



## PRESS RELEASE

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### Savings Bank Act

Last week a number of changes were made to the Savings Bank Act.

The most important change is the creation of a new type of account to be known as a 'Safe Keeping Account'.

It will be recalled that during the recent election campaign it was claimed that persons were placing their funds with the Savings Bank for safe keeping. It was then suggested that such persons did not expect that the Saving Bank would be re-investing the proceeds from the sales of debentures that it receives, in order to earn revenue to pay the attractive rate of interest it offers depositors.

The GSD published newspaper adverts accusing the Government of 'removing' the savers monies when in fact it was being re-invested.

In order to ensure that no-one should be misled by the statements that were made about the Savings Bank during the election campaign, the Minister for the Savings Bank brought to Parliament last week an amendment which creates a 'Safe Keeping Account' for those who place monies in the bank but expect it to be kept in cash.

These accounts will pay no interest and a small fee of 0.04% per month will be charged for the safe keeping of such deposits. Such funds can be withdrawn in whole or in part at 24 hours' notice.

In addition there is a new provision that makes changes to the Act so that other deposits will be reinvested and put to work for the social and economic development of the community, in selecting investments in Gibraltar as opposed to investments in the UK or elsewhere.

The provision of the Act already included the objectives of encouraging thrift and promoting the social and economic development of Gibraltar. This has now been reinforced in ensuring that it is given priority in the reinvestment policy from the sale of debentures to the public.

Minister Joe Bossano said: "I explained in my budget speech last year that this was the policy of the 1988-96 Socialist Government, which led to the expansion of the Savings Bank. Mr Clinton, at the time, reacted to my speech by saying that he now understood the role of the Savings Bank better and that it was more like that of a Development Bank.



“The Savings Bank plays an important role in promoting our economic development, providing a safe home for investors and having a competitive rate of interest.

“I am grateful to the Opposition Members for supporting all the amendments I brought to the Parliament”.