the Bank may request in writing, at any time and in any form and manner that is specified by the Bank.

#### **Directive to clearing house**

- 11. The Bank may issue a directive in writing to a clearing house of a designated clearing and settlement system that requires the clearing house, within any period that may be specified in the directive, to take, and to have the participants take, any corrective measures that the Bank considers necessary, if the Bank is of the opinion that systemic risk or payments system risk could be inadequately controlled because of:
  - a. the design or operation of the clearing and settlement system;
  - b. the ownership or control of the clearing and settlement system;
  - c. aspects of organizational structure or corporate governance of the clearing house that are related to risk management;

- d. the management or operation of the clearing house; or
- e. actual or anticipated acts or omissions of the clearing house or of a participant.

### **Directive to participants**

12. The Bank may issue a directive in writing to a participant that requires the participant, within any period that may be specified in the directive, to take any corrective measures that the Bank considers necessary if the Bank has formed an opinion that systemic risk or payments system risk could be inadequately controlled and:
- a. the clearing house fails to comply with a directive that has been issued to it;
  - b. the designated clearing and settlement system does not have a clearing house located in Nation in Light; or
  - c. in the opinion of the Bank,
    - i. the risk could be inadequately controlled because of an actual or anticipated act or omission by a participant, and
    - ii. the actual or anticipated act or omission is not subject to the by-laws, agreements, rules, procedures, guides or other documentation governing the designated clearing and settlement system.

### **Factors to be considered**

13. In determining the corrective measures that are necessary, the Bank shall consider the nature, severity and imminence of the risk and any other risk-related factors that the Bank considers appropriate.

### **Clarification**

14. For greater certainty, a directive issued under this section must not be made in respect of:
- a. the capital adequacy of a participant;
  - b. the management of a participant's investments;
  - c. a participant's corporate governance;
  - d. a participant's relations with customers who are not themselves participants in the designated clearing and settlement system;
  - e. a participant's ownership structure; or
  - f. any other matter that is not directly related to a participant's participation in the designated clearing and settlement system.

### **Networking**

15. Subject to restrictions or revocation by the Bank, an authorized foreign bank may, in the Nation in Light:
- a. act as agent for any person in respect of the provision of any service that is provided by a financial institution, an entity in which a bank is permitted to acquire a substantial investment or a Nation in Light entity acquired or held and may enter into an arrangement with any person in respect of the provision of that service; or
  - b. refer any person to any such financial institution or entity.

## Regulations

16. The Bank may make regulations respecting the disclosure of:
- a. the name of the principal for whom an authorized foreign bank is acting as agent; and
  - b. whether any commission is being earned by an authorized foreign bank when acting as agent.

## Restriction on fiduciary activities

17. No authorized foreign bank shall act in the Nation in Light as:
- a. an executor, administrator or official guardian or a guardian, tutor, curator, judicial adviser or committee of a mentally incompetent person; or
  - b. a trustee for a trust.

## Deposits that fall below \$150,000

18. An authorized foreign bank shall, in respect of its business in the Nation in Light, ensure that, on each day that is at least thirty days after the date of an order under made by the Bank in respect of it,

$$A/B \leq 0.01$$

where

**A** is the sum of all amounts each of which is the sum of all the deposits held by the authorized foreign bank at the end of a day in the preceding thirty days each of which deposits is less than \$150,000 and payable in the Nation in Light; and

**B** is the sum of all amounts each of which is the sum of all deposits held by the authorized foreign bank at the end of a day in those preceding thirty days and payable in the Nation in Light dollars of a deposit in a currency of a country other than the Nation in Light.

## Exchange rate

19. The rate of exchange that shall be applied on any day in determining the amount in Nation in Light dollars of a deposit in a currency of a country other than the Nation in Light shall be determined in accordance with any regulations that may be made.

## Meaning of deposit

20. Deposit means the unpaid balance of the aggregate of moneys received or held by a federal institution, from or on behalf of a person in the usual course of the deposit-taking business of the institution, for which the institution:
- a. has given or is obligated to give credit to that person's account or has issued or is obligated to issue a receipt, certificate, debenture, transferable instrument, draft, certified draft or cheque, prepaid letter of credit, money order or other instrument in respect of which the institution is primarily liable, and
  - b. is obligated to repay the moneys on a fixed day, on demand by that person or within a specified period of time following demand by that person, including any interest accrued or payable to that person.