



— Republic of Kiribati —

BANKING ACT

2024



KIRIBATI INTERNATIONAL FINANCIAL AUTHORITY (KIFA)

BANKING ACT

Republic of Kiribati



Banking Regulation and Supervision Framework

Competent Authority: Kiribati International Financial Authority (KIFA)



Introductory Note

The **Banking Act** establishes the legal framework governing the licensing, regulation, supervision, and operation of banking business within and from the Republic of Kiribati.

This Act is intended to promote the Republic of Kiribati as a **responsible international financial centre**, in accordance with internationally accepted regulatory and supervisory standards, while ensuring the protection of depositors, creditors, and the public interest.

This document is published for **informational and regulatory guidance purposes**.

Legal Basis

This Act is applied and administered in conjunction with:

- Financial Supervisory Authority of Kiribati Act, 2021
- Kiribati Financial Institutions Act, 2021
- Notice of Commencement of the Financial Institutions Act
- Finance Instruction No. 1 of 2025
- Anti-Money Laundering Act, 2014
- Anti-Money Laundering and Counter-Terrorism Financing Act, 2014
- Financing of Terrorism Act, 2007

PART I – PRELIMINARY

1. Short Title

This Act may be cited as the **Banking Act**.

2. Purpose

The purpose of this Act is to regulate the carrying on of banking business within and from the Republic of Kiribati, to provide for the licensing, supervision, and regulation of banks, and to promote the Republic of Kiribati as a responsible international financial centre in accordance with internationally accepted regulatory and supervisory standards.

3. Interpretation

In this Act, unless the context otherwise requires:

- **“Authority”** means the Kiribati International Financial Authority (KIFA).
- **“Bank”** means a financial institution licensed under this Act whose business includes the acceptance of deposits transferable by electronic or other means of payment.
- **“Banking Business”** means the business of receiving deposits, granting loans, making investments, issuing financial instruments, and such other activities as the Authority may recognise as customary banking practice.
- **“Licence”** means a banking licence granted under this Act.
- **“Licensee”** means a body corporate holding a valid and subsisting licence under this Act.
- **“Minister”** means the Minister responsible for Finance of the Republic of Kiribati.
- **“Registered Agent”** means a person or entity approved by the Authority to act as local representative within the Republic of Kiribati.
- **“Prescribed”** means prescribed by regulations made under this Act.

PART II – LICENSING

4. Requirement for Licence

1. No person or entity shall carry on banking business, in whole or in part, within or from the Republic of Kiribati unless licensed under this Act.
2. A person who contravenes this section commits an offence.

5. Application for Licence

1. An eligible body corporate intending to carry on banking business shall apply to the Authority for a licence in the prescribed form.
2. An application shall be accompanied by such documents, information, and fees as may be prescribed.
3. The Authority shall grant or refuse an application within ninety (90) days of receipt of a complete application.

6. Duration and Renewal of Licence

1. A licence granted under this Act shall be valid for one calendar year.
2. A licence may be renewed annually upon payment of the prescribed fee and continued compliance with this Act.
3. The Authority may grant a licence for an extended period not exceeding fifteen (15) years, subject to such conditions as it considers appropriate.

7. Principal Office and Registered Agent

1. A licence shall not be granted or maintained unless the licensee maintains a physical and operational office within the Republic of Kiribati.
2. Every licensee shall appoint and at all times maintain a registered agent approved by the Authority within the Republic of Kiribati.
3. Any change to the office address or registered agent shall be notified to the Authority in writing without delay.

8. Capital Requirements

1. No licence shall be granted or maintained unless the licensee maintains:
 - a) paid-up capital of not less than **EUR 1,000,000** for a full banking licence; or
 - b) paid-up capital of not less than **EUR 500,000** for a restricted banking licence.
2. The Authority may require the maintenance of additional capital, reserves, or prudential ratios.

PART III – OWNERSHIP AND CONTROL

9. Transfer of Shares

1. No shares or beneficial interests in a licensee shall be issued or transferred without the prior written approval of the Authority.
2. Bearer shares are prohibited.

PART IV – SUPERVISION

10. Powers of the Authority

The Authority may:

- a) examine the books, records, and accounts of a licensee;
- b) require the submission of information and audited financial statements;
- c) impose conditions on a licence;
- d) suspend or revoke a licence;
- e) appoint administrators, controllers, or advisers;
- f) take such actions as are necessary to protect depositors, creditors, and the public interest.

11. Use of Banking Designations

No person shall use the word “bank”, “banking”, “financial institution”, or any similar expression unless licensed under this Act or expressly authorised by the Authority.

PART V – TAXATION

12. Tax Exemptions

1. A licensee shall be exempt from income tax and capital gains tax in respect of its banking business.
2. Dividends, interest, and returns paid to non-residents shall be exempt from withholding taxes.
3. Shares and assets beneficially owned by non-residents shall be exempt from inheritance, succession, and stamp duties.
4. The Authority may issue a tax exemption certificate valid for a minimum period of ten (10) years.

PART VI – MISCELLANEOUS

13. Confidentiality

Information obtained under this Act shall be treated as confidential except where disclosure is required by law or pursuant to international cooperation obligations.

14. Offences

A person who contravenes this Act or knowingly provides false or misleading information commits an offence.

15. Regulations

The Minister may, on the recommendation of the Authority, make regulations for carrying this Act into effect.

16. Commencement

This Act shall come into force on the date of publication in the Official Gazette of the Republic of Kiribati.

SCHEDULE

Application for Banking Licence

An application for a banking licence shall include:

- a) the name and legal form of the applicant;
- b) the address of the operational office within the Republic of Kiribati;
- c) particulars of directors, officers, and shareholders;
- d) evidence of capital and financial standing;
- e) audited financial statements;
- f) banking and professional references;
- g) any additional information required by the Authority.